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

AMENDMENT NO. 2
to
FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
PURSUANT TO SECTION 12(b) OR 12(g) OF
THE SECURITIES EXCHANGE ACT OF 1934

VIREO HEALTH INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

British Columbia	**82-3835655**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer identification no.)**

207 South 9th Street
Minneapolis, Minnesota 55402
(Address of principal executive offices and zip code)

(612) 999-1606
(Registrant's telephone number, including area code)

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

Securities to be registered pursuant to Section 12(g) of the Act:
Subordinate Voting Shares
Multiple Voting Shares
Super Voting Shares

(Title of class)

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

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

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

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Implications of Being an Emerging Growth Company

As a company with less than $1.07 billion in revenue during our most recently completed fiscal year, we qualify as an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, which we refer to as the "**Securities Act**," as modified by the Jumpstart Our Business Startups Act of 2012, or the "**JOBS Act**." As an emerging growth company, we may take advantage of specified reduced disclosure and other exemptions from requirements that are otherwise applicable to public companies that are not emerging growth companies. These provisions include:

- Reduced disclosure about our executive compensation arrangements;
- Exemptions from non-binding shareholder advisory votes on executive compensation or golden parachute arrangements;
- Our election under Section 107(b) of the JOBS Act to delay adoption of new or revised accounting standards with different effective dates for public and private companies until those standards would otherwise apply to private companies; and
- Exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than $1.07 billion in annual revenues as of the end of a fiscal year, if we are deemed to be a large-accelerated filer under the rules of the Securities and Exchange Commission (the "**SEC**") or if we issue more than $1.0 billion of non-convertible debt over a three-year period.

You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. You should assume that the information contained in this document is accurate as of the date of this registration statement on Form 10 only.

This registration statement will become effective automatically 60 days from the date of the original filing (the "**Effective Date**"), pursuant to Section 12(g)(1) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). As of the Effective Date, we will become subject to the reporting requirements of Section 13(a) under the Exchange Act and will be required to file annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and we will be required to comply with all other obligations of the Exchange Act applicable to issuers filing registration statements pursuant to Section 12(g) of the Exchange Act.

Use of Names

In this Amendment No. 2 to Vireo Health International, Inc.'s registration statement on Form 10, unless the context otherwise requires, the terms "**we**," "**us**," "**our**," "**Company**" or "**Vireo**" refer to Vireo Health International, Inc. together with its wholly-owned subsidiaries. References to "**Darien Business Development Corp**" or "**Darien**" refer to the Company prior to completion of the Transaction (as hereinafter defined).

Currency

Unless otherwise indicated, all references to "**$**" or "**US$**" in this registration statement refer to United States dollars, and all references to "**C$**" refer to Canadian dollars.

Disclosure Regarding Forward-Looking Statements

This Amendment No. 2 to the registration statement on Form 10 contains statements that we believe are, or may be considered to be, "forward-looking statements." Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on current beliefs, expectations or assumptions regarding the future of the business, future plans and strategies, operational results and other future conditions of the Company. All statements other than statements of historical fact included in this registration statement regarding the prospects of our industry or our prospects, plans, financial position or business strategy may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking words such as "plans," "expects" or "does not expect," "is expected," "look forward to," "budget," "scheduled," "estimates," "forecasts," "will continue," "intends," "the intent of," "have the potential," "anticipates," "does not anticipate," "believes," "should," "should not," or variations of such words and phrases that indicate that certain actions, events or results "may," "could," "would," "might," or "will," "be taken," "occur," or "be achieved," or the negative of these terms or variations of them or similar terms. Furthermore, forward-looking statements may be included in various filings that we make with the SEC or press releases or oral statements made by or with the approval of one of our authorized executive officers. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will prove to be correct. These forward-looking statements are subject to certain known and unknown risks and uncertainties, as well as assumptions that could cause actual results to differ materially from those reflected in these forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. Risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements include, but are not limited to the risks described under the heading "*Risk Factors Summary*" and in Item 1A—"*Risk Factors*" in this registration statement.

Readers are cautioned not to place undue reliance on any forward-looking statements contained in this registration statement, which reflect management's opinions only as of the date hereof. Except as required by law, we undertake no obligation to revise or publicly release the results of any revision to any forward-looking statements. You are advised, however, to consult any additional disclosures we make in our reports to the SEC. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this registration statement.

Risk Factors Summary

Investing in our securities involves risks. You should carefully consider the risks described in Item 1A— "*Risk Factors*" beginning on page 30 before deciding to invest in our securities. If any of these risks actually occurs, our business, financial condition and results of operations would likely be materially adversely affected. In such case, the trading price of our securities would likely decline, and you may lose all or part of your investment. Set forth below is a summary of some of the principal risks we face:

- Marijuana remains illegal under U.S. federal law, and enforcement of U.S. cannabis laws could change.
- There is a substantial risk of regulatory or political change.
- We may be subject to action by the U.S. federal government through various government agencies for participation in the cannabis industry.
- U.S. state and local regulation of cannabis is uncertain and changing.
- State regulatory agencies may require us to post bonds or significant fees.
- We may be subject to heightened scrutiny by United States and Canadian authorities, which could ultimately lead to the market for Subordinate Voting Shares becoming highly illiquid and our shareholders having no ability effect trades in Subordinate Voting Shares in Canada.
- We may face state limitations on ownership of cannabis licenses.
- We may become subject to FDA or ATF regulation.
- Cannabis businesses are subject to applicable anti-money laundering laws and regulations and have restricted access to banking and other financial services.
- We operate in a highly regulated sector and may not always succeed in complying fully with applicable regulatory requirements in all jurisdictions where we carry on business.

- Because marijuana is illegal under U.S. federal law, we may be unable to access to U.S. bankruptcy protections in the event of our bankruptcy or a bankruptcy in an entity in which we invest.
- Because our contracts involve marijuana and related activities, which are not legal under U.S. federal law, we may face difficulties in enforcing our contracts.
- We may not be able to secure our payment and other contractual rights with liens on the inventory or licenses of our clients and contracting parties under applicable state laws.
- Because marijuana is illegal under U.S. federal law, marijuana businesses may be subject to civil asset forfeiture.
- We may be subject to constraints on and differences in marketing our products under varying state laws.
- The results of future clinical research may be unfavorable to cannabis, which may have a material, adverse effect on the demand for our products.
- Inconsistent public opinion and perception of the medical recreational use marijuana industry hinders market growth and state adoption.
- Investors in the Company who are not U.S. citizens may be denied entry into the United States.
- As a cannabis business, we are subject to unfavorable tax treatment under the Code.
- If our operations are found to be in violation of applicable money laundering legislation and our revenues are viewed as proceeds of crime, we may be unable to effect distributions or repatriate funds to Canada.
- We incurred net losses in the nine months ended September 30, 2020 and fiscal years 2019 and 2018 with net cash used in operating activities and cannot provide assurance as to when or if we will become profitable and generate cash in our operating activities.
- We anticipate requiring substantial additional financing to operate our business and we may face difficulties acquiring additional financing on terms acceptable to us or at all.
- We are a holding company and our earnings are dependent on the earnings and distributions of our subsidiaries.
- Our subsidiaries may not be able to obtain necessary permits and authorizations.
- Disparate state-by-state regulatory landscapes and the constraints related to holding cannabis licenses in various states results in operational and legal structures for realizing the benefit from cannabis licenses that could result in materially detrimental consequences to us.
- The success of our business depends, in part, on our ability to successfully integrate recently acquired businesses and to retain key employees of acquired businesses.
- We may invest in pre-revenue companies which may not be able to meet anticipated revenue targets in the future.
- The nature of the medical and recreational cannabis industry may result in unconventional due diligence processes and acquisition terms that could have unknown and materially detrimental consequences to us.
- Our assets may be purchased with limited representations and warranties from the sellers of those assets.

- Lending by us to third parties may be unsecured, subordinate in interest or backed by unrealizable license assets.
- Competition for the acquisition and leasing of properties suitable for the cultivation, production and sale of medical and recreational cannabis may impede our ability to make acquisitions or increase the cost of these acquisitions, which could materially, adversely affect our operating results and financial condition.
- We face security risks related to our physical facilities and cash transfers.
- We face exposure to fraudulent or illegal activity by employees, contractors, consultants and agents, which may subject us to investigations and actions.
- We face risks related to the novelty of the cannabis industry, and the resulting lack of information regarding comparable companies, unanticipated expenses, difficulties and delays, and the offering of new products and services in an untested market.
- We are dependent on the popularity and acceptance of our brand portfolio.
- Our business is subject to the risks inherent in agricultural operations.
- We may encounter increasingly strict environmental regulation in connection with our operations and the associated permitting, which may increase the expenses for cannabis production or subject us to enforcement actions by regulatory authorities.
- We may face potential enforcement actions if we fail to comply with applicable laws.
- We face risks related to our information technology systems, including potential cyber-attacks and security and privacy breaches.
- We may be required to disclose personal information to government or regulatory entities.
- We face risks related to our insurance coverage and uninsurable risks.
- Our reputation and ability to do business may be negatively impacted by our suppliers' inability to produce and ship products.
- We are dependent on key inputs, suppliers and skilled labor for the cultivation, extraction and production of cannabis products.
- Our inability to attract and retain key personnel could materially adversely affect our business.
- Our sales are difficult to forecast due to limited and unreliable market data.
- We may be subject to growth-related risks.
- We are currently involved in litigation, and there may be additional litigation in which we will be involved in the future.
- We face an inherent risk of product liability claims as a manufacturer, processor and producer of products that are intended to be ingested by people.
- Our intellectual property may be difficult to protect.

- We may be exposed to infringement or misappropriation claims by third parties, which, if determined adversely to us, could subject us to significant liabilities and other costs.
- Our products may be subject to product recalls, which may result in expense, legal proceedings, regulatory action, loss of sales and reputation, and diversion of management attention.
- We may face unfavorable publicity or consumer perception of the safety, efficacy and quality of our cannabis products as a result of research, investigations, litigation and publicity.
- We face intense competition in a new and rapidly growing industry by other licensed companies with more experience and financial resources than we have and by unlicensed, unregulated participants.
- There are risks associated with consolidation of the industry by well-capitalized entrants developing large-scale operations.
- Synthetic products from the pharmaceutical industry may compete with cannabis use and products.
- Our internal controls over financial reporting may not be effective, and our independent auditors may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business.
- The elimination of monetary liability against our directors, officers, and employees under British Columbia law and the existence of indemnification rights for our obligations to our directors, officers, and employees may result in substantial expenditures by us and may discourage lawsuits against our directors, officers, and employees.
- There is doubt as to the ability to enforce judgments in Canada or under Canadian law against U.S. subsidiaries, assets, and experts.
- Our past performance may not be indicative of our future results.
- Our business, financial condition, results of operations, and cash flow may be negatively impacted by challenging global economic conditions.
- Epidemics and pandemics, including the recent outbreak of COVID-19, may have a significant negative impact on our business and financial results.
- A return on our securities is not guaranteed.
- Our voting control is concentrated given 39.3% of our voting power is held by our Chief Executive Officer.
- Our capital structure and voting control may cause unpredictability.
- Additional issuances of Shares, or securities convertible into Shares, may result in dilution.
- Sales of substantial numbers of Shares may have an adverse effect on their market price.
- The market price for the Shares may be volatile.
- A decline in the price or trading volume of the Shares could affect our ability to raise further capital and adversely impact our ability to continue operations.

- If securities or industry analysts do not publish or cease publishing research or reports or publish misleading, inaccurate, or unfavorable research about us, our business or our market, our stock price and trading volume could decline.
- An investor may face liquidity risks with an investment in the Shares.
- We are subject to increased costs as a result of being a public company in Canada and the United States.
- We do not intend to pay dividends on our Shares and, consequently, the ability of investors to achieve a return on their investment will depend entirely on appreciation in the price of our Shares.
- We are eligible to be treated as an "emerging growth company" as defined in the JOBS Act and our election to delay adoption of new or revised accounting standards applicable to public companies may result in our financial statements not being comparable to those of some other public companies. As a result of this and other reduced disclosure requirements applicable to emerging growth companies, the Subordinate Voting Shares may be less attractive to investors.
- Our shareholders are subject to extensive governmental regulation and, if a shareholder is found unsuitable by one of our licensing authorities, that shareholder would not be able to beneficially own our securities. Our shareholders may also be required to provide information that is requested by licensing authorities and we have the right, under certain circumstances, to redeem a shareholder's securities; we may be forced to use our cash or incur debt to fund such redemption of our securities.
- We will be subject to Canadian and United States tax on our worldwide income.
- Dispositions of shares will be subject to Canadian and/or United States tax.
- Although we do not intend to pay dividends on our shares, any such dividends would be subject to Canadian and/or United States withholding tax.
- Transfers of Shares may be subject to United States estate and generation-skipping transfer taxes.
- Taxation of Non-U.S. Holders upon a disposition of shares depends on whether we are classified as a United States real property holding corporation.
- Changes in tax laws may affect the Company and holders of Shares.
- ERISA imposes additional obligations on certain investors.

ITEM 1. BUSINESS

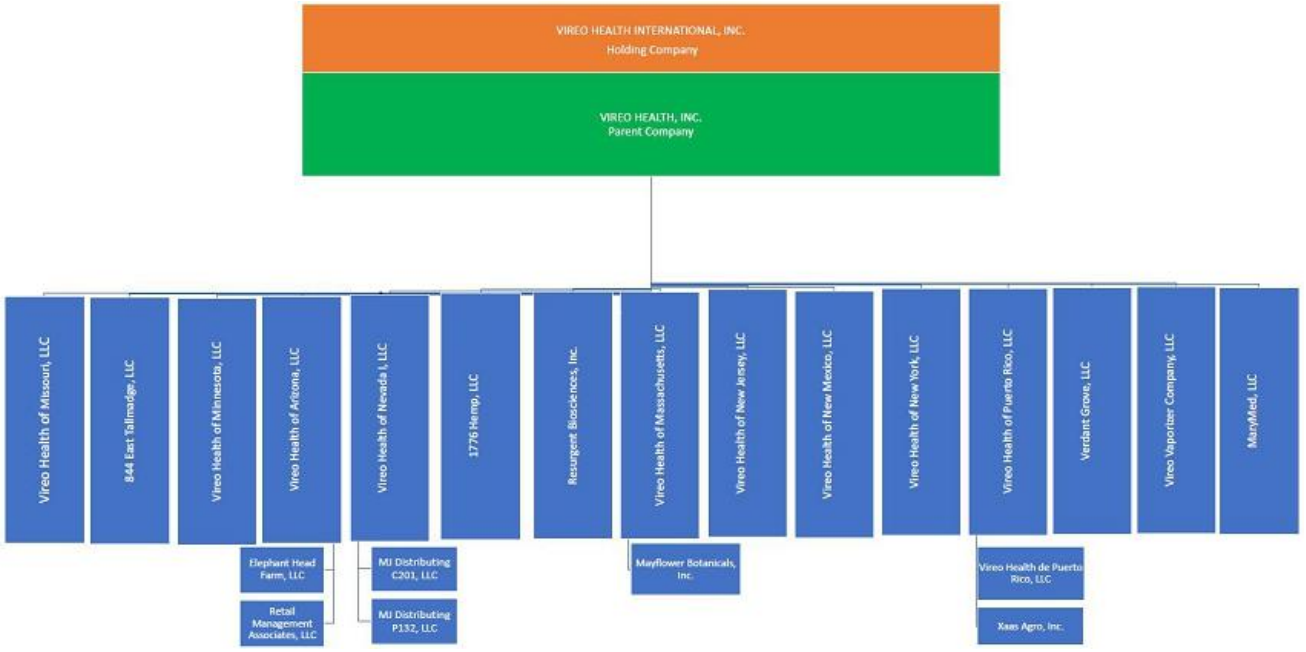
Background

Vireo Health International, Inc. is a reporting issuer in Canada, listed for trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "**VREO**". Vireo is a physician-led, science-focused cannabis company focused on building long-term, sustainable value by bringing the best of medicine, science, and engineering to the cannabis industry. With operations strategically located in limited-license medical markets, Vireo manufactures pharmaceutical-grade cannabis products in environmentally-friendly greenhouses and distributes its products through its growing network of Green Goods™ and other Vireo branded retail dispensaries as well as third-party locations in the markets in which Vireo's subsidiaries hold operating licenses.

The business of the Company was established in 2014 as Minnesota Medical Solutions, LLC, and received its first license in December 2014. The Company, through its subsidiaries and affiliates, cultivates, manufactures and distributes cannabis products to third parties in wholesale markets and cultivates, manufactures and sells cannabis products directly to approved patients in its owned retail stores. The Company is licensed in eight states and territories, consisting of Arizona, Maryland, Massachusetts, Minnesota, New Mexico, New York, Ohio, and Puerto Rico. As of January 15, 2021, the Company retails cannabis products in 15 dispensaries located in Arizona (1), Minnesota (8), New Mexico (2), and New York (4) and wholesales cannabis products, through third-party companies, in Arizona, Maryland, Ohio, and New York. The Company expects to open two additional dispensaries in New Mexico during the first quarter of 2021 and, subject to regulatory approval, one dispensary in Maryland during 2021. The Company closed on the acquisition of medical and adult-use cannabis cultivation and processing businesses in Nevada on January 5, 2021.

In addition to developing and maintaining cannabis businesses in its core limited-license jurisdictions, Vireo's teams of scientists, attorneys and engineers are also focused on driving innovation and securing meaningful and protectable intellectual property that is complementary to Vireo's core business. Through this dual-path approach to long-term value creation, Vireo believes it enhances the potential for shareholder returns.

The following organizational chart describes the organizational structure of the Company as of the close of business on January 15, 2021. See Exhibit 21.1 to this registration statement for a list of subsidiaries of the Company.



(1) In addition, Vireo is affiliated with the following entities: Arizona Natural Remedies, Inc. (Non-Profit Affiliate Managed by Retail Management Associates, LLC); Ohio Medical Solutions, Inc. (Affiliate); Red Barn Growers (Non-Profit Affiliate Managed by Vireo Health of New Mexico, LLC); New York CannaCare Corporation (Non-Profit Affiliate Managed by Vireo Health of New York, LLC); Dorchester Management, LLC (Affiliate). Dorchester Management, LLC is an affiliated entity to Vireo Health, Inc. and was previously used as a management company over Dorchester Capital, LLC. It no longer has active operations following Vireo Health, Inc.'s acquisition of MaryMed, LLC in 2017. It is owned and controlled by Kyle E. Kingsley and Amber H. Shimpa, members of Vireo's executive team.

(2) The sale of Ohio Medical Solutions Inc. is currently pending.

The registered office of the Company is located at Suite 2200, HSBC Building, 885 West Georgia Street Vancouver, British Columbia V6C 3E8. The head office is located at 207 South Ninth Street, Minneapolis, Minnesota 55402.

History of the Company

Darien was incorporated under the Business Corporations Act (Alberta) on November 23, 2004 under the name "**Initial Capital Inc.**" On May 8, 2007, Darien changed its name to "**Digifonica International Inc.**" following the completion of a qualifying transaction. On December 9, 2013, Darien continued into British Columbia under the name of "**Dominion Energy Inc.**" Darien had several name changes before ultimately changing its name to "**Darien Business Development Corp.**" on March 13, 2017. On March 18, 2019, Vireo Health, Inc. completed the reverse take-over transaction of Vireo Health International Inc. (formerly Darien Business Development Corp.) whereby Darien acquired all of the issued and outstanding shares of Vireo U.S. Following the completion of the reverse takeover, the former shareholders of Vireo U.S. acquired control of Darien as they owned a majority of the outstanding shares of Darien upon completion of the reverse takeover and therefore constituted a reverse takeover of Darien under the policies of the Canadian Stock Exchange. Concurrently with the completion of the reverse takeover, the Company changed its name to "**Vireo Health International, Inc.**"

General Development of the Business

Vireo Health, Inc. was organized as a limited liability company under Minnesota law on February 4, 2015 and converted to a Delaware corporation on January 1, 2018. Vireo Health, Inc. acquired all of the equity of Minnesota Medical Solutions, LLC, and Empire State Health Solutions, LLC, in an equity interest swap transaction occurring in 2018. Pursuant to a reverse takeover as discussed in more detail below, Vireo Health, Inc. was acquired by Darien Business Development Corp on March 18, 2019, which then changed its name to Vireo Health International, Inc.

Vireo is a United States-based multi-state cannabis company with significant operations in its five core markets of Arizona, Maryland, Minnesota, New Mexico and New York. The Company's mission is to provide patients and consumers with best-in-class cannabis products and expert advice, informed by medicine and science. Vireo is also seeking to develop intellectual property that is complementary to its mission, including novel product formulations, novel delivery systems and harm mitigation processes. For example, in July 2020, Vireo entered into a licensing agreement with eBottles420 related to Vireo's patent-pending, terpene-preserving packaging system.

Vireo has developed proprietary cannabis strains, cultivation methods, carbon dioxide extraction, ethanol extraction, and other processes related to the extraction, refinement and packaging of cannabis products. The Company has documented the relevant processes in the form of standard operating procedures and work instructions, which are only shared with third parties when absolutely required and then only upon receipt of written non-disclosure agreements.

Vireo has sought and continues to seek to protect its trademark and service mark rights Because the cultivation, processing, possession, transport and sale of cannabis and cannabis-related products remain illegal under the Controlled Substances Act (as defined below), Vireo is not able to fully protect its intellectual property at the federal level. As a result, the Company has sought and continues to seek federal registrations in limited classes of goods and services and has obtained a number of state registrations in its markets.

The Transaction and Related Financing Activities

On March 18, 2019, Vireo Health, Inc. ("**Vireo U.S.**") completed the reverse takeover transaction of Vireo Health International Inc. (formerly Darien Business Development Corp. or "**Darien**") (the "**RTO**") whereby Darien acquired all of the issued and outstanding shares of Vireo U.S. The former shareholders of Vireo U.S. acquired control of the Company as they owned a majority of the outstanding shares of the Company upon completion of the RTO. The Company's licenses in Arizona, Massachusetts, New Mexico, and Puerto Rico were acquired in conjunction with the RTO in March of 2019.

As part of the Transaction, we adopted a three class voting structure on March 8, 2019, which resulted in the Company's authorized share capital consisting of an unlimited number of Subordinate Voting Shares, an unlimited number of Multiple Voting Shares and an unlimited number of Super Voting Shares. Each Subordinate Voting Share carries the right to one vote per share on all matters to be voted on by our shareholders, each Multiple Voting Share carries the right to 100 votes per share on all matters to be voted on by our shareholders, and each Super Voting Share carries the right to 1,000 votes per share on all matters to be voted on by our shareholders. See Item 11 – "*Description of the Registrant's Securities to be Registered.*"

Upon completion of the Transaction, our outstanding capital consisted of: (i) 21,014,514 Subordinate Voting Shares; (ii) 514,388 Multiple Voting Shares; and (iii) 65,411 Super Voting Shares.

On February 13, 2019, Vireo U.S., Darien, Vireo Finco (Canada) Inc. ("**Canadian Finco**"), 1197027 B.C. LTD, a British Columbia corporation and wholly-owned subsidiary of Darien ("**B.C. Subco**") and Darien Merger Sub, LLC, a Delaware limited liability company and wholly-owned subsidiary of Darien ("**U.S. Subco**"), entered into a series of agreements to accomplish the RTO. The steps were as follows:

1. Canadian Finco issued subscription receipts (the "**Subscription Receipts**") in exchange for gross proceeds of approximately $51 million (the "**Subscription Receipt Financing**");

2. The issued and outstanding class A, class B, class C and class D preferred stock of Vireo U.S. was converted into common stock of Vireo U.S.;

3. The Subscription Receipts were converted into Canadian Finco common shares, with the holder of each Subscription Receipt receiving one Canadian Finco common share in exchange therefor;

4. Non-US shareholders of Vireo U.S. exchanged their common shares of Vireo U.S. stock for Subordinate Voting Shares of the Company;

5. Concurrently:

    a. U.S. Subco and Vireo U.S. effected a reverse merger under Delaware law, whereby U.S. Subco and Vireo U.S. merged and Vireo U.S. became a wholly-owned subsidiary of the Company and the shareholders of Vireo U.S. received, in exchange for their common shares of Vireo U.S. stock, Super Voting Shares or Multiple Voting Shares of the Company's stock, as applicable.

    b. The Company, B.C. Subco and Canadian Finco completed a three-cornered amalgamation pursuant to which Canadian Finco shareholders (including former holders of Subscription Receipts) received Subordinate Voting Shares of the Company and Canadian Finco and B.C. Subco merged, with the resulting entity being "**Amalco**," constituting a continuation of each of Canadian Finco and B.C. Subco under applicable law; and

6. Amalco was dissolved and liquidated, pursuant to which all of the assets of Amalco were distributed to the Company.

The SR Offering

Prior to the RTO, Canadian Finco (a special purpose corporation wholly-owned by Vireo U.S.), completed a brokered and a non-brokered subscription receipt financing at a price of $4.25 per subscription receipt for aggregate gross proceeds of approximately $51 million (the "**SR Offering**"). As part of closing the Transaction, the investors in the SR Offering received Subordinate Voting Shares of Vireo U.S. on an economically equivalent basis. The brokered portion of the SR Offering was co-led by Eight Capital Corp. and Canaccord Genuity Corp., with a syndicate that included Haywood Securities Inc., Beacon Securities Limited and GMP Securities L.P. In connection with the RTO and pursuant to the SR Offering, a total of 12,090,937 Subordinate Voting Shares were issued and outstanding after completion of the Transaction, including Subordinate Voting Shares issued to former holders of Canadian Finco subscription receipts issued in the SR Offering.

The Subordinate Voting Shares began trading on the CSE on March 20, 2019 under the symbol VREO. The Subordinate Voting Shares are quoted on the OTCQX under the symbol VREOF.

Financing Activities

On March 9, 2020, the Company closed the first tranche of a non-brokered private placement and issued 13,651,574 units at a price of C$0.77 per unit. Each unit is comprised of one Subordinate Voting Share of the Company and one Subordinate Voting Share purchase warrant. Each warrant entitles the holder to purchase one Subordinate Voting Share for a period of three years from the date of issuance at an exercise price of C$0.96 per Subordinate Voting Share. The Company has the right to force the holders of the warrants to exercise the warrants into shares if, prior to the maturity date, the five-trading-day volume weighted-average price of the shares equals or exceeds C$1.44. Total proceeds from this transaction were $7,613,480 net of share issuance costs of $104,173.

As noted above, on March 18, 2019, Canadian Finco completed the SR Offering, a brokered and a non-brokered subscription receipt financing at a price of $4.25 per subscription receipt for aggregate gross proceeds of approximately $51 million. The investors received 12,090,937 Subordinate Voting Shares on an economically equivalent basis. The brokered portion of the SR Offering was co-led by Eight Capital Corp. and Canaccord Genuity Corp., with a syndicate that included Haywood Securities Inc., Beacon Securities Limited and GMP Securities L.P.

Recent Acquisitions

On February 1, 2019, Vireo entered into a master purchase agreement with certain sellers (the "**Mayflower Sellers**") for the purchase by Vireo of all of the issued and outstanding equity interests of Mayflower Botanicals, Inc., which holds a license to cultivate and distribute medical cannabis and a priority position for approval to cultivate and distribute adult-use cannabis in Massachusetts for an aggregate purchase price of $10,000,000 ("**Mayflower Botanicals Master Purchase Agreement**") consisting of $1,000,000 in cash and $9,000,000 in the form of convertible promissory notes. The notes were immediately convertible upon issuance at a conversion rate of $2.975, which was an agreed discount of 30% off the RTO share price of $4.25 per Multiple Voting Share. The acquisition closed on March 22, 2019. At closing, the parties settled the transaction for $1,025,000 cash and the issuance of 30,325 Vireo Multiple Voting Shares valued at $12,888,125. Vireo has no continuing payment or other obligations related to this acquisition. The foregoing description is qualified in its entirety by reference to the Mayflower Botanicals Master Purchase Agreement, which is included as Exhibit 10.11 hereto and incorporated by reference herein.

On March 25, 2019, the Company acquired substantially all of the assets of Silver Fox Management Services, LLC ("**Silver Fox**") including all intellectual property, contracts, leases, license rights and inventory. The purpose of this acquisition was to acquire the exclusive right to manage and control Red Barn Growers, Inc. (**"Red Barn Growers**"), a New Mexico nonprofit corporation with licenses to cultivate and distribute medical cannabis in the state of New Mexico. As part of the transaction, the Company paid $2,000,000 in cash, issued $3,130,306 in multiple voting shares, and incurred total transaction costs related to the acquisition of $16,608. Vireo has no continuing payment or other obligations related to this acquisition.

On February 26, 2019, Vireo entered into a third amended and restated membership interest and stock purchase agreement dated (the "**Third Amended and Restated Agreement**"), with certain sellers (the "**ANR Sellers**") for the acquisition by Vireo of all the membership interests of Elephant Head Farm, LLC, Retail Management Associates, LLC, Live Fire, Inc. and Sacred Plant, Inc. for $10,500,000 payable in cash and $5,000,000 payable in the form of convertible promissory notes. Elephant Head Farm, LLC and Retail Management Associates, LLC together operate the cannabis business of a non-profit licensee to cultivate and distribute medical cannabis in Arizona. A cash deposit of $1.15 million was delivered to the ANR Sellers prior to the execution date of the Third Amended and Restated Agreement with the balance to be paid on closing. The foregoing description is qualified in its entirety by reference to the Third Amended and Restated Agreement, which is included as Exhibit 10.12 hereto and incorporated by reference herein. On March 26, 2019, the Company completed the acquisition with total consideration consisting of $10,500,000 in cash and the issuance of 16,806 Vireo Multiple Voting Shares valued at $7,142,550 as a result of immediate conversion of the consideration payable in the form of convertible promissory notes. Vireo has no continuing payment or other obligations related to this acquisition. The foregoing description is qualified in its entirety by reference to the Third Amended and Restated Agreement, which is included as Exhibit 10.12 hereto and incorporated by reference herein.

On April 10, 2019, the Company entered into definitive agreements to acquire 100% of the membership interests in MJ Distributing C201, LLC and MJ Distributing P132, LLC (together, "**MJ Distributing**") which hold licenses to cultivate and distribute, respectively, medical and adult-use cannabis in the state of Nevada. The purpose of these acquisitions was to acquire marijuana licenses in the State of Nevada. The acquisitions were to be financed with cash on hand and borrowings. As of December 31, 2019, the Company had made cash deposits with the sellers and in escrow of $1,592,500 in the aggregate and placed convertible promissory notes in the amount of $2,500,000 in escrow, as consideration for the equity. Additionally, as of December 31, 2019, there were deferred acquisition costs of $28,136. The completion of the acquisition of these entities is conditional upon the Nevada Department of Taxation's approval of the change in ownership. On October 20, 2020, the Nevada Cannabis Compliance Board, the successor regulator to the Nevada Department of Taxation, approved the transfer. Subsequently, the Company renegotiated the purchase price for MJ Distributing and other terms of the acquisitions, whereby the convertible promissory notes were to be canceled, Vireo was to issue 1,050,000 Subordinate Voting Shares to the seller's designees and all other matters were to be resolved between the parties. The transactions closed on these terms on January 5, 2021. Vireo has no continuing payment or other obligations related to this acquisition.

Other Recent Developments

On August 11, 2020, the Company completed the sale of its equity in its subsidiary, Pennsylvania Medical Solutions, LLC, which held the licenses for and operated the Company's cultivation and production operations in the Commonwealth of Pennsylvania. The Company received consideration of $16.7 million in cash and $3.75 million in the form of a four-year note with an 8 percent coupon rate payable quarterly, for total consideration of $20.45 million. As part of this transaction, the Company was relieved of $13.3 million of Right of Use Liabilities. The transaction also includes an 18-month option for the purchaser to purchase all the equity in another Vireo subsidiary, Pennsylvania Dispensary Solutions, LLC, for an additional $5 million in cash. This option was exercised in November 2020 and closed on December 18, 2020. As of December 18, 2020, the Company ceased to have any operations or own any licenses in Pennsylvania. The foregoing description is qualified in its entirety by reference to the Pennsylvania Medical Solutions Sale Agreement, which is included as Exhibit 10.13 hereto and incorporated by reference herein.

In 2020, the Company has made a $1.2 million investment in the expansion of its outdoor cultivation capacity in Arizona from 0.5 acres to 8.5 acres, which the Company anticipates will increase its cultivation capacity by at least ten times its previous capacity.

In August 2020, the Company purchased an approximately 120,000 square foot greenhouse facility in Massey, Maryland, which it is currently retrofitting for year-round cannabis production. This will increase the Company's cultivation capacity in Maryland by approximately 1,200 percent.

On October 1, 2020, Vireo U.S. entered into an agreement with a third party to sell its affiliated entity Ohio Medical Solutions, Inc. ("**OMS**") to the third party for $1.15 million. Currently, OMS is directly owned by three Vireo executives who directly hold a license to operate a processing facility in Ohio. In compliance with Ohio regulatory requirements, in December of 2017, each of the four Vireo executives who then owned OMS jointly executed a $100,000 promissory note to Vireo U.S. in exchange for Vireo U.S.'s funding of OMS' capital and operating costs. Since December 2017, additional amounts have been loaned to OMS by Vireo U.S. through informal, verbal arrangements. In further compliance with Ohio regulatory requirements, in December of 2017, Vireo U.S. entered into an option agreement with the four executives then holding the Ohio license to purchase OMS at a fixed price once the Ohio processing facility had been operational for one year. This option is currently exercisable. Given the various indicia of control over OMS, Vireo has consolidated the operations of OMS for financial statement reporting purposes and treated OMS as a controlled entity of Vireo through which it has conducted its Ohio operations. Following the sale of OMS, the Company will have no remaining operations in Ohio.

The proceeds of the sale are intended to be used to cancel $1.15 million total in loans and cash advances made by Vireo U.S. to OMS, as well as all amounts incurred as shared services costs by OMS since 2018. The proceeds are not anticipated to exceed these amounts owed to Vireo U.S. The transaction is expected to close no later than the end of the first quarter of 2021. See Item 7 – "*Certain Relationships and Related Transactions and Director Independence.*"

As of the date of filing of this registration statement, the Company's subsidiary, Vireo Health of Nevada I, LLC owns MJ Distributing P132, LLC, which holds medical and adult-use processing licenses, and MJ Distributing C201, LLC, which holds medical and adult-use cultivation licenses.

On November 5, 2020, the Company entered into a non-binding term sheet with Green Ivy Capital and its affiliates (the "**Lenders**") on a senior secured, delayed draw term loan (the "**Credit Facility**") with an aggregate principal amount of up to $46,000,000. The Lenders are not obligated to fund unless and until definitive loan documents are executed, which is anticipated in January 2021.

On November 16, 2020, the Company announced that it has exercised its right to force the redemption of all subordinate voting share purchase warrants (the "**Warrants**") issued to participants in the Company's previously announced March 10, 2020, private placement offering (the "**Offering**"). Each Warrant issued in conjunction with the Offering entitled the holder to purchase one Subordinate Voting Share for a period of three years from the date of issuance at an exercise price of C$0.96 per share, subject to adjustment in certain events. Vireo retained the right to require the redemption of these Warrants if the Company's five-day volume-weighted-average-price ("**VWAP**") on the CSE exceeded C$1.44. This milestone was achieved during the trading period from November 3, 2020 through November 9, 2020 and Vireo has exercised its right to redeem the Warrants. These redemptions resulted in the issuance of 13,651,574 additional Subordinate Voting Shares and cash proceeds of approximately C$13.1 million.

Description of the Business

Overview of the Company

Vireo is a United States-based multi-state cannabis company with significant operations in its five core markets of Arizona, Maryland, Minnesota, New Mexico and New York. Vireo is physician-led and dedicated to providing patients with high quality cannabis-based products and compassionate care. Vireo cultivates cannabis in environmentally friendly greenhouses, manufactures pharmaceutical-grade cannabis extracts, and sells its products at both Company-owned and third-party dispensaries to qualifying patients. Vireo currently serves thousands of customers each month.

While Vireo is not currently focused on substantial capital investment or expansion outside of its core markets, the Company does own additional medical cannabis licenses that may present opportunities for future development, partnership or divestiture in the future. In the November 2020 election, Arizona voters approved adult-use marijuana in Arizona. The Company's remaining core medical markets of Maryland, Minnesota, New Mexico and New York all have the potential to also enact adult-use legalization in the next 24 months. The licenses in Puerto Rico and Massachusetts also have potential for commercialization. Combined with its team's focus on driving scientific innovation within the industry, improving operational efficiency and continuing the process of securing meaningful intellectual property complementary to Vireo's core business, Vireo believes it is well positioned to become a global market leader in the cannabis industry. As of December 31, 2020, six of its eight markets are operational, with 15 of its total retail dispensary licenses open for business.

The Company's principal locations and type of operation are listed below:

Location	Nature and Status of Operations	Opened or Acquired
Amado, Arizona	Fully operational cultivation facility	Acquired in 2019
Phoenix, Arizona	Fully operational dispensary facility	Acquired in 2019
Hurlock, Maryland	Fully operational cultivation and processing facility	Opened in 2018
Massey, Maryland	Cultivation land and buildings purchased; construction commenced	
Frederick, Maryland	Dispensary leased; construction commenced	
Holland, Massachusetts	Cultivation land purchased; pre-development	Acquired in 2019
Otsego, Minnesota	Fully operational cultivation and processing facility	Opened in 2015
Minneapolis, Minnesota	Fully operational dispensary facility	Opened in 2015
Bloomington, Minnesota	Fully operational dispensary facility	Opened in 2016
Moorhead, Minnesota	Fully operational dispensary facility	Opened in 2015
Rochester, Minnesota	Fully operational dispensary facility	Opened in 2015
Hermantown, Minnesota	Fully operational dispensary facility	Opened in 2020
Blaine, Minnesota	Fully operational dispensary facility	Opened in 2020
Burnsville, Minnesota	Fully operational dispensary facility	Opened in 2020
Woodbury, Minnesota	Fully operational dispensary facility	Opened in 2020
Caliente, Nevada	Construction completed in 2019; state approved license transfers in October 2020	Acquired in 2021
Gallup, New Mexico	Fully operational dispensary facility	Acquired in 2019
Gallup, New Mexico	Fully operational cultivation facility	Acquired in 2019
Gallup, New Mexico	Cultivation land leased; construction completed; awaiting final approval	
Santa Fe, New Mexico	Fully operational dispensary facility	Acquired in 2019
Las Cruces, New Mexico	Dispensary leased; pre-development	
Albuquerque, New Mexico	Dispensary leased; pre-development	
Johnstown, New York	Fully operational cultivation and processing facility	Opened in 2016
Colonie, New York	Fully operational dispensary facility	Opened in 2016
Elmhurst, New York	Fully operational dispensary facility	Opened in 2016
Johnson City, New York	Fully operational dispensary facility	Opened in 2016
White Plains, New York	Fully operational dispensary facility	Opened in 2016
Akron, Ohio	Fully operational processing facility[1]	Opened in 2019
Barceloneta, Puerto Rico	Cultivation and processing facility lease executed; pre-development	
Vega Baja, Puerto Rico	Cultivation land lease executed; pre-development	

The Cannabis Industry and Business Lines of the Company

According to market research projections by BDSA Analytics, Inc., global legal cannabis sales are expected to reach over $47 billion by 2025, including U.S. sales of $34.5 billion in 2025.

As described further below, United States federal law now bifurcates the legality of "hemp" from "marihuana" (also commonly known as marijuana). For purposes of this filing, the term "cannabis" means "marihuana" as set forth in the Controlled Substances Act (21 U.S.C. § 811) (the "**Controlled Substances Act**") and is used interchangeably with the term "marijuana."

In the United States, medical cannabis has been legalized in 36 states and the District of Columbia.

To date, fifteen states and the District of Columbia have approved cannabis for recreational use by adults (adult-use).

[1] Sale of the entity owning this facility is pending.

Gallup and Pew polls conducted in the fall of 2019 indicate that approximately two-thirds of respondents favored legalization of cannabis. The Company operates within states where medical and/or recreational use has been approved by state and local governing bodies.

The Company strives to meet best-in-class health, safety and quality standards relating to the growth, production and sale of cannabis medicines, and products for consumers. The Company's offerings include cannabis flower and cannabis oil, along with a line of cannabis topicals, orally ingestible tablets and capsules featuring cannabinoids, and vaporizer pens.

The Company is a vertically integrated cannabis company that operates from "seed-to-sale." It has three business lines:

i. Cultivation: Vireo grows cannabis in outdoor, indoor and greenhouse facilities. Its expertise in growing enables the Company to produce award-winning and proprietary strains in a cost-effective manner. The Company sells its products in Vireo-owned or -managed dispensaries and to third parties where lawful.

ii. Production: The Company converts cannabis biomass into formulated oil, using a variety of extraction techniques. The Company uses some of this oil to produce consumer products such as vaporizer cartridges and edibles, and it sells some oil to third parties, in jurisdictions where this practice is lawful.

iii. Retail Dispensaries: The Company operates retail dispensaries that sell proprietary and, where lawful, third-party cannabis products to retail customers and patients.

Cultivation

The Company has rights to operate cultivation facilities in five states and Puerto Rico. Although pricing pressure for dried flower in several mature cannabis markets has led some operators to eschew cultivation, the Company believes that its cultivation operations provide certain benefits, including:

i. Low Cost: The Company continually seeks ways to optimize its growing processes and minimize expenses. By having control over its own cultivation, the Company can reduce input costs and maximize margins. The Company believes that production at scale, including outdoor cultivation for bulk oil production, is critical to drive down unit cost.

ii. Product Availability: Control over its cultivation facilities allows the Company to monitor and update the product mix in its dispensaries to meet evolving demand, especially in the form of strain selection and diversity.

iii. Quality Assurance: Quality and safety of cannabis products are critically important to our retail customers. Control over growing processes greatly reduces the risk of plant contamination or infestation. The Company believes that products with consistent quality can demand higher retail prices.

The Company's focus on quality, potency, strain diversity and production at scale is important because it believes that the wholesale market for cannabis plant material will become increasingly price competitive over time. More companies are entering, and will likely continue to enter, this segment of the industry. However, the Company believes that manufacturers and retailers that can source high-quality, low-cost plant material will have a significant advantage in the medium and long term.

Cultivation and Production Facilities

Except for the Company's production-only facility in Ohio, which is currently under contract for sale, the Company operates combined cultivation and production facilities. Each cultivation and production facility focuses primarily on the development of cannabis products and, where allowed, dried cannabis plant material for medical and other consumer use, as well as the research and development of new strains of cannabis. At all its facilities, the Company focuses on consumer safety and maintaining strict quality control. The methods used in the Company's facilities result in several key benefits, including consistent production of high-quality product and the minimization of product recalls and patient complaints.

The Company operates the following principal cultivation and production facilities as of the close of business on January 15, 2021:

Arizona:	• Operates and controls one retail dispensary and an outdoor cultivation facility with production operations. • Current cultivation capacity is insufficient to supply the Company's dispensaries adequately and, therefore, the Company must purchase a portion of its flower inventory, as well as all manufactured cannabis products, from licensed, third-party suppliers. • The Company has a large number of customers; its results of operations and financial results in Arizona are not dependent upon sales to one or a few major customers.
Maryland:	• Holds one phase 1 retail dispensary license (and has applied for a phase 2 retail dispensary license), and one cultivation and production facility of approximately 30,000 square feet. • The Company has obtained preliminary approval to transfer the cultivation license to another facility consisting of approximately 120,000 square feet of greenhouse space and associated land and buildings. The production operation will remain at the current facility. • The Company's wholesale business is continuing to experience growth in this medical market. Investments in operational expansion within this market during calendar year 2020 are expected to contribute to continued increased available product in fiscal year 2021, with the potential for improved financial results from increased scale and the significant expansion of flower production capacity. This expansion will be primarily funded by proceeds of the Company's recent sales of its Pennsylvania businesses. • The Company has a number of customers; its results of operations and financial results in Maryland are not dependent upon sales to one or a few major customers.
Minnesota	• Currently operates eight retail dispensaries and one cultivation and production facility of approximately 90,000 square feet. • The state Legislature recently granted Vireo four additional dispensary licenses, which are currently under construction and are expected to open by the end of 2020. • The Company has a large number of customers; its results of operations and financial results in Minnesota are not dependent upon sales to one or a few major customers.
New Mexico	• Currently operates approximately 3,000 square feet of cultivation and production and has two operational retail dispensaries. • Current cultivation capacity is insufficient to supply the Company's dispensaries adequately and, therefore, the Company must purchase a portion of its flower inventory, as well as all manufactured cannabis products, from licensed, third-party suppliers. • The Company is in the process of expanding cultivation capacity and is seeking to open two additional retail dispensary locations during the fourth quarter of 2020 or first quarter of 2021. • The Company has a large number of customers; its results of operations and financial results in New Mexico are not dependent upon sales to one or a few major customers.

New York	• Currently operates four retail dispensaries and one cultivation and production facility of approximately 60,000 square feet. • The Company purchases a small portion of its manufactured products inventory from several of the nine other registered organizations. • Also operates a legal home-delivery business in New York City and certain surrounding areas. • While Vireo believes the long-term opportunity in New York is substantial, recent performance has been impacted by neighboring states transitioning to recreational-use jurisdictions, as well as by the doubling of the number of registered organizations (vertically integrated medical cannabis providers) from five to 10. The Company believes that new product introductions and the expansion of wholesale revenue streams will contribute to improving profit margins in the future. Vireo also anticipates additional growth of its home delivery service. • The Company has a large number of customers; its results of operations and financial results in New York are not dependent upon sales to one or a few major customers.
Ohio:	• Operates an approximately 11,000 square foot production facility • The limited availability of wholesale cannabis plant material in the state has severely constrained production revenue opportunity to date. • On October 1, 2020, Company's affiliate entered into an agreement to sell the assets of this business to a subsidiary of AYR Strategies. The transaction is expected to close during the first quarter of 2021.

Our cultivation capacity is constrained in Maryland and New Mexico. In Maryland, our principal suppliers of bulk flower are SunMed, Grow West and Hollistic. Availability of bulk flower from these suppliers is limited. In New Mexico, our principal suppliers of flower are Seven Points Farms and Urban Wellness. The availability of flower from these suppliers is inconsistent. In New Mexico our principal suppliers of medicated products are Hi Extracts/Bloom, Budder Pros, Slang Worldwide/O. Pen Vape and Vitality Extracts/Elevated. The availability of medicated products from these suppliers is consistent.

Manufacturing

The Company manufactures, assembles and packages cannabis finished goods across a variety of product segments:

i. Inhalable: flower, dabbable concentrates (e.g., Rosin, Hash, Temple Balls), pre-filled vaporizer pens and cartridges, pre-rolls, syringes.

ii. Ingestible: tablets, softgels, oral solutions, oral spray, tinctures, lozenges.

iii. Topicals: balms and topical bars.

The Company has wholesale operations in Arizona, Maryland, New York and Ohio. Manufactured products are sold to third parties and distributed to Company-owned and operated retail dispensaries.

Principal Products or Services

Vireo's brands include:

- Vireo® brand distillate vaporizer cartridges, distilled oil, softgels, tablets, oral solutions, tinctures and balms;
- 1937™ brand distillate vaporizer cartridges;
- LiteBud™ pre-roll and flower products; and
- Various other flower and trim brands.

The following table shows which principal products the Company is permitted to sell in its various markets:

Market	**Principal Products**
Arizona	Bulk Flower; 1937 Pre-Pack Flower; Trim; Whole Plant Strip; Manicured Whole Plant Strip
Maryland	1937 Vape Cartridges; Vireo Spectrum Vape Cartridges; Vireo Spectrum Syringes; Vireo Spectrum Oral Solution; Vireo Spectrum Oral Spray; Vireo Spectrum Balm; Vireo Spectrum Tablet; 1937 Concentrates; 1937 Pre-Rolls; Litebud Pre-Rolls; 1937 Pre-Pack Flower; 1937 Bulk Flower; 1937 Bulk Trim
Minnesota	Vireo Spectrum Vape Cartridges; Vireo Spectrum Capsules; Vireo Spectrum Tincture; Vireo Spectrum Oral Solution; Vireo Spectrum Oral Spray; Sinirgi Oral Spray; Vireo Spectrum Syringe/Bulk Oil; Vireo Spectrum Tablet; Vireo Spectrum Topical Balm; Vireo Spectrum Topical Bar
New Mexico	Bulk flower; Trim
New York	Vireo Spectrum Vape Cartridges; Vireo Spectrum Syringes; Vireo Spectrum Softgel; Moonlight Softgel; Vireo Spectrum Oral Solution; Vireo Spectrum Oral Spray; Vireo Spectrum Balm; Vireo Spectrum Ground Metered Flower

Retail Strategy, Footprint and Planned Expansion

The Company has invested substantial resources in developing customer-friendly store designs and floorplans. The Company has recently begun constructing new dispensaries using a new layout and color scheme tied to the Green Goods™ trademark and plans to convert existing dispensaries to this new theme over time.

Members of the Company's management team have experience in real estate development, and this experience has enabled the Company to secure premium locations for its dispensaries. Typically, the Company seeks locations with high foot traffic and good visibility. The Company considers location, population/demographics and competitive dynamics when selecting retail locations.

Principal Milestones & Business Objectives

The principal milestones and business objectives of the Company over the next 12-month period include achieving positive net cash flow, expanding cultivation and processing capacity in certain markets, opening additional dispensaries in several states, improving operational efficiencies, continued asset development and completing pending divestitures of non-core assets.

Employees

As of December 17, 2020, the Company had 442 employees. Certain of the Company's employees in Maryland, Minnesota and New York are represented by local offices of the United Food and Commercial Workers International Union ("**UFCW**"). The collective bargaining agreements with the employees in these states expire as follows:

State	Agreement Expiration
Maryland	March 31, 2022
Minnesota	May 1, 2021
New York	July 31, 2022

In addition, the Company's home delivery drivers in New York are represented by the Warehouse Production Sales & Allied Service Employees Union, AFL-CIO Local 811 ("**Local 811**"). The Company's collective bargaining agreement with Local 811 expires July 31, 2023.

The Company considers its relations with its employees, with UFCW and with Local 811 to be good overall.

Research and Development

The Company's research and development activities have primarily focused on developing new, innovative, and patent protectable products for the cannabis market. These efforts focus on novel cannabinoid formulations as well as accessory products designed to improve the cannabis experience. The Company also experiments with plant spacing and nutrient blends, cannabis variety trialing and improved pest management techniques.

The Company also engages in research and development activities focused on developing new extracted or infused products.

Patents and Trademarks

The Company holds two patents for "Tobacco Products with Cannabinoid Additives and Methods for Reducing the Harm Associated with Tobacco Use" (US Patents 10,369,178 and 10,702,565) and has a number of other patents pending with the United States Patent and Trademark Office ("**USPTO**").

The Company has applied to register a number of trademarks with the USPTO, including:

- Vireo Health™
- Green Goods™
- 1937™
- Lite Bud™
- Chandra™
- Terp Safe™
- Relief Ratio™

The Company has also received registrations of certain of these marks in some of the states in which it sells cannabis products.

Competitive Conditions and Position of Vireo

The Company employs a multi-tiered approach to entering markets and building out its operational footprint. Historically, Vireo U.S. won licenses in competitive, merit-based selection processes. After the RTO, the Company has primarily pursued limited acquisitions in additional markets. The Company evaluates each market and associated opportunities to determine an appropriate strategy for market entry and development, which in some markets has included acquiring an existing licensee. In some instances, the Company has developed a fully vertically integrated supply chain from seed to sale, building out cultivation, production, and retail operations. In some markets, the Company operates only retail or production operations. Historically, the Company has pursued opportunities in limited license markets with higher barriers to entry presenting an opportunity for higher returns or the development of strategic opportunities. It also plans for overcapacity in its production facilities to enable rapid increases in production capacity when adult-use cannabis sales are permitted.

The industry is highly competitive with many operators, including large multi-state operators and smaller regional and local enterprises. The Company faces competition from other companies that may have greater resources, enhanced access to public equity markets, more experienced management or that may be more mature as businesses. There are several multi-state operators that the Company competes directly with in some of the Company's operating markets. Aside from current direct competition, other multi-state operators that are sufficiently capitalized to enter the Company's markets through acquisitive growth are also considered potential competitors. Similarly, as the Company continues to enter new markets, it will encounter new direct competitors. The Company also faces an increased competitive environment across several markets as those markets mature arising from better capitalized competitors, some with superior locations and lower costs than Vireo. Given changing market conditions, the Company has reduced its costs to remain a viable concern in the face of increasing competition, increasing costs, including regulatory compliance costs, and decreased growth in revenues.

See "*Risk Factors – We face intense competition in a new and rapidly growing industry from licensed companies with more experience and financial resources than we have and from unlicensed and unregulated participants.*"

Regulation of Cannabis in the United States

Below is a discussion of the federal and state-level U.S. regulatory regimes in those jurisdictions where the Company operates through its subsidiaries. The Company currently operates facilities or provides services to cannabis dispensaries in Arizona, Maryland, Minnesota, New Mexico, New York, and Ohio[2]. The Company will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and will provide updated information to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding cannabis regulation. Any non-compliance, citations or notices of violation that may impact the Company's licenses, business activities or operations will be promptly disclosed.

Regulation of Cannabis in the United States Federally

The United States Supreme Court has ruled that Congress has the constitutional authority to enact the existing federal prohibition on cannabis. As described further below, United States federal law now bifurcates the legality of "hemp" from "marihuana" (also commonly known as marijuana). For purposes of this filing, the term "cannabis" means "marihuana" as set forth in the Controlled Substances Act and is used interchangeably with the term "marijuana."

The United States federal government regulates drugs through the Controlled Substances Act, which places controlled substances, including marijuana, on a schedule. Marijuana is classified as a Schedule I drug. The Department of Justice defines Schedule I drugs, substances or chemicals as "drugs with no currently accepted medical use and a high potential for abuse." With the limited exceptions of Epidiolex, a pharmaceutical derived from the cannabis extract cannabidiol ("**CBD**"), and certain drugs that incorporate synthetically-derived cannabinoids (i.e., Marinol, Syndros, and Cesamet), the United States Food and Drug Administration has not approved marijuana as a safe and effective drug for any indication. Moreover, under the Agriculture Improvement Act of 2018 (commonly referred to as the 2018 Farm Bill), marijuana remains a Schedule I controlled substance under the Controlled Substances Act, with the exception of hemp and extracts derived from hemp (such as CBD) with a tetrahydrocannabinol ("**THC**") concentration of less than 0.3%.

Unlike in Canada, which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical marijuana under the Access to Cannabis for Medical Purposes Regulations, marijuana is largely regulated at the state level in the United States.

State laws regulating cannabis are in direct conflict with the Controlled Substances Act. Although certain states and territories of the U.S. authorize medical or recreational cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal; any such acts are criminal acts under federal law under the Controlled Substances Act. Although the Company's activities are compliant with applicable state and local laws, strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under U.S. federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company.

[2] The Company will cease having any operations in Ohio following the sale of OMS, which is anticipated to occur in the first quarter of 2021.

In August 2013, then-Deputy Attorney General, James Cole, authored a memorandum (the "**Cole Memorandum**") addressed to all United States district attorneys acknowledging that, notwithstanding the designation of cannabis as a controlled substance at the federal level in the United States, several states had enacted laws relating to cannabis for medical purposes.

The Cole Memorandum outlined the priorities for the Department of Justice relating to the prosecution of cannabis offenses. In particular, the Cole Memorandum noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. Notably, however, the Department of Justice never provided specific guidelines for what regulatory and enforcement systems it deemed sufficient under the Cole Memorandum standard. In light of limited investigative and prosecutorial resources, the Cole Memorandum concluded that the Department of Justice should be focused on addressing only the most significant threats related to cannabis. States where medical cannabis had been legalized were not characterized as a high priority.

In March 2017, the newly appointed Attorney General Jeff Sessions again noted limited federal resources and acknowledged that much of the Cole Memorandum had merit. However, on January 4, 2018, Mr. Sessions issued a new memorandum that rescinded and superseded the Cole Memorandum effective immediately (the "**Sessions Memorandum**"). The Sessions Memorandum stated, in part, that current law reflects "Congress" determination that cannabis is a dangerous drug and cannabis activity is a serious crime", and Mr. Sessions directed all U.S. Attorneys to enforce the laws enacted by Congress and to follow well-established principles when pursuing prosecutions related to marijuana activities. The inconsistency between federal and state laws and regulations is a major risk factor.

As a result of the Sessions Memorandum, federal prosecutors were free to utilize their prosecutorial discretion to decide whether to prosecute cannabis activities despite the existence of state-level laws that may be inconsistent with federal prohibitions. No direction was given to federal prosecutors in the Sessions Memorandum as to the priority they should ascribe to such cannabis activities, and resultantly it is uncertain how active federal prosecutors will be in relation to such activities. Furthermore, the Sessions Memorandum did not discuss the treatment of medical cannabis by federal prosecutors. As an industry best practice, despite the rescission of the Cole Memorandum, Vireo continues to do the following to ensure compliance with the guidance provided by the Cole Memorandum:

- Ensure the operations of its subsidiaries and business partners are compliant with all licensing requirements that are set forth with regards to cannabis operation by the applicable state, county, municipality, town, township, borough, and other political/administrative divisions. To this end, the Company retains appropriately experienced legal counsel to conduct the necessary due diligence to ensure compliance of its operations with all applicable regulations.

- The activities relating to cannabis business adhere to the scope of the licensing obtained for example, in the states where only medical cannabis is permitted, the products are only sold to patients who hold the necessary documentation to permit the possession of the cannabis.

- The Company only works through licensed operators, which must pass a range of requirements, adhere to strict business practice standards and be subjected to strict regulatory oversight whereby sufficient checks and balances ensure that no revenue is distributed to criminal enterprises, gangs and cartels.

- The Company conducts reviews of products and product packaging to ensure that the products comply with applicable regulations and contain necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and prevent impaired driving.

- The Company's subsidiaries have implemented inventory-tracking systems and necessary procedures to ensure that inventory is effectively tracked, and the diversion of cannabis and cannabis products is prevented.

Attorney General William Barr, who succeeded Attorney General Sessions, did not provide a clear policy directive for the United States related to state-legal cannabis-related activities. However, in a written response to questions from U.S. Senator Cory Booker made as a nominee, Attorney General Barr stated, "I do not intend to go after parties who have complied with state law in reliance on the Cole Memorandum." Attorney General Barr's statements are not official declaration of U.S. Department of Justice (the "**DOJ**") policy and are not binding on the DOJ, on any U.S. Attorney or on the Federal courts. Jeffrey Rosen is the current acting attorney general, following the resignation of William Barr on December 23, 2020. Moreover, there is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends the Controlled Substances Act with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that Federal authorities may enforce current U.S. Federal law. The Company will continue to monitor compliance on an ongoing basis in accordance with its compliance program and standard operating agreement procedures. While the Company's operations are in full compliance with all applicable state laws, regulations and licensing requirements, such activities remain illegal under United States federal law. For the reasons described above and the risks further described in Legal Risks, below, there are significant risks associated with the business of the Resulting Issuer.

Although the Cole Memorandum has been rescinded, one legislative safeguard for the medical cannabis industry remains in place: Congress has passed a so- called "rider" provision in the FY 2015, 2016, 2017, 2018, and 2019 Consolidated Appropriations Acts to prevent the U.S. Department of Justice from using congressionally appropriated funds to prevent any state or jurisdiction from implementing a law that authorizes the use, distribution, possession, or cultivation of medical marijuana. The rider is known as the "Rohrabacher-Farr" Amendment after its original lead sponsors (it is also sometimes referred to as the "Rohrabacher-Blumenauer" or, in its Senate Form, the "Leahy" Amendment, but it is referred to in this registration statement as "**Rohrabacher-Farr**").

Rohrabacher-Farr is typically included in short-term funding bills or continuing resolutions by the House of Representatives, whereas the Leahy Amendment was included in the fiscal year 2020 budget by the Senate, which was signed on December 20, 2019. The Leahy Amendment prevents the U.S. Department of Justice from using congressionally appropriated funds to enforce federal cannabis laws against regulated medical cannabis actors operating in compliance with state and local law. The Leahy Amendment was in effect until September 30, 2020 when the fiscal year ended. Rohrabacher-Farr was renewed through the signing of a series of stopgap spending bills until December 27, 2020, when Rohrabacher-Farr was renewed through the signing of the Consolidated Appropriations Act, 2021, effective through September 30, 2021.

The risk of federal enforcement and other risks associated with the Company's business are described in Item 1A.—"Risk Factors."

Regulation of the Cannabis Market at State and Local Levels

Below is a summary overview of the licensing and regulatory framework in the markets where the Company is expected to hold licenses, rights to operate or where its subsidiaries are expected to be actively expanding into the cannabis industry. The Company's licenses in Arizona, Massachusetts, New Mexico, and Puerto Rico were acquired in conjunction with or shortly after its RTO in March of 2019.

Arizona

Arizona Regulatory Landscape

On November 2, 2010, Arizona voters enacted a medical cannabis initiative - Proposition 203 - with 50.13% of the vote. The Arizona legislature thereafter enacted the Arizona Medical Marijuana Act ("**AMMA**"), decriminalizing the medical use of cannabis. Arizona Department of Health Services (DHS) finalized dispensary and registry identification card regulations on March 28, 2011. On April 14, 2011, it began accepting applications for registry cards that provide patients and their caregivers with protection from arrest. DHS was preparing to accept dispensary applications starting in June and to register one dispensary for every 10 pharmacies in the state, totaling 125. However, on May 27, 2011, Gov. Jan Brewer led a federal lawsuit seeking a declaratory judgment on whether Arizona's new medical cannabis program conflicted with federal law. Her lawsuit was rejected in 2012.

The Arizona legislature subsequently rolled back some of Proposition 203's protections, such as possibly allowing an employer to fire a medical cannabis patient based on a report alleging workplace impairment from a colleague who is "believed to be reliable." The legislature also passed H.B. 2585, which contradicts Proposition 203 by adding medical cannabis patient data to the prescription drug-monitoring program. In 2015, the legislature again undermined patient protections again with the passage of H.B. 2346, which specifies that nothing requires a government medical assistance program, a private health insurer or a workers' compensation carrier or self-insured employer providing workers' compensation benefits to reimburse a person for costs associated with the medical use of marijuana.

To qualify under Arizona's program, patients must have one of the listed debilitating medical conditions: cancer, HIV-positive; AIDS; Hepatitis C; glaucoma; amyotrophic lateral sclerosis (ALS); Crohn's disease; agitation of Alzheimer's disease; or a medical condition that produces wasting syndrome, severe and chronic pain, severe nausea, seizures, or severe and persistent muscle spasms, including those characteristics of multiple sclerosis.

Arizona voters enacted the Marijuana Legalization Initiative (Proposition 207), which took effect on November 30, 2020, following certification of the 2020 election results by the Arizona Secretary of State. Proposition 207 legalizes the possession and use of marijuana for adults age 21 years and older in Arizona. Individuals are permitted to grow up to six marijuana plants within their own residence, in a lockable, enclosed area out of public view. The Arizona Department of Health Services ("**AZDHS**") is responsible for adopting rules to regulate adult-use marijuana, including the licensing of marijuana retail stores, cultivation facilities, and production facilities. Current medical cannabis license-holders will receive first priority to apply for adult-use licenses. Among other provisions, Proposition 207 imposes an additional 16 percent tax on marijuana sales and creates a Social Equity Ownership Program, which issues licenses to entities whose owners are "from communities disproportionately impacted by the enforcement of previous marijuana laws." It also empowers local governments to ban marijuana facilities and testing centers and to have control over elements of regulation, zoning and licensing of marijuana facilities.

Vireo's Licenses in Arizona

All medical cannabis certificates are vertically integrated and authorize the holders to cultivate and dispense medical cannabis to patients. Certificate holders must be not-for-profit entities. Elephant Head Farm ("**EHF**") and Retail Management Associates, LLC ("**RMA**"), which are subsidiaries of Vireo, perform fee-based management services consisting of the operation of one dispensary and one cultivation and processing facility for a non-profit licensee, Arizona Natural Remedies, Inc. ("**ANR**") (executives of the Company constitute all of the members of the board of directors of ANR). The non-profit licensee holds a Medical Marijuana Dispensary Registration Certificate, Approval to Operate, issued by the DHS, and a Special Use permit issued by the city of Phoenix, which collectively permit ANR to own a single dispensary in Phoenix and a cultivation and processing facility in southern Arizona.

Arizona Licenses and Regulations

Arizona state licenses are renewed biannually. Every other year, licensees are required to submit a renewal application per guidelines published by the ADHS. While renewals are biannual, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable licenses, the Company would expect to receive the applicable renewed license in the ordinary course of business. While the Company's compliance controls have been developed to mitigate the risk of any material violations of a license arising, there is no assurance that the Company's licenses will be renewed in the future in a timely manner.

Arizona is a vertically integrated system, so that each license permits the holder to acquire, cultivate, process, distribute and/or dispense, deliver, manufacture, transfer, and supply medical marijuana in compliance with the AMMA and ADHS rules and regulations. For every ten (10) pharmacies that have registered under A.R.S. § 32-1929, have obtained a pharmacy permit from the Arizona Board of Pharmacy, and operate in the State, the DHS may issue one non-profit medical cannabis dispensary registration certificate. Each dispensary registration certificate permits the license holder to: (i) open one dispensary and (ii) one cultivation facility and/or one processing facility. Cultivation and processing sites can be located anywhere in the State and are not are limited to their district (Community Health Analysis Area) after their first three years of operation and may apply to relocate thereafter. All dispensaries must be not-for-profit. Arizona dispensary registration certificates are valid for one year after the date of issuance. The holder of a dispensary registration certificate must also submit an application for approval to operate a dispensary to the DHS. An approval to operate a dispensary has the same expiration date as the dispensary registration certificate associated with the approval to operate the dispensary. A dispensary that has approval to operate as a dispensary issued by the DHS is subject to annual renewals of its dispensary registration certificate.

Arizona Reporting Requirements

The ADHS requires that dispensaries implement policies and procedures regarding inventory control, including tracking, packaging, acquisition and disposal of cannabis. ANR uses BioTrackTHC as its in-house computerized seed to sale software, which integrates with the state's program and captures the required data points for cultivation, manufacturing and retail as required in Arizona's medical cannabis laws and regulations. ANR is required to submit audited financial statements annually to DHS.

The State of Arizona uses the ADHS Medical Marijuana Verification System ("**ADHS MMV**") to validate card holders, verify allotment amounts and track all retail transactions for Arizona qualified patients. The ADHS MMV system is also used annually by license holders to renew the dispensary registration certificate.

The Company uses BioTrack software as its computerized, seed-to-sale tracking and inventory system. Individual licensees whether directly or through third-party integration systems are required to capture and retain all information pertaining to the acquisition, possession, cultivation, manufacturing, delivery, transfer, transportation, supplying, selling, distributing, or dispensing of medical marijuana, to meet all reporting requirements for the State of Arizona.

Maryland

Maryland Regulatory Landscape

In 2012, a state law was enacted in Maryland to establish a state-regulated medical cannabis program. Legislation was signed in May 2013 and the program became operational on December 1, 2017. The Natalie M. LaPrade Maryland Medical Cannabis Commission (the "**MCC**") regulates the state program and awarded operational licenses in a highly competitive application process. The market is divided into three primary classes of licenses: dispensary, cultivation and processing. Medical cannabis dispensary license pre-approvals were issued to 102 dispensaries out of a pool of over 800 applicants, 15 processing licenses were awarded out of a pool of 124 applicants and 15 cultivation licenses were awarded out of a pool of 146 applicants.

The medical cannabis program was written to allow access to medical cannabis for patients with qualifying medical conditions, including chronic pain, nausea, seizures, glaucoma and post-traumatic stress disorder or "PTSD."

In April 2018, Maryland lawmakers agreed to expand the state's medical cannabis industry by adding another 20 licenses: 7 for cultivation and 13 for processing. Permitted products for sale and consumption include oil-based formulations, dry flower and edibles and other concentrates.

Vireo's Licenses in Maryland

In Maryland, the Company owns one retail dispensary license, which is not currently operational. The Company's license in Maryland was awarded to Vireo's affiliate MaryMed, LLC through merit-based license application processes. Merit-based license awards require limited investment and thus present high-return opportunities. Vireo believes that its medical and scientific background has helped the Company develop a competitive advantage in the marketplace with respect to applying and winning some merit-based license awards.

The Company also operates in Maryland a cultivation and production facility of 22,500 square feet to serve the wholesale market. It holds phase 2 licenses for both cultivation and processing. Wholesale revenues have grown, driven in part by new product offerings and increased market penetration. Heading into fiscal year 2021, Vireo anticipates continued revenue growth. MaryMed has signed a lease in Frederick, Maryland, and intends to develop a dispensary there, subject to regulatory approval as discussed below. Vireo also plans to relocate its cultivation facility to a site in Massey, Maryland, as discussed elsewhere in this document.

Pending Vireo License in Maryland

MaryMed's Phase 1 approved for dispensary license for medical cannabis was granted and it is in the process of applying for Phase 2 approval. In Maryland, a phase 1 retail license is a preliminary approval of the licensee. A phase 2 license in Maryland approves the licensed location and final details about the licensee. MaryMed was unable to identify a municipality in its authorized region that will permit operation of a medical cannabis dispensary. As a result, MMCC authorized MaryMed to locate a dispensary in a different region. MaryMed identified and entered into a lease for a dispensary site in the city of Frederick, Maryland, and expects to open a dispensary there, subject to regulatory approval, in the first quarter of 2021.

Maryland Licenses and Regulations

Maryland licenses are valid for a period of six years and are subject to four-year renewals after required fees are paid and provided that the business remains in good standing. Renewal requests are typically communicated through email from the MMCC and include a renewal form.

Maryland Reporting Requirements

The State of Maryland uses Marijuana Enforcement Tracking Regulation and Compliance system (METRC) as the state's computerized T&T system for seed-to-sale. Individual licensees whether directly or through third-party integration systems are required to use this system for all reporting.

The State of Maryland uses METRC as the state's computerized T&T system for seed-to-sale. Individual licensees whether directly or through third-party integration systems are required to push data to the state to meet all reporting requirements. The Company uses a third-party application for its computerized seed to sale software, which integrates with the state's Metric program and captures the required data points for cultivation, manufacturing and retail as required in the Maryland Medical Cannabis law.

Minnesota

Minnesota Regulatory Landscape

Legislation passed during the 2014 Minnesota legislative session created a new process allowing seriously ill individuals from Minnesota to use medical cannabis to treat a set of nine qualifying medical conditions. The qualifying medical conditions were recently expanded to include intractable pain, post-Apnea. Beginning in August 2020, two additional qualifying conditions were added: chronic pain and age-related macular degeneration. The Medical Cannabis Program is regulated and administered by the Minnesota Department of Health which oversees all cultivation, production and distribution facilities. In the initial program the Minnesota Department of Health had registered two manufacturers, with each manufacturer having licenses for four distribution facilities across the state, so state enacted legislation that permits each manufacturer to open four additional distribution facilities, in the Congressional districts where it does not currently operate, so that each Congressional district will be served by one dispensary from each of the approved manufacturers.

Medical cannabis is provided to patients as a liquid, pill, topical (lotions, balms and patches), vaporized delivery method that does not require the use of dried leaves or plant form, , water-soluble cannabinoid multi-particulates (for example, granules, powders and sprinkles) and orally dissolvable products such as lozenges, gums, mints, buccal tablets and sublingual tablets.

In terms of safety and security, there are several precautions built into the program. For example, registered manufacturers must contract with a laboratory for testing the quality and consistency of the medical cannabis products. Manufactures' facilities are also subject to state inspections.

Minnesota has also implemented a process for monitoring and evaluating the health impacts of medical cannabis on patients which will be used to help patients and health professionals grow their understanding of the benefits, risks and side effects of medical cannabis.

Vireo's Licenses and Permits in Minnesota

The Company's licenses in Minnesota were each awarded to Vireo through merit-based license application processes. Merit-based license awards require limited investment and thus present high-return opportunities. Vireo believes that its medical and scientific background has helped the Company develop a competitive advantage in the marketplace with respect to applying and winning some merit-based license awards.

Vireo Health of Minnesota, LLC ("**Vireo Minnesota**"), which is a subsidiary of Vireo, holds one or two medical cannabis license to operate retail medical cannabis dispensaries in the state of Minnesota and operates four dispensary locations in Minnesota located in Bloomington, Rochester, Minneapolis, and Moorhead. Vireo Minnesota also has a cultivation and production facility in Otsego, MN.

Minnesota Licenses and Regulations

Vireo currently operates six retail dispensaries and one cultivation and production facility of approximately 90,000 square feet. Recent changes to the states qualifying conditions for medical cannabis patients have contributed to increases in patient enrollment, and the legislature also recently granted Vireo four additional dispensary licenses, two of which opened in the fourth quarter of 2020 and two of which are currently being developed. These additional dispensary licenses, combined with the potential for the state to add dry flower to the list of allowed delivery methods, give Vireo's management team optimism that the Minnesota market remains a strong near-term growth opportunity for the Company.

Minnesota state licenses are renewed every two years. Every two years, licensees are required to submit a renewal application with the commissioner at least six months before its registration term expires per Minnesota Administrative Rules Part 4770.1460. The most recent manufacturer annual fee paid in 2019 was $146,000 and is non-refundable. Additionally, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable licenses, Vireo Minnesota expects to receive the applicable renewed license in the ordinary course of business. While Vireo Minnesota's compliance controls have been developed to mitigate the risk of any material violations of a license arising, there is no assurance that Vireo Minnesota's license will be renewed in the future in a timely manner. Any unexpected delays or costs associated with the licensing renewal process could impede the ongoing or planned operations of the Company and have a material, adverse effect on the Company's business and financial results.

Minnesota Reporting Requirements

The State of Minnesota does not require a specific computerized T&T system for seed-to-sale. Individual licensees whether directly or through third-party integration systems are required to push data to the state to meet all reporting requirements.

Vireo Minnesota currently uses Leaf Logix to satisfy its reporting requirements.

New Mexico

New Mexico Regulatory Landscape

The Lynn and Erin Compassionate Use Act ("**Compassionate Use Act**") was signed into law in 2007 and became effective July 1, 2007. The Compassionate Use Act established the regulatory framework for use of medical cannabis by New Mexico residents and created the New Mexico Medical Cannabis Program ("**NMMCP**"). It allows practitioners to prescribe medical cannabis to patients with a debilitating medical condition (as defined in the Compassionate Use Act). Currently, there are at least 23 qualifying conditions under the Compassionate Use Act. When a practitioner determines that the patient has a debilitating medical condition and provides written certification so stating and that the potential health benefits of the cannabis use would likely outweigh the health risks for the patient, the patient can apply with the New Mexico Department of Health ("**NMDOH**") for a registry identification card. A qualified patient is allowed to possess cannabis in an amount that is reasonably necessary to ensure uninterrupted availability of cannabis for a period of three months. In 2019, New Mexico announced it would begin permitting non-residents of the state to obtain cannabis under the Compassionate Use Act and as of July 1, 2020, the state now extends reciprocity to residents of all other medical cannabis states, allowing visiting medical marijuana patients to use their home-state credentials to purchase at licensed New Mexico medical marijuana dispensaries. As of April 2020, there were over 80,000 patients registered in the program.

Vireo's Licenses in New Mexico

Vireo Health of New Mexico, LLC, a wholly-owned subsidiary of Vireo, currently operates two dispensaries located in Santa Fe and Gallup and a cultivation and processing facility located in Gallup for Red Barn Growers, a New Mexico non-profit licensee, pursuant to a management agreement.

New Mexico Licenses and Regulations

In New Mexico, Vireo currently operates an approximately 10,000 square feet of cultivation and production and has two operational retail dispensaries. Vireo may seek to expand cultivation throughout fiscal year 2020. The expansion is anticipated to support the launch of wholesale sales and the opening of two additional retail dispensary locations during the second half of 2020.

The NMMCP is overseen by the NMDOH. The NMMCP has 35 Licensed Non-Profit Producers (LNPPs). LNPPs cultivate and distribute cannabis to qualified patients. The NMDOH is not accepting new applications for licensure of LNPPs at this time. Each LNPP can operate an unlimited number of dispensaries. The NMMCP approves third-party manufactures to make cannabis-derived products that are then sold through the LNPPs. With approval by the NMMCP, LNPPs can also manufacture products to sell to patients.

New Mexico Reporting Requirements

The state of New Mexico uses BIOTRACKTHC© as the state's computerized T&T system used to track commercial cannabis activity and seed-to-sale. Individual licensees are required to push data to the state to meet all reporting requirements.

New York

New York Regulatory Landscape

Governor Cuomo signed the Compassionate Care Act into law on July 5, 2014. It allows patients to use medical cannabis if they have been diagnosed with a specific severe, debilitating or life-threatening condition that is accompanied by an associated or complicating condition. The law was expanded to include chronic pain and PTSD. The law has a sunset provision whereby it will expire after seven years unless renewed by the legislature.

Physicians must complete a New York State Department of Health-approved course and register with the New York Department of Health Medical Marijuana Program to certify patients. Practitioners must consult the New York State Prescription Monitoring Program Registry prior to issuing a certification to a patient for medical cannabis.

Patients who are certified by their practitioners are required to apply to obtain a registry identification card in order to obtain medical cannabis certified patients may designate up to two caregivers, who must also register with the Department of Health, to obtain and administer medical cannabis products on behalf of the patients.

There are ten registered organizations, which each hold a vertically integrated license allowing the cultivation, manufacture, transport, distribution and dispensation of medical cannabis. Registered organizations may only manufacture medical cannabis products in forms approved by the Commissioner of the Department of Health. Approved forms currently include metered liquid or oil preparations, solid and semisolid preparations (e.g., capsules, chewable and effervescent tablets, lozenges), metered ground plant preparations, and topical forms and transdermal patches. The Compassionate Care Act expressly provides that a certified medical use of cannabis does not include smoking and that all prices must be approved by the New York Department of Health.

Each registered organization may have up to four dispensing facilities, owned and operated by the registered organization, where approved medical cannabis products will be dispensed to certified patients or their designated caregivers, who have registered with the Department. Dispensing facilities must report dispensing data to the New York State Prescription Monitoring Program Registry and consult the registry prior to dispensing approved medical cannabis products to certified patients or their designated caregivers.

Governor Cuomo has on several occasions indicated his intent to introduce legislation authorizing adult-use cannabis in New York. It is unclear how any such legislation will interact with the current medical cannabis regime and what effect, if any, such proposal will have on the business of Vireo.

Vireo's Licenses and Permits in New York

The Company's licenses in New York were each awarded to Vireo through merit-based license application processes. Merit-based license awards require limited investment and thus present high-return opportunities. Vireo believes that its medical and scientific background has helped the Company develop a competitive advantage in the marketplace with respect to applying and winning some merit-based license awards.

Through its subsidiary Vireo Health of New York, LLC, Vireo holds one of ten vertically integrated medical cannabis licenses. It currently has a manufacturing and production facility in Johnstown, NY and four dispensaries throughout the State in New York City (Queens) County, Binghamton, White Plains and Albany**.** It also operates a home-delivery service based out of its Queens dispensary.

Vireo's New York cultivation and processing facility is approximately 21 acres and compromised of 13,650 square foot of indoor cultivation space, 38,304 square feet of greenhouse cultivation space, and 7,350 square feet of laboratory and processing space. The balance of the land (20 acres total) is unimproved and available to Vireo for future expansion. The facility has been in continuous production and sale of cannabis since January 2016.

New York Licenses and Regulations

In New York, Vireo was one of the original five registered organizations, placing second in the initial selection process, and is currently one of only 10 registered organizations operators in the state. Vireo currently operates four retail dispensaries and one cultivation and production facility of approximately 60,000 square feet. It also operates a legal home-delivery business in New York. While Vireo believes the long-term opportunity in New York is substantial, recent performance has been impacted by neighboring states transitioning to recreational-use jurisdictions, as well as by increasing competition from other developing operators. New product introductions and the beginning of wholesale revenue streams may contribute to improving profit margins in the future. Vireo anticipates additional growth of its home delivery service.

New York registered organization licenses expire 2 years after the date of issuance. An application to renew any registration must be filed with the Department not more than six months nor less than four months prior to the expiration thereof. Registration fees are $200,000 and are refundable if the applicant is not granted a renewal registration. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable licenses.

New York Reporting Requirements

The state of New York uses BIOTRACKTHC© as the state's computerized T&T system used to track commercial cannabis activity and seed-to-sale. Individual licensees are required to push data to the state to meet all reporting requirements.

Ohio

Ohio Regulatory Landscape

House Bill 523, effective on September 8, 2016, legalized medical cannabis in Ohio. The Ohio Medical Marijuana Control Program allows people with certain medical conditions, upon the recommendation of an Ohio-licensed physician certified by the State Medical Board, to purchase and use medical cannabis.

Three state government agencies are responsible for the operation of the medical marijuana program: (1) the Ohio Department of Commerce is responsible for overseeing medical cannabis cultivators, processors and testing laboratories; (2) the State of Ohio Board of Pharmacy is responsible for overseeing medical cannabis retail dispensaries, the registration of medical cannabis patients and caregivers, the approval of new forms of medical cannabis and coordinating the Medical Marijuana Advisory Committee; and (3) the State Medical Board of Ohio is responsible for certifying physicians to recommend medical cannabis and may add to the list of qualifying conditions for which medical cannabis can be recommended.

Vireo's Licenses and Permits in Ohio

The Company's license in Ohio was awarded to Vireo through a merit-based license application process. Merit-based license awards require limited investment and thus present high-return opportunities. Vireo believes that its medical and scientific background has helped the Company develop a competitive advantage in the marketplace with respect to applying and winning certain merit-based license awards.

Ohio Medical Solutions operates a processing facility in Akron. OMS is owned exclusively by three Vireo executives and its business is managed by Vireo under a management agreement. OMS has also granted Vireo an option to exercise the right to acquire the entity. The option can only be exercised on approval of a change of control by the Ohio Department of Commerce.

Ohio Licenses and Regulations

In Ohio, Vireo currently operates an approximately 11,000 square foot production facility. The limited availability of biomass in the state limited production revenue opportunity for much of fiscal year 2019 as cultivators were ramping up production. Vireo expects to experience improved biomass availability in fiscal year 2020 and 2021. Vireo is also seeking opportunities to monetize this license or partner with other operators in the state on the processor license.

On June 4, 2018, the State of Ohio Board of Pharmacy awarded 56 medical cannabis provisional dispensary licenses. The licenses were awarded after an extensive review of 376 submitted dispensary applications.

By rule, the State of Ohio Board of Pharmacy is limited to issuing up to 60 dispensary licenses across the state but has the authority to increase the number of licenses starting September 8, 2018. Per the program rules, the Board will consider, on at least a biennial basis, whether enough medical cannabis dispensaries exist, considering the state population, the number of patients seeking to use medical cannabis, and the geographic distribution of dispensary sites.

Ohio Reporting Requirements

The Ohio Medical Marijuana Control Program has selected Franwell Inc.'s METRC solution ("**METRC**") to implement the "seed-to-sale" inventory tracking system to comply with the requirements of the statute and rules contained in Ohio Revised Code and Ohio Administrative Code Chapter 3796.

Vireo Compliance Program

Expenditures for compliance with federal, state and local environmental laws and regulations are consistent from year to year and are not material to Vireo's financial results. The Company is compliant with all applicable regulations and properly disposes of the toxic and hazardous substances it uses in its operations.

Vireo is classified as having "direct" involvement in the U.S. marijuana industry and is in compliance with applicable licensing requirements and the regulatory framework enacted by each U.S. state in which it operates. The Company is not subject to any citations or notices of violation with applicable licensing requirements and the regulatory framework enacted by each applicable U.S. state that may have an impact on its licenses, business activities or operations.

With the oversight of the Company's General Counsel and Chief Compliance Officer, Vireo's compliance team oversees, maintains, and implements its compliance program. In addition to Vireo's internal legal department, Vireo has engaged state regulatory compliance counsel in many jurisdictions.

The compliance team oversees training for cultivation, production and dispensary managers and employees, along with other department leaders and other designated persons as needed, on compliance with state and local laws and regulations.

Vireo's compliance team monitors all compliance notifications from the regulators and inspectors and lead the effort to timely resolve any issues identified. Vireo keeps records of all compliance notifications received from the state regulators or inspectors and how and when the issue was resolved.

Vireo has created comprehensive standard operating procedures that include detailed descriptions and instructions for receiving shipments of inventory, inventory tracking, recordkeeping and record retention practices related to inventory, as well as procedures for performing inventory reconciliation and ensuring the accuracy of inventory tracking and recordkeeping. Vireo maintains accurate records of its inventory at all licensed facilities. Vireo conducts audits of its cannabis and cannabis products inventories at least weekly in order to detect any possible diversion. In addition to weekly audits, security and/or compliance staff conduct unscheduled, unannounced audits to prevent complacency or the perception thereof. Adherence to Vireo's standard operating procedures is mandatory and ensures that Vireo's operations are compliant with the rules set forth by the applicable state and local laws, regulations, ordinances, licenses and other requirements. Vireo also verifies adherence to standard operating procedures by regularly conducting internal inspections and ensures that any issues identified are resolved quickly and thoroughly.

In January 2018, United States Attorney General, Jeff Sessions rescinded the Cole Memorandum and thereby created a vacuum of guidance for enforcement agencies and the Department of Justice. As an industry best practice, despite the recent rescission of the Cole Memorandum, Vireo continues to do the following to ensure compliance with the guidance provided by the Cole Memorandum:

- Ensure the operations of its subsidiaries and business partners are compliant with all licensing requirements related to cannabis operation by applicable state, county, municipality, town, township, borough, and other political/administrative divisions. To this end, Vireo retains appropriately experienced legal counsel to conduct the necessary due diligence to ensure compliance of such operations with all applicable regulations;

- The activities relating to cannabis business adhere to the scope of the licensing obtained. For example, in the states where only medical cannabis is permitted, cannabis products are only sold to patients who hold the necessary documentation whereas, in the states where cannabis is permitted for adult recreational use, in the future, Vireo intends to sell its cannabis products only to individuals who meet the requisite age requirements;

- Vireo adheres to compliant business practices and has implemented strict regulatory oversight to ensure that no revenue is distributed to criminal enterprises, gangs or cartels; and

- Vireo conducts reviews of products and product packaging to ensure that the products comply with applicable regulations and contain necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and prevent impaired driving.

Vireo will continue to monitor compliance on an ongoing basis in accordance with its compliance program and standard operating procedures. While Vireo's operations are in compliance with all applicable state laws, regulations and licensing requirements in all material respects, such activities remain illegal under United States federal law. For the reasons described above and the risks further described in Risk Factors below, there are significant risks associated with our business. Readers are strongly encouraged to carefully read all of the risk factors contained in Risk Factors.

ITEM 1A. RISK FACTORS

The following are certain factors relating to the Company's business. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or currently deemed immaterial by the Company, may also impair its operations. If any such risks actually occur, the Company's shareholders could lose all or part of their investment and its business, financial condition, liquidity, results of operations and prospects could be materially adversely affected and its ability to implement its growth plans could be adversely affected. The Company's shareholders should evaluate carefully the following risk factors associated with the Subordinate Voting Shares.

Risks Related to the Regulatory System and Business Environment for Cannabis

Marijuana remains illegal under U.S. federal law, and enforcement of U.S. cannabis laws could change.

There are significant legal restrictions and regulations that govern the cannabis industry in the United States. Marijuana remains a Schedule I drug under the Controlled Substances Act, making it illegal under federal law in the United States to, among other things, cultivate, distribute or possess cannabis in the United States. In those states in which the use of marijuana has been legalized, its use remains a violation of federal law pursuant to the Controlled Substances Act. The Controlled Substances Act classifies marijuana as a Schedule I controlled substance, and as such, medical and adult use cannabis use is illegal under U.S. federal law. Unless and until the U.S. Congress amends the Controlled Substances Act with respect to marijuana (and the President approves such amendment), there is a risk that federal authorities may enforce current federal law. Financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the United States may form the basis for prosecution under applicable U.S. federal money laundering legislation. While the approach to enforcement of such laws by the federal government in the United States has trended toward non-enforcement against individuals and businesses that comply with medical or adult-use cannabis regulatory programs in states where such programs are legal, strict compliance with state laws with respect to cannabis will neither absolve Vireo of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against Vireo. Since federal law criminalizing the use of marijuana pre-empts state laws that legalize its use, enforcement of federal law regarding marijuana is a significant risk and would greatly harm our business, prospects, revenue, results of operation and financial condition. The enforcement of federal laws in the United States is a significant risk to the business of Vireo and any proceedings brought against Vireo thereunder may materially, adversely affect Vireo's operations and financial performance.

Our activities are, and will continue to be, subject to evolving regulation by governmental authorities. We are either currently, or in the future expect to be, directly or indirectly engaged in the medical and adult use cannabis industry in the United States where local state law permits such activities. The legality of the production, cultivation, extraction, distribution, retail sales, transportation and use of cannabis differs among states in the United States. Due to the current regulatory environment in the United States, new risks may emerge; management may not be able to predict all such risks.

As of the date of this filing, there are 36 states, plus the District of Columbia (and the territories of Guam, Puerto Rico, the U.S. Virgin Islands and the Northern Mariana Islands), that have laws and/or regulations that recognize, in one form or another, legitimate medical uses for cannabis and consumer use of cannabis in connection with medical treatment. Similarly, 15 states and the District of Columbia have legalized cannabis for adult use.

Because our current and anticipated future activities in the medical and adult use cannabis industry may be illegal under the applicable federal laws of the United States, there can be no assurance that the U.S. federal government will not seek to enforce the applicable laws against us. The consequences of such enforcement would likely be materially adverse to the Company and our business, including our reputation, profitability and the market price of our publicly traded Subordinate Voting Shares, and could result in the forfeiture or seizure of all or substantially all of our assets.

Due to the conflicting views between state legislatures and the federal government regarding cannabis, cannabis businesses are subject to inconsistent laws and regulations. There can be no assurance that the federal government will not enforce federal laws relating to marijuana and seek to prosecute cases involving marijuana businesses that are otherwise compliant with state laws in the future. The prior U.S. administration attempted to address the inconsistent treatment of cannabis under state and federal law in the Cole Memorandum that Deputy Attorney General James Cole sent to all U.S. Attorneys in August 2013, which outlined certain priorities for the U.S. Department of Justice (the "**DOJ**") relating to the prosecution of cannabis offenses. The Cole Memorandum noted that, in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, production, distribution, sale and possession of cannabis, conduct in compliance with such laws and regulations was not a priority for the DOJ. However, the DOJ did not provide (and has not provided since) specific guidelines for what regulatory and enforcement systems would be deemed sufficient under the Cole Memorandum.

On January 4, 2018, former U.S. Attorney General Jeff Sessions formally issued the Sessions Memorandum, which rescinded the Cole Memorandum effective upon its issuance. The Sessions Memorandum stated, in part, that current law reflects "Congress' determination that cannabis is a dangerous drug and cannabis activity is a serious crime," and Mr. Sessions directed all U.S. Attorneys to enforce the laws enacted by Congress and to follow well-established principles when pursuing prosecutions related to cannabis activities.

As a result of the Sessions Memorandum, federal prosecutors are now free to utilize their prosecutorial discretion to decide whether to prosecute cannabis activities, despite the existence of state-level laws that may be inconsistent with federal prohibitions. No direction was given to federal prosecutors in the Sessions Memorandum as to the priority they should ascribe to such cannabis activities, and thus it is uncertain how active U.S. federal prosecutors will be in the future in relation to such activities.

There can be no assurance that the federal government will not enforce federal laws relating to cannabis and seek to prosecute cases involving cannabis businesses that are otherwise compliant with state laws in the future. Jeff Sessions resigned as U.S. Attorney General on November 7, 2018. On February 14, 2019, William Barr was confirmed as U.S. Attorney General. Mr. Barr stated that he does not support cannabis legalization but has also stated that he did not intend to prosecute cannabis businesses that are in compliance with state laws. On December 24, 2020, Jeffrey A. Rosen began serving as the Acting Attorney General of the United States. Most states that have legalized cannabis continue to craft their regulations pursuant to the Cole Memorandum. Federal enforcement agencies have taken little or no action against state-compliant cannabis businesses. However, the DOJ may change its enforcement policies at any time, with or without advance notice.

The uncertainty of U.S. federal enforcement practices going forward and the inconsistency between U.S. federal and state laws and regulations present major risks for the Company.

There is a substantial risk of regulatory or political change.

The success of our business strategy depends on the legality of the cannabis industry in the United States. The political environment surrounding the cannabis industry in the United States in general can be volatile and the regulatory framework in the United States remains in flux. Despite the currently implemented laws and regulations in the U.S. and its territories to legalize and regulate the cultivation, production, processing, sale, possession and use of cannabis, and additional states that have pending legislation regarding the same, the risk remains that a shift in the regulatory or political realm could occur and have a drastic impact on the industry as a whole, adversely impacting our ability to successfully invest and/or participate in the selected business opportunities.

Further, there is no guarantee that at some future date, voters and/or the applicable legislative bodies will not repeal, overturn or limit any such legislation legalizing the sale, disbursement and consumption of medical or adult-use cannabis. It is also important to note that local and city ordinances may strictly limit and/or restrict disbursement of cannabis in a manner that will make it extremely difficult or impossible to transact business that is necessary for the continued operation of the cannabis industry.

Cannabis remains illegal under U.S. federal law, and the U.S. federal government could bring criminal and civil charges against us or our subsidiaries or our investments at any time. Federal actions against any individual or entity engaged in the cannabis industry or a substantial repeal of cannabis-related legislation could have a material, adverse effect on our business, financial condition or results of operations.

We may be subject to action by the U.S. federal government through various government agencies for participation in the cannabis industry.

Because the cultivation, processing, production, distribution and sale of cannabis for any purpose, medical, adult use or otherwise, remain illegal under U.S. federal law, it is possible that we may be forced to cease any such activities. The U.S. federal government, through, among others, the DOJ, its sub-agency the Drug Enforcement Administration ("**DEA**") and the U.S. Internal Revenue Service (the "**IRS**"), has the right to actively investigate, audit and shut down cannabis growing facilities, processors and retailers. The U.S. federal government may also attempt to seize our property. Any action taken by the DOJ, the DEA and/or the IRS to interfere with, seize or shut down our operations will have an adverse effect on our business, prospects, revenue, results of operation and financial condition.

Since federal law criminalizing the use of cannabis pre-empts state laws that legalize its use, the federal government can assert criminal violations of federal law despite state laws permitting the use of cannabis. While it does not appear that federal law enforcement and regulatory agencies are focusing resources on licensed marijuana-related businesses that are operating in compliance with state law, the stated position of the current administration is hostile to legal cannabis. As the rescission of the Cole Memorandum and the implementation of the Sessions Memorandum demonstrate, the DOJ may at any time issue additional guidance that directs federal prosecutors to devote more resources to prosecuting marijuana related businesses. In the event that the DOJ under U.S. Attorney General Barr aggressively pursues financiers or equity owners of cannabis-related businesses, and U.S. Attorneys follow the DOJ policies through pursuing prosecutions, then we could face:

(i) seizure of our cash and other assets used to support or derived from our cannabis subsidiaries;

(ii) the arrest of our employees, directors, officers, managers and investors; and

(iii) ancillary criminal violations of the Controlled Substances Act for aiding and abetting, and conspiracy to violate the Controlled Substances Act by providing financial support to cannabis companies that service or provide goods to state-licensed or permitted cultivators, processors, distributors and/or retailers of cannabis.

Because the Cole Memorandum was rescinded, the DOJ under the current administration or an aggressive federal prosecutor could allege that the Company and our Board and, potentially, our shareholders, "aided and abetted" violations of federal law by providing finances and services to our portfolio cannabis companies. Under these circumstances, federal prosecutors could seek to seize our assets, and to recover the "illicit profits" previously distributed to shareholders resulting from any of our financing or services. In these circumstances, our operations would cease, shareholders may lose their entire investments and directors, officers and/or shareholders may be left to defend any criminal charges against them at their own expense and, if convicted, be sent to federal prison.

Additionally, there can be no assurance as to the position any new administration may take on marijuana; a new administration could decide to enforce the federal laws more aggressively. Any enforcement of current federal marijuana laws could cause significant financial damage to the Company and our shareholders. Further, future presidential administrations may choose to treat marijuana differently and potentially enforce the federal laws more aggressively.

Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. These results could have a material, adverse effect on the Company, including our reputation and ability to conduct business, our holding (directly or indirectly) of cannabis licenses in the United States, the listing of our securities on various stock exchanges, our financial position, operating results, profitability or liquidity or the market price of our Subordinate Voting Shares. In addition, it is difficult to estimate the time or resources that would be needed for the investigation or final resolution of any such matters because: (i) the time and resources that may be needed depend on the nature and extent of any information requested by the authorities involved; and (ii) such time or resources could be substantial.

U.S. state and local regulation of cannabis is uncertain and changing.

There is no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. If the U.S. federal government begins to enforce U.S. federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, our business or operations in those states or under those laws would be materially and adversely affected. Federal actions against any individual or entity engaged in the cannabis industry or a substantial repeal of cannabis related legislation could materially adversely affect the Company, our business and our assets or investments.

The rulemaking process at the state level that applies to cannabis operators in any state will be ongoing and result in frequent changes. As a result, a compliance program is essential to manage regulatory risk. All operating policies and procedures implemented by the Company are compliance-based and are derived from the state regulatory structure governing cannabis businesses. Notwithstanding Vireo's efforts and diligence, regulatory compliance and the process of obtaining regulatory approvals can be costly and time-consuming. No assurance can be given that the Company will receive and maintain the necessary licenses, permits or cards to continue operating our business.

Local laws and ordinances could also restrict the Company's business activity. Although Vireo's operations are legal under the laws of the states in which it operates, local governments often have the ability to limit, restrict and ban cannabis businesses from operating within their jurisdiction. Land use, zoning, local ordinances and similar laws could be adopted or changed and have a material, adverse effect on Vireo's business.

Multiple states where medical and/or adult use cannabis is legal have or are considering special taxes or fees on businesses in the marijuana industry. It is uncertain at this time whether other states are in the process of reviewing such additional taxes and fees. The implementation of special taxes or fees could have a material, adverse effect upon our business, prospects, revenue, results of operation and financial condition.

We currently operate or provide services to cannabis dispensaries in Arizona, Minnesota, New Mexico, and New York.

State regulatory agencies may require us to post bonds or significant fees.

There is a risk that a greater number of state regulatory agencies will begin requiring entities engaged in certain aspects of the business or industry of legal marijuana to post a bond or significant fees when applying, for example, for a dispensary license or renewal, as a guarantee of payment of sales and franchise taxes. We are not able to quantify at this time the potential scope of such bonds or fees in the states in which we currently operate or may in the future operate. Any bonds or fees of material amounts could have a negative impact on the ultimate success of our business.

We may be subject to heightened scrutiny by United States and Canadian authorities, which could ultimately lead to the market for Subordinate Voting Shares becoming highly illiquid and our shareholders having no ability effect trades in Subordinate Voting Shares in Canada.

Currently, our Subordinate Voting Shares are traded on the Canadian Securities Exchange and on the OTCQX tier of the OTC Markets in the United States. Our business, operations and investments in the United States, and any such future business, operations or investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada and the United States. As a result, we may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on our ability to operate or invest in the United States or any other jurisdiction, in addition to those described herein.

In 2017, there were concerns that the Canadian Depository for Securities Limited, through its subsidiary CDS Clearing and Depository Services Inc. ("**CDS**"), Canada's central securities depository (clearing and settling trades in the Canadian equity, fixed income and money markets), would refuse to settle trades for cannabis issuers that have investments in the United States. However, CDS has not implemented this policy.

On February 8, 2018, the Canadian Securities Administrators published Staff Notice 51-352 describing the Canadian Securities Administrators' disclosure expectations for specific risks facing issuers with cannabis-related activities in the U.S. Staff Notice 51-352 confirms that a disclosure-based approach remains appropriate for issuers with U.S. cannabis-related activities. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with U.S. cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the U.S. cannabis industry.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group, which is the owner and operator of CDS, announced the signing of a Memorandum of Understanding ("**MOU**") with Aequitas NEO Exchange Inc., the Canadian Securities Exchange, the Toronto Stock Exchange and the TSX Venture Exchange. The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the Canadian securities exchanges to review the conduct of listed issuers. The MOU notes that securities regulation requires that the rules of each of the exchanges must not be contrary to the public interest and that the rules of each of the exchanges have been approved by the securities regulators. Pursuant to the MOU, CDS will not ban accepting deposits of or transactions for clearing and settlement of securities of issuers with cannabis-related activities in the United States. Even though the MOU indicated that there are no plans to ban the settlement of securities through CDS, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were implemented at a time when the Subordinate Voting Shares are listed on a Canadian stock exchange, it would have a material, adverse effect on the ability of holders of Subordinate Voting Shares to make and settle trades. In particular, the market for Subordinate Voting Shares would become highly illiquid until an alternative (if available) was implemented, and investors would have no ability to effect a trade of Subordinate Voting Shares through the facilities of the applicable Canadian stock exchange.

We may face state limitations on ownership of cannabis licenses.

Certain jurisdictions in which we operate or expect to operate limit the number of cannabis licenses and certain economic or commercial interests in the entity that holds the license that can be held by one entity within that state. As a result of the completion of certain acquisition transactions that we have entered into or may enter into in the future, we may potentially hold more than the prescribed number of licenses or economic or commercial interests in a licensed entity in certain states, and accordingly may be required to divest certain licenses or entities that hold such license in order to comply with applicable regulations. The divestiture of certain licenses or entities that hold such licenses may result in a material, adverse effect on our business, financial condition or results of operations.

We may become subject to FDA or ATF regulation.

Marijuana remains a Schedule I controlled substance under U.S. federal law. If the federal government reclassifies marijuana to a Schedule II controlled substance, it is possible that the U.S. Food and Drug Administration (the "**FDA**") would seek to regulate cannabis under the Food, Drug and Cosmetics Act of 1938, as amended (the "**FDCA**"). The FDA is responsible for ensuring public health and safety through regulation of food, drugs, supplements and cosmetics, among other products, through its enforcement authority pursuant to the FDCA. FDA's responsibilities include regulating the ingredients as well as the marketing and labeling of drugs sold in interstate commerce. Because marijuana is federally illegal to produce and sell, and because it has few federally recognized medical uses, the FDA has historically deferred enforcement related to cannabis to the DEA; however, the FDA has enforced the FDCA with regard to industrial hemp-derived products, especially CBD derived from industrial hemp sold outside of state-regulated cannabis businesses. The FDA has recently affirmed its authority to regulate CBD derived from both marijuana and industrial hemp, and its intention to develop a framework for regulating the production and sale of CBD derived from industrial hemp.

Additionally, the FDA may issue rules and regulations, including good manufacturing practices related to the growth, cultivation, harvesting, processing and production of medical cannabis. Clinical trials may be needed to verify the efficacy and safety of cannabis and cannabis products. It is also possible that the FDA would require facilities where medical-use cannabis is grown to register with the FDA and comply with certain federally prescribed regulations. In the event that some or all of these regulations are imposed, the impact they would have on the cannabis industry is unknown, including the costs, requirements and possible prohibitions that may be enforced. If we are unable to comply with the potential regulations or registration requirements prescribed by the FDA, it may have a material, adverse effect on our business, prospects, revenue, results of operation and financial condition.

It is also possible that the federal government could seek to regulate cannabis under the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives ("**ATF**"). The ATF may issue rules and regulations related to the use, transporting, sale and advertising of cannabis or cannabis products.

Cannabis businesses are subject to applicable anti-money laundering laws and regulations and have restricted access to banking and other financial services.

Banks and other depository institutions are currently hindered by federal law from providing financial services to marijuana businesses, even in states where those businesses are regulated.

Each of the Company and our subsidiaries is subject to a variety of laws and regulations domestically and in the U.S. that involve money laundering, financial record-keeping and proceeds of crime, including the U.S. Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the "**Bank Secrecy Act**"), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended, and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the U.S. and Canada. Further, under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy.

The Financial Crimes Enforcement Network ("**FinCEN**") of the U.S. Department of the Treasury issued the FinCEN Memorandum on February 14, 2014, outlining the pathways for financial institutions to bank cannabis businesses in compliance with federal enforcement priorities. The FinCEN Memorandum states that, in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. The FinCEN Memorandum refers to the Cole Memorandum's enforcement priorities.

The revocation of the Cole Memorandum has not yet affected the status of the FinCEN Memorandum, nor has FinCEN given any indication that it intends to rescind the FinCEN Memorandum itself. Shortly after the Sessions Memorandum was issued, FinCEN did state that it would review the FinCEN Memorandum, but FinCEN has not yet issued further guidance.

Although the FinCEN Memorandum remains intact, it is unclear whether the current administration will continue to follow its guidelines. The DOJ continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act, that occur in any state including states that have in some form legalized the sale of cannabis. Further, the conduct of the DOJ's enforcement priorities could change for any number of reasons. A change in the DOJ's priorities could result in the prosecution of banks and financial institutions for crimes that were not previously prosecuted.

If our operations, or proceeds thereof, dividend distributions or profits or revenues derived from our operations were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds from a crime (the sale of a Schedule I drug) under the Bank Secrecy Act's money laundering provisions. This may restrict our ability to declare or pay dividends or effect other distributions.

The FinCEN Memorandum does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the DOJ, FinCEN or other federal regulators. Thus, most banks and other financial institutions in the United States do not appear comfortable providing banking services to cannabis-related businesses or relying on this guidance given that it has the potential to be amended or revoked by the current administration. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, we may have limited or no access to banking or other financial services in the United States. In addition, federal money laundering statutes and Bank Secrecy Act regulations discourage financial institutions from working with any organization that sells a controlled substance, regardless of whether the state it operates in permits cannabis sales. The inability or limitation of our ability to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments may make it difficult for us to operate and conduct our business as planned or to operate efficiently.

We operate in a highly regulated sector and may not always succeed in complying fully with applicable regulatory requirements in all jurisdictions where we carry on business.

Our business and activities are heavily regulated in all jurisdictions where we carry on business. Our operations are subject to various laws, regulations and guidelines by state and local governmental authorities relating to the manufacture, marketing, management, transportation, storage, sale, pricing and disposal of cannabis, cannabis oil and consumable cannabis products, and also including laws and regulations relating to health and safety, insurance coverage, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over our activities, including the power to limit or restrict business activities as well as impose additional disclosure requirements on our products and services. Achievement of our business objectives is contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all necessary regulatory approvals for the manufacture, production, storage, transportation, sale, import and export, as applicable, of our products. The commercial cannabis industry is still a new industry at the state and local level. The effect of relevant governmental authorities' administration, application and enforcement of their respective regulatory regimes and delays in obtaining, or failure to obtain, applicable regulatory approvals which may be required may significantly delay or impact the development of markets, products and sales initiatives and could have a material, adverse effect on our business, prospects, revenue, results of operation and financial condition.

While endeavor to comply with all relevant laws, regulations and guidelines and, to our knowledge, we are in compliance with, or are in the process of being assessed for compliance with all such laws, regulations and guidelines, any failure to comply with the regulatory requirements applicable to our operations may lead to possible sanctions including the revocation or imposition of additional conditions on licenses to operate our business; the suspension or expulsion from a particular market or jurisdiction or of our key personnel; the imposition of additional or more stringent inspection, testing and reporting requirements; and the imposition of fines and censures. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our operations, increase compliance costs or give rise to material liabilities and/or revocation of our licenses and other permits, which could have a material, adverse effect on our business, results of operations and financial condition. Furthermore, governmental authorities may change their administration, application or enforcement procedures at any time, which may adversely impact our ongoing costs relating to regulatory compliance.

Because marijuana is illegal under U.S. federal law, we may be unable to access to U.S. bankruptcy protections in the event of our bankruptcy or a bankruptcy in an entity in which we invest.

Many courts have denied cannabis businesses bankruptcy protections because the use of cannabis is illegal under federal law. In the event of a bankruptcy, it would be very difficult for lenders to recoup their investments in the cannabis industry. If we were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to us, which would have a material, adverse effect on the Company.

Additionally, there is no guarantee that we will be able to effectively enforce any interests we may have in our other subsidiaries and investments. A bankruptcy or other similar event related to an entity in which we hold an interest that precludes such entity from performing its obligations under an agreement may have a material, adverse effect on our business, financial condition or results of operations. Further, should an entity in which we hold an interest have insufficient assets to pay its liabilities, it is possible that other liabilities will be satisfied prior to the liabilities or equity owed to us. In addition, bankruptcy or other similar proceedings are often a complex and lengthy process, the outcome of which may be uncertain and could result in a material, adverse effect on our business, financial condition or results of operations.

Because our contracts involve marijuana and related activities, which are not legal under U.S. federal law, we may face difficulties in enforcing our contracts.

Because our contracts involve cannabis and other activities that are not legal under federal law and in some state jurisdictions, we may face difficulties in enforcing our contracts in federal courts and certain state courts. Therefore, there is uncertainty as to whether we will be able to legally enforce our agreements, which could have a material, adverse effect on the Company.

We may not be able to secure our payment and other contractual rights with liens on the inventory or licenses of our clients and contracting parties under applicable state laws.

In general, the laws of the various states that have legalized cannabis sale and cultivation do not expressly or impliedly allow for the pledge of inventory containing cannabis as collateral for the benefit of third parties, such as the Company and its subsidiaries, that do not possess the requisite licenses and entitlements to cultivate, process, sell, or possess cannabis pursuant to the applicable state law. Likewise, the laws of those states generally do not allow for transfer of the licenses and entitlements to sell or cultivate cannabis to third parties that have not been granted such licenses and entitlements by the applicable state agency. Our inability to secure our payment and other contractual rights with liens on the inventory and licenses of our clients and contracting parties increases the risk of loss resulting from breaches of the applicable agreements by the contracting parties, which, in turn, could have a material, adverse effect on our business, financial condition or results of operations.

Because marijuana is illegal under U.S. federal law, marijuana businesses may be subject to civil asset forfeiture.

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

We may be subject to constraints on and differences in marketing our products under varying state laws.

There may be restrictions on sales and marketing activities imposed by government regulatory bodies that could hinder the development of our business and operating results. Restrictions may include regulations that specify what, where and to whom product information and descriptions may appear and/or be advertised. Marketing, advertising, packaging and labeling regulations also vary from state to state, potentially limiting the consistency and scale of consumer branding communication and product education efforts. The regulatory environment in the U.S. limits our ability to compete for market share in a manner similar to other industries. If we are unable to effectively market our products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for our products, our sales and operating results could be materially, adversely affected.

The results of future clinical research may be unfavorable to cannabis, which may have a material, adverse effect on the demand for our products.

The cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception can be significantly influenced by scientific research or findings regarding the consumption of cannabis products. There can be no assurance that future scientific research or findings will be favorable to the cannabis market or any particular product, or consistent with earlier research or findings. Research in Canada, the U.S. and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids. Although we believe that various articles, reports and studies support our beliefs regarding the medical benefits, viability, safety, efficacy and dosing of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding cannabis. Future research studies and clinical trials may draw opposing conclusions to those stated in this Document or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, or other facts related to cannabis, which could have a material, adverse effect on the demand for our products, and therefore on our business, prospects, revenue, results of operation and financial condition.

Inconsistent public opinion and perception of the medical and adult-use use cannabis industry hinders market growth and state adoption.

Public opinion and support for medical and adult-use cannabis has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising generally for legalizing medical and adult-use cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, medical cannabis as opposed to legalization in general). Inconsistent public opinion and perception of the medical and adult-use cannabis may hinder growth and state adoption, which could have a material, adverse effect on our business, financial condition or results of operations.

Our ability to generate revenue and be successful in the implementation of our business plan is dependent on consumer acceptance and demand of our product lines. Our management believes the medical and adult-use cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Acceptance of our products will depend on several factors, including availability, cost, familiarity of use, perceptions of acceptance by other people, convenience, effectiveness, safety, and reliability. If customers do not accept our products, or if we fail to meet customers' needs and expectations adequately, our ability to continue generating revenues could be reduced. Consumer perception of our products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical and adult-use cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the medical and adult-use cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material, adverse effect on the demand for our products and our business, results of operations, financial condition and cash flows. Our dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material, adverse effect on the Company, the demand for our products, and our business, results of operations, financial condition and cash flows. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or our products specifically, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material, adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Investors in the Company who are not U.S. citizens may be denied entry into the United States.

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

As a cannabis business, we are subject to unfavorable tax treatment under the Code.

Under Section 280E of the Code, no deduction or credit is allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if the trade or business (or the activities which comprise the trade or business) consists of trafficking in controlled substances (within the meaning of Schedules I and II of the Controlled Substances Act), which is prohibited by federal law or the law of any state in which that trade or business is conducted. The IRS has applied this provision to cannabis operations, prohibiting them from deducting many expenses associated with cannabis businesses other than certain costs and expenses related to cannabis cultivation and manufacturing operations. Accordingly, Section 280E has a significant impact on the operations of cannabis companies and an otherwise profitable business may operate at a loss, after taking into account its U.S. income tax expenses.

If our operations are found to be in violation of applicable money laundering legislation and our revenues are viewed as proceeds of crime, we may be unable to effect distributions or repatriate funds to Canada.

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

If the operations of the Company or our subsidiaries, or any proceeds thereof, any dividend distributions or any profits or revenues derived from these operations in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above, or any other applicable legislation. This could have a material, adverse effect on the Company and, among other things, could restrict or otherwise jeopardize our ability to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

Risks Related to our Business and Operations

We incurred net losses in the nine months ended September 30, 2020 and fiscal years 2019 and 2018 with net cash used in operating activities and cannot provide assurance as to when or if we will become profitable and generate cash in our operating activities.

We incurred net losses of $57,479,312 and $8,210,965 and net cash used in operating activities of $26,906,844 and $12,972,381 for the fiscal years ended December 31, 2019 and 2018, respectively. In addition, we incurred net losses of $20,676,352 and $17,984,998 and net cash used in operating activities of $10,995,777 and $20,334,057 for the nine months ended September 30, 2020 and 2019, respectively. As of September 30, 2020, we had an aggregate accumulated deficit of $99,467,201. Such losses have historically required us to seek additional funding through the issuance of debt or equity securities. In addition, we have historically experienced and may prospectively experience fluctuations in our quarterly earnings due to the nature of our business. Our long-term success is dependent upon among other things, achieving positive cash flows from operations and augmenting such cash flows using external resources to satisfy our cash needs, and there is no assurance that we will be able to achieve such cash flows.

We anticipate requiring substantial additional financing to operate our business and we may face difficulties acquiring additional financing on terms acceptable to us or at all.

We will need additional capital to sustain our operations and will likely need to seek further financing. If we fail to raise additional capital, as needed, our ability to implement our business model and strategy could be compromised. To date, our operations and expansion of our business have been funded primarily from cash-flow from operations as substantially supplemented by the proceeds of debt and equity financings and the sale of our former Pennsylvania grower/processor subsidiary. We expect to require substantial additional capital in the future primarily to fund working capital requirements of our business, including operational expenses, operationalizing existing licenses, planned capital expenditures including the focused development and growth of cultivation and dispensary facilities, debt service and acquisitions.

Even if we obtain financing for our near-term operations and expansion, we expect that we will require additional capital thereafter. Our capital needs will depend on numerous factors including: (i) our profitability; (ii) the release of competitive products by our competition; (iii) the level of our investment in research and development; and (iv) the amount of our capital expenditures, including acquisitions, and debt service.

If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership held by our existing shareholders will be reduced and our shareholders may experience significant dilution. In addition, new securities may contain rights, preferences, or privileges that are senior to those of existing securities. If we raise additional capital by incurring debt, this will result in increased interest expense. If we raise additional funds through the issuance of equity securities, market fluctuations in the price of our securities could limit our ability to obtain equity financing.

No assurance can be given that any additional financing will be available to us, or if available, will be on terms favorable to us. If we are unable to raise capital when needed, our business, financial condition, and results of operations would be materially, adversely affected, and we could be forced to reduce or discontinue our operations.

We are a holding company and our earnings are dependent on the earnings and distributions of our subsidiaries.

We are a holding company and essentially all of our assets are the capital stock or membership interests of our subsidiaries or management services agreements with entities in each of the markets in which we operate, including in our core markets of Arizona, Maryland, Minnesota, New Mexico, and New York. As a result, our shareholders are subject to the risks attributable to our subsidiaries. As a holding company, we conduct substantially all of our business through our subsidiaries, which generate substantially all of our revenues. Consequently, our cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of our subsidiaries and the distribution of those earnings to us. The ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of our material subsidiaries, holders of indebtedness and trade creditors may be entitled to payment of their claims from the assets of those subsidiaries before us.

Our subsidiaries may not be able to obtain necessary permits and authorizations.

Our subsidiaries may not be able to obtain or maintain the necessary licenses, permits, certificates, authorizations or accreditations to operate their respective businesses, or may only be able to do so at great cost. In addition, our subsidiaries may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licenses, permits, certificates, authorizations or accreditations could result in restrictions on a subsidiary's ability to operate in the cannabis industry, which could have a material, adverse effect on our business, financial condition and results of operations.

Disparate state-by-state regulatory landscapes and the constraints related to holding cannabis licenses in various states results in operational and legal structures for realizing the benefit from cannabis licenses that could result in materially detrimental consequences to us.

We realize, and will continue to realize, the benefits from cannabis licenses pursuant to a number of different structures, depending on the regulatory requirements from state-to-state, including realizing the economic benefit of cannabis licenses through management agreements. Such agreements are often required to comply with applicable laws and regulations or are in response to perceived risks that we determine warrant such arrangements.

The foregoing structures present various risks to the Company and our subsidiaries, including but not limited to the following risks, each of which could have a material, adverse effect on our business, financial condition and results of operations:

- A governmental body or regulatory entity may determine that any of these structures are in violation of a legal or regulatory requirement or change such legal or regulatory requirements with the result that a management agreement structure violates such requirements (where it had not in the past). We will not be able to provide any assurance that a license application submitted by a third party will be accepted, especially if the management and operation of the license is dependent on a management agreement structure.

- There could be a material, adverse impact on the revenue stream we intend to receive from or on account of cannabis licenses (as we will not be the license holder, and therefore any economic benefit is received pursuant to a contractual arrangement). If a management agreement is terminated, we will no longer receive any economic benefit from the applicable dispensary and/or cultivation license.

- These structures could potentially result in the funds invested by us being used for unintended purposes, such as to fund litigation.

- If a management agreement structure is in place, we will not be the license holder of the applicable state-issued cannabis license, and therefore, only have contractual rights in respect of any interest in any such license. If the license holder fails to adhere to its contractual agreement with us, or if the license holder makes, or omits to make, decisions in respect of the license that we disagree with, we will only have contractual recourse and will not have recourse to any regulatory authority.

- The license holder may renege on its obligation to pay fees and other compensation pursuant to a management agreement or violate other provisions of these agreements.

- The license holder's acts or omissions may violate the requirements applicable to it pursuant to the applicable dispensary and/or cultivation license, thus jeopardizing the status and economic value of the license holder (and, by extension, of the Company).

- In the case of a management agreement, the license holder may terminate the agreement if any loan owing to us is paid back in full and the license holder is able to pay a break fee.

- The license holder may attempt to terminate the management agreement in violation of its express terms.

In any or all of the above situations, it may be difficult and expensive for us to protect our rights through litigation, arbitration, or similar proceedings.

The success of our business depends, in part, on our ability to execute on our acquisition strategy, to successfully integrate acquired businesses and to retain key employees of acquired businesses.

Since the Company's inception, we have acquired and integrated complementary businesses, which have contributed to a significant portion of our growth. We continue to evaluate strategic acquisition opportunities that have the potential to support and strengthen our business, including acquisitions in the United States, as part of our ongoing growth strategy. We cannot predict the timing or size of any future acquisitions. To successfully acquire a significant target, we may need to raise additional equity and/or indebtedness, which could increase our debt. There can be no assurance that we will enter into definitive agreements with respect to any contemplated transaction or that any contemplated transaction will be completed. The investigation of acquisition candidates and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require substantial management time and attention and substantial costs for accountants, attorneys and others. If we fail to complete any acquisition for any reason, including events beyond our control, the costs incurred up to that point for the proposed acquisition likely would not be recoverable.

Acquisitions typically require integration of the acquired company's estimation, project management, finance, information technology, risk management, purchasing and fleet management functions. We may be unable to successfully integrate an acquired business into our existing business, and an acquired business may not be as beneficial or profitable as and when expected or at all. Our inability to successfully integrate new businesses in a timely and orderly manner could increase costs, reduce profits or generate losses. Factors affecting the successful integration of an acquired business include, but are not limited to, the following:

- we may become liable for certain liabilities of an acquired business, whether or not known to us, which could include, among others, tax liabilities, product liabilities, environmental liabilities and liabilities for employment practices, and these liabilities could be significant;
- we may not be able to retain local managers and key employees who are important to the operations of an acquired business;
- substantial attention from our senior management and the management of an acquired business may be required, which could decrease the time that they have to service and attract customers;
- we may not effectively utilize new equipment that we acquire through acquisitions;
- the complete integration of an acquired company depends, to a certain extent, on the full implementation of our financial and management information systems, business practices and policies; and
- we may actively pursue a number of opportunities simultaneously and may encounter unforeseen expenses, complications and delays, including difficulties in employing sufficient staff and maintaining operational and management oversight.

Acquisitions involve risks that the acquired business will not perform as expected and that business judgments concerning the value, strengths and weaknesses of the acquired business will prove incorrect. In addition, potential acquisition targets may be in states in which we do not currently operate, which could result in unforeseen operating difficulties and difficulties in coordinating geographically dispersed operations, personnel and facilities. In addition, if we enter into new geographic markets, we may be subject to additional and unfamiliar legal and regulatory requirements.

We cannot guarantee that we will achieve synergies and cost savings in connection with completed or future acquisitions within the timing anticipated or at all. Many of the businesses that we have acquired and may acquire in the future have unaudited financial statements that have been prepared by management and have not been independently reviewed or audited. We cannot guarantee that such financial statements would not be materially different if such statements were independently reviewed or audited. We cannot guarantee that we will continue to acquire businesses at valuations consistent with prior acquisitions or that we will complete future acquisitions at all. We cannot guarantee that there will be attractive acquisition opportunities at reasonable prices, that financing will be available or that we can successfully integrate acquired businesses into existing operations. In addition, the results of operations from these acquisitions could, in the future, result in impairment charges for any of our intangible assets, including goodwill or other long-lived assets, particularly if economic conditions worsen unexpectedly. Our inability to effectively manage the integration of our completed and future acquisitions could prevent us from realizing expected rates of return on an acquired business and could have a material and adverse effect on our financial condition, results of operations or liquidity.

We may invest in pre-revenue companies which may not be able to meet anticipated revenue targets in the future.

We have made and may in the future make investments in companies with no significant sources of operating cash flow and no revenue from operations. Our investments in such companies will be subject to risks and uncertainties that new companies with no operating history may face. In particular, there is a risk that our investment in these pre-revenue companies will not be able to meet anticipated revenue targets or will generate no revenue at all, or such underperforming pre-revenue companies may fail, which could have a material, adverse effect on our business, prospects, revenue, results of operation and financial condition.

The nature of the medical and adult-use cannabis industry may result in unconventional due diligence processes and acquisition terms that could have unknown and materially detrimental consequences to us.

The uncertainty inherent in various aspects of the medical and adult-use cannabis industry may result in what otherwise would be considered to be inadequate investment due diligence information and uncertain legal consequences relative to arrangements affecting a target investment. The reluctance of banks and other financial institutions to facilitate financial transactions in the medical and adult-use cannabis industry can result in inadequate and unverifiable financial information about target investments, as well as cash management practices that are vulnerable to theft and fraud. The lack of established, traditional sources of financing for industry participants can result in unusual and uncertain arrangements affecting the ownership and obligations of a target investment. The reluctance of lawyers to represent industry participants in furtherance of financing and other business transactions can result in the lack of appropriate documentation setting forth the terms of the transactions, inadequately documented transactions, and transactions that in whole or in part are illegal under applicable state law, among other detrimental consequences. We may have invested in, and may in the future invest in, businesses and companies that are or may become party to legal proceedings, may have inadequate financial and other due diligence information, may employ vulnerable cash management practices, lack written or adequate legal documents governing significant transactions, and otherwise have known or unknown conditions that could be detrimental to our business and assets.

Our assets may be purchased with limited representations and warranties from the sellers of those assets.

We will generally acquire assets and businesses, after conducting our due diligence, with only limited representations and warranties from the seller regarding the quality of the assets and the likelihood of payment. As a result, if defects in the assets or business are subsequently discovered, we may not be able to pursue a claim for any or all of our damages against the owners of such seller or borrower, and may be limited to asserting our claims against the seller or borrower. The extent of damages that we may incur as a result of such matters cannot be predicted, but potentially could have a material, adverse effect on the value of our assets and revenue stream and, as a result, on our ability to pay dividends.

Lending by us to third parties may be unsecured, subordinate in interest or backed by unrealizable license assets.

In connection with certain transactions, we may also act as lender to one or more counterparties. Certain of these loans are unsecured, which places us at a greater risk of not receiving repayment or the equivalent value thereof. Even for loans that are secured, there is a risk that other lenders may have priority interest to us or that the assets of the borrower may be insufficient to satisfy the loan. In addition, we may have difficulty putting liens on the assets of a borrower, as the major asset is generally the cannabis license which is not transferrable pursuant to state law. Any inability of a borrower to repay a loan or of the Company to realize the value of secured assets could have a material, adverse effect on our business, financial condition or results of operations.

Competition for the acquisition and leasing of properties suitable for the cultivation, production and sale of medical and adult use cannabis may impede our ability to make acquisitions or increase the cost of these acquisitions, which could materially, adversely affect our operating results and financial condition.

We compete for the acquisition of properties suitable for the cultivation, production and sale of medical and adult use cannabis with entities engaged in agriculture and real estate investment activities, including corporate agriculture companies, cultivators, producers and sellers of cannabis. These competitors may prevent us from acquiring and leasing desirable properties, may cause an increase in the price we must pay for properties or may result in us having to lease our properties on less favorable terms than we expect. Our competitors may have greater financial and operational resources than we do and may be willing to pay more for certain assets or may be willing to accept more risk than we believe can be prudently managed. In particular, larger companies may enjoy significant competitive advantages that result from, among other things, a lower cost of capital and enhanced operating efficiencies. Our competitors may also adopt transaction structures similar to ours, which would decrease our competitive advantage in offering flexible transaction terms. In addition, due to a number of factors, including but not limited to potential greater clarity of the laws and regulations governing medical use cannabis by state and federal governments, the number of entities and the amount of funds competing for suitable investment properties may increase, resulting in increased demand and increased prices paid for these properties. If we pay higher prices for properties or enter into leases for such properties on less favorable terms than we expect, our profitability and ability to generate cash flow and make distributions to our stockholders may decrease. Increased competition for properties may also preclude us from acquiring those properties that would generate attractive returns.

We face security risks related to our physical facilities and cash transfers.

The business premises of our operating locations are targets for theft. While we have implemented security measures at each location and continue to monitor and improve such security measures, our cultivation, production, processing and dispensary facilities could be subject to break-ins, robberies and other breaches in security. If there were a breach in security and we fell victim to a robbery or theft, the loss of cannabis plants, cannabis oils, cannabis flowers, cannabis products and cultivation, production, processing and packaging equipment could have a material, adverse impact on our business, prospects, revenue, results of operation and financial condition.

Our business involves the movement and transfer of cash, which is collected from dispensaries or patients/customers and deposited into our bank. There is a risk of theft or robbery during the transport of cash. We have engaged security firms to provide security in the transport and movement of large amounts of cash. Employees sometimes transport cash and/or products and, if requested, may be escorted by armed guards. While we have taken robust steps to prevent theft or robbery of cash during transport, there can be no assurance that there will not be a security breach during the transport and the movement of cash, involving the theft of product or cash.

We face exposure to fraudulent or illegal activity by employees, contractors, consultants and agents, which may subject us to investigations and actions.

We are exposed to the risk that any of our employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violates one or more of the following: (i) government regulations; (ii) manufacturing standards; (iii) federal or state privacy laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data; or (v) other laws or regulations. It may not always be possible for us to identify and prevent misconduct by our employees and other third parties, and the precautions taken by us to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. We cannot provide assurance that our internal controls and compliance systems will protect us from acts committed by our employees, agents or business partners in violation of U.S. federal or state or local laws. If any such actions are instituted against us, and we are not successful in defending the Company or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could have a material, adverse effect on our business, financial condition or results of operations.

We face risks related to the novelty of the cannabis industry, and the resulting lack of information regarding comparable companies, unanticipated expenses, difficulties and delays, and the offering of new products and services in an untested market.

As a relatively new industry, there are not many established players in the cannabis industry whose business model we can follow or emulate. Similarly, there is little information about comparable companies available for potential investors to review in making a decision about whether to invest in the Company.

Shareholders and investors should consider, among other factors, our prospects for success in light of the risks and uncertainties encountered by companies, like us, that are in their early stages. For example, unanticipated expenses and problems or technical difficulties may occur, which may result in material delays in the operation of our business. We may fail to successfully address these risks and uncertainties or successfully implement our operating strategies. If we fail to do so, it could materially harm our business to the point of having to cease operations and could impair the value of the Subordinate Voting Shares to the point where investors may lose their entire investments.

We have committed and expect to continue committing significant resources and capital to develop and market existing products and services and new products and services. These products and services are relatively untested in the marketplace, and we cannot provide assurance that we will achieve market acceptance for these products and services, or other new products and services that we may offer in the future. Moreover, these and other new products and services may be subject to significant competition from offerings by new and existing competitors in the business. In addition, new products and services may pose a variety of challenges and require us to attract additional qualified employees. The failure to successfully develop and market these new products and services could materially harm our business, prospects, revenue, results of operation and financial condition.

We are dependent on the popularity and acceptance of our brand portfolio.

Our ability to generate revenue and be successful in the implementation of our business plan is dependent on consumer acceptance of and demand for our products. Acceptance of and demand for our products depends on several factors, including availability, cost, ease of use, familiarity of use, convenience, effectiveness, safety and reliability. If these customers do not accept our products, or if such products fail to adequately meet customers' needs and expectations, our ability to continue generating revenues could be reduced.

We believe that establishing and maintaining the brand identities of products is a critical aspect of attracting and expanding a large customer base. Promotion and enhancement of brands will depend largely on success in providing high-quality products. If customers and end users do not perceive our products to be of high quality, or if we introduce new products or enters into new business ventures that are not favorably received by customers and consumers, we will risk diluting brand identities and decreasing their attractiveness to existing and potential customers. Moreover, in order to attract and retain customers and to promote and maintain brand equity in response to competitive pressures, we may have to increase substantially financial commitment to creating and maintaining a distinct brand loyalty among customers. If we incur significant expenses in an attempt to promote and maintain brands, this could have a material, adverse effect on our business, financial condition or results of operations.

Our business is subject to the risks inherent in agricultural operations.

Medical and adult use cannabis is an agricultural product. There are risks inherent in the cultivation business, such as insects, plant diseases and similar agricultural risks. Although the products are usually grown indoors or in green houses under climate-controlled conditions, with conditions monitored, there can be no assurance that natural elements will not have a material, adverse effect on the production of the subsidiaries' products and, consequentially, on our business, financial condition or results of operations.

We may encounter increasingly strict environmental regulation in connection with our operations and the associated permitting, which may increase the expenses for cannabis production or subject us to enforcement actions by regulatory authorities.

Our operations will be subject to environmental regulation in the various jurisdictions in which they operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not have a material, adverse effect on our business, financial condition or results of operations of the Company.

Government approvals and permits are currently, and may in the future be, required in connection with the operations of the Company. To the extent such approvals are required and not obtained, we may be curtailed or prohibited from our proposed production of cannabis or from proceeding with the development of our operations as currently proposed.

We may face potential enforcement actions if we fail to comply with applicable laws.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The subsidiaries may be required to compensate those suffering loss or damage by reason of their operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the production of cannabis, or more stringent implementation thereof, could cause increases in expenses, capital expenditures or production costs or reduction in levels of production or require abandonment or delays in development, and could have a material, adverse effect on our business, financial condition or results of operations.

We face risks related to our information technology systems, including potential cyber-attacks and security and privacy breaches.

Our use of technology is critical in our continued operations. We are susceptible to operational, financial and information security risks resulting from cyber attacks and/or technological malfunctions. Successful cyber attacks and/or technological malfunctions affecting us or our service providers can result in, among other things, financial losses, the inability to process transactions, the unauthorized release of customer information or other confidential information and reputational risk. We have not experienced any material losses to date relating to cyber attacks, other information breaches or technological malfunctions. However, there can be no assurance that we will not incur such losses in the future. As cybersecurity threats continue to evolve, we may be required to use additional resources to continue to modify or enhance protective measures or to investigate and redress security vulnerabilities.

We are subject to laws, rules and regulations in the United States and other jurisdictions relating to the collection, production, storage, transfer and use of personal data. We may store and collect personal information about customers and employees. It is our responsibility to protect that information from privacy breaches that may occur through procedural or process failure, information technology malfunction or deliberate, unauthorized intrusions. Any such theft or privacy breach could have a material, adverse effect on our business, prospects, revenue, results of operation and financial condition. Additionally, our ability to execute transactions and to possess and use personal information and data in conducting our business subjects us to legislative and regulatory burdens that may require us to notify regulators and customers, employees and other individuals of a data security breach. Evolving compliance and operational requirements under the privacy laws, rules and regulations of jurisdictions in which we operate impose significant costs that are likely to increase over time. In addition, non-compliance could result in proceedings against us by governmental entities and/or the imposition of significant fines, could negatively impact our reputation and may otherwise materially, adversely impact our business, financial condition and operating results.

We may be required to disclose personal information to government or regulatory entities.

We own, manage, or provide services to various U.S. state-licensed cannabis operations. Acquiring even a minimal and/or indirect interest in a U.S. state-licensed cannabis business can trigger requirements to disclose investors' personal information. While these requirements vary by jurisdiction, some require interest holders to apply for regulatory approval and to provide tax returns, compensation agreements, fingerprints for background checks, criminal history records and other documents and information. Some states require disclosures of directors, officers and holders of more than a certain percentage of equity of the applicant. While certain states include exceptions for investments in publicly traded entities, not all states do so, and some such exceptions are confined to companies traded on a U.S. securities exchange. If these regulations were to extend to the Company, investors would be required to comply with such regulations, or face the possibility that the relevant cannabis license could be revoked or cancelled by the state licensing authority.

We face risks related to our insurance coverage and uninsurable risks.

Our business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, fires, riots, civil unrest, labor disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Although we intend to continue to maintain insurance to protect against certain risks in such amounts as we consider to be reasonable, our insurance will not cover all the potential risks associated with our operations. We may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in our operations is not generally available on acceptable terms. We might also become subject to liability for pollution or other hazards which we may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material, adverse effect upon our financial performance and results of operations.

Our reputation and ability to do business may be negatively impacted by our suppliers' inability to produce and ship products.

We depend on third-party suppliers to produce and timely ship orders to us. Some products purchased from our suppliers are resold to our customers, while others are used in the production or packaging of our products. These suppliers could fail to produce products to our specifications or quality standards and may not deliver units on a timely basis. Any changes in our suppliers' ability to timely resolve production issues could impact our ability to fulfill orders and could also disrupt our business due to delays in finding new suppliers.

We are dependent on key inputs, suppliers and skilled labor for the cultivation, extraction and production of cannabis products.

The cultivation, extraction and production of cannabis and derivative products is dependent on a number of key inputs and their related costs, including raw materials and supplies related to growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs, such as the raw material cost of cannabis, could materially impact our business, financial condition, results of operations or prospects. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier were to go out of business, we might be unable to find a replacement for such source in a timely manner, or at all. If a sole-source supplier were to be acquired by a competitor of ours, that competitor may elect not to sell to the Company in the future. Any inability to secure required supplies and services, or to do so on appropriate terms, could have a materially adverse impact on our business, prospects, revenue, results of operation and financial condition. The Company purchases key inputs on a purchase order basis from suppliers at market prices based on its production requirements and anticipated demand. The Company believes that it will have access to a sufficient supply of the key inputs for the foreseeable future.

Our cannabis growing operations consume considerable energy, which makes us vulnerable to rising energy costs. Accordingly, rising or volatile energy costs may adversely affect our business and our ability operate profitably.

The ability to compete and grow will be dependent on our continued access, at a reasonable cost and in a timely manner, to skilled labor, equipment, parts and components. No assurances can be given that we will be successful in maintaining our required supply of skilled labor, equipment, parts and components. This could have a material, adverse effect on our financial results.

Our inability to attract and retain key personnel could materially adversely affect our business.

Our success is dependent upon the ability, expertise, judgment, discretion and good faith of our senior management and key personnel. We compete with other companies both within and outside the cannabis industry to recruit and retain competent employees. If we cannot maintain qualified employees to meet the needs of our anticipated growth, our business and financial condition could be materially, adversely affected.

Our sales are difficult to forecast due to limited and unreliable market data.

As a result of recent and ongoing regulatory and policy changes in the medical and adult use cannabis industries and the effects of COVID-19, the market data that is available is limited and unreliable. We must rely largely on our own market research to forecast sales, as detailed forecasts are not generally obtainable from other sources in the states in which our business operates. Additionally, any market research and projections by the Company of estimated total retail sales, demographics, demand and similar consumer research, are based on assumptions from limited and unreliable market data. A failure in the demand for our products to materialize as a result of inaccurate research and projections may have a material, adverse effect on our business, results of operations and financial condition.

We may be subject to growth-related risks.

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

We are currently involved in litigation, and there may be additional litigation in which we will be involved in the future.

We are currently involved in litigation and may become party to litigation from time to time in the future with various counterparties, including, but not limited to, joint venture partners and other affiliates. An adverse decision in any litigation could have a material, adverse effect on our business, financial condition or results of operations and could result in negative publicity and reputational harm. Furthermore, even if we are successful in the litigation, we may incur substantial legal fees, which could have a material, adverse effect on our business, financial condition or results of operations.

We face an inherent risk of product liability claims as a manufacturer, processor and producer of products that are intended to be ingested by people.

As a cultivator, manufacturer, processor and distributor of products designed to be ingested by humans, we face an inherent risk of exposure to product liability claims, regulatory action and litigation if our products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of our products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of our products alone or in combination with other medications or substances could occur. Although we will have quality control procedures in place, we may be subject to various product liability claims, including, among others, that the products produced by us, or the products that are purchased by us from third-party licensed producers, caused injury, illness or death, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against us could result in increased costs, could adversely affect our reputation with our customers and consumers generally and could have a material, adverse effect on our business, results of operations and financial condition. There can be no assurances that we will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products and have a material, adverse effect on our business, results of operations and financial condition.

Our intellectual property may be difficult to protect.

We rely upon certain proprietary intellectual property, including but not limited to brands, trademarks, trade names, patents and proprietary processes. Our success will depend, in part, on our ability to maintain and enhance protection over our intellectual property, know-how and other proprietary information. We enter into confidentiality or non-disclosure agreements with our corporate partners, employees, consultants, outside scientific collaborators, developers, and other advisors. These agreements generally require that the receiving party keep confidential and not disclose to third-parties confidential information developed by the receiving party or made known to the receiving party by us during the course of the receiving party's relationship with the Company. These agreements also generally provide that inventions conceived by the receiving party in the course of rendering services to us will be our exclusive property, and we enter into assignment agreements to perfect our rights. These confidentiality, inventions, and assignment confidentiality agreements may be breached and may not effectively assign rights to proprietary information to us. In addition, our proprietary information could be independently discovered by competitors, in which case we may not be able to prevent the use of such proprietary information by our competitors. The enforcement of a claim alleging that a party illegally obtained and was using our proprietary information could be difficult, expensive, and time consuming and the outcome would be unpredictable. In addition, courts outside the United States may be less willing to protect such proprietary information. The failure to obtain or maintain meaningful intellectual property protection could adversely affect our competitive position.

In addition, effective future patent, copyright and trade secret protection may be unavailable or limited in certain countries and may be unenforceable under the laws of certain jurisdictions. As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance pursuant to the Controlled Substances Act, the benefit of certain federal laws and protections which may be available to most businesses, such as federal trademark and patent protection regarding the intellectual property of a business, may not be available to us. While many states do offer the ability to protect trademarks independent of the federal government, patent protection is wholly unavailable on a state level, and state-registered trademarks provide a lower degree of protection than would federally registered marks. As a result, our intellectual property may never be adequately or sufficiently protected against the use or misappropriation by third parties.

Our failure to adequately maintain and enhance protection over our proprietary information, as well as over unregistered intellectual property of companies that we acquire, could have a material, adverse effect on our business, financial condition or results of operations.

We may be exposed to infringement or misappropriation claims by third parties, which, if determined adversely to us, could subject us to significant liabilities and other costs.

Our success may depend on our ability to use and develop new extraction technologies, recipes, know-how and new strains of cannabis without infringing the intellectual property rights of third parties. We cannot assure that third parties will not assert intellectual property claims against us. We are subject to additional risks if entities licensing intellectual property to us do not have adequate rights to the licensed materials. If third parties assert copyright or patent infringement or violation of other intellectual property rights against Vireo, it will be required to defend itself in litigation or administrative proceedings, which can be both costly and time consuming and may significantly divert the efforts and resources of management personnel. An adverse determination in any such litigation or proceedings to which we may become a party could subject us to significant liability to third parties, require us to seek licenses from third parties, require us to pay ongoing royalties or subject us to injunctions that may prohibit the development and operation of our applications, any of which could have a material, adverse effect on our business, results of operations and financial condition.

Our products may be subject to product recalls, which may result in expense, legal proceedings, regulatory action, loss of sales and reputation, and diversion of management attention.

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

We may face unfavorable publicity or consumer perception of the safety, efficacy and quality of our cannabis products as a result of research, investigations, litigation and publicity.

Management believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception of our products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that is perceived as less favorable than, or questions earlier research reports, findings or publicity could have a material, adverse effect on the demand for our products and our business, results of operations, financial condition and cash flows. Our dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material, adverse effect on the Company, the demand for our products and our business, results of operations, financial condition and cash flows. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or our products specifically, or associating the consumption of adult use cannabis with illness or other negative effects or events, could have such a material, adverse effect. Adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

In addition, the use of vape products and vaping may pose health risks. According to the Centers for Disease Control, vape products may contain ingredients that are known to be toxic to humans and may contain other ingredients that may not be safe. Because clinical studies about the safety and efficacy of vape products have not been submitted to the FDA, consumers currently have no way of knowing whether they are safe for their intended uses or what types or concentrations of potentially harmful substances are found in these products.

We face intense competition in a new and rapidly growing industry by other licensed companies with more experience and financial resources than we have and by unlicensed, unregulated participants.

We face intense competition from other companies, some of which have longer operating histories and more financial resources and manufacturing and marketing experience than we have. Increased competition by larger and better-financed competitors could materially, adversely affect our business, financial condition and results of operations. Because of the early stage of the industry in which we operate, we face additional competition from new entrants. If the number of consumers of cannabis in the states in which we operate increases, the demand for products will increase and we expect that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, we will require a continued high level of investment in research and development, facilities, marketing and sales support. We may not have sufficient resources to maintain research and development, facilities, marketing and sales support efforts on a competitive basis, which could materially, adversely affect the business, financial condition and results of our operations.

We also face competition from illegal dispensaries and black market sources of cannabis and cannabis products, which are unlicensed and unregulated, and which may sell products that are deemed more desirable than ours by certain consumers, including products with higher concentrations of active ingredients, and using delivery methods, including edibles and extract vaporizers, that we are prohibited from offering to individuals as they are not currently permitted by the laws of certain of the states in which we operate. Any inability or unwillingness of law enforcement authorities to enforce existing laws prohibiting the unlicensed cultivation and sale of cannabis and cannabis-based products could result in the perpetuation of the black market for cannabis and/or have a material, adverse effect on the perception of cannabis use. Any or all these events could have a material, adverse effect on our business, financial condition and results of operations.

There are risks associated with consolidation of the industry by well-capitalized entrants developing large-scale operations.

Currently, the cannabis industry generally is comprised of individuals and small to medium-sized entities; however, the risk remains that large conglomerates and companies who also recognize the potential for financial success through investment in this industry could strategically purchase or assume control of larger dispensaries and cultivation facilities. In doing so, these larger competitors could establish price setting and cost controls which would effectively “price out” many of the individuals and small to medium sized entities who currently make up the bulk of the participants in the varied businesses operating within and in support of the medical and adult-use cannabis industry. While the trend in most state laws and regulations seemingly deters this type of takeover, this industry remains quite nascent, so what the landscape will be in the future remains largely unknown.

Synthetic products from the pharmaceutical industry may compete with cannabis use and products.

The pharmaceutical industry may attempt to dominate the cannabis industry, and in particular, legal cannabis, through the development and distribution of synthetic products that emulate the effects and treatment of organic cannabis. If they are successful, the widespread popularity of such synthetic products could change the demand, volume and profitability of the cannabis industry. This could adversely affect our ability to secure long-term profitability and success through the sustainable and profitable operation of the anticipated businesses and investment targets and could have a material, adverse effect on our anticipated business, financial condition and results of operations.

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

We are subject to various Canadian and U.S. reporting and other regulatory requirements. We will incur expenses and, to a lesser extent, diversion of our management's time in our efforts to comply with the Sarbanes-Oxley Act and applicable Canadian securities laws regarding internal controls over financial reporting. Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act and applicable Canadian securities laws, or the subsequent testing by our independent registered public accounting firm when required, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retrospective changes to our consolidated financial statements or identify other areas for further attention or improvement. Inadequate internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our Subordinate Voting Shares.

The elimination of monetary liability against our directors, officers, and employees under British Columbia law and the existence of indemnification rights for our obligations to our directors, officers, and employees may result in substantial expenditures by us and may discourage lawsuits against our directors, officers, and employees.

Our Articles contain a provision permitting us to eliminate the personal liability of our directors to us and our shareholders for damages incurred as a director or officer to the extent provided by British Columbia law. We may also have contractual indemnification obligations under any employment agreements with our officers or agreements entered into with our directors. The foregoing indemnification obligations could result in the Company incurring substantial expenditures to cover the cost of settlement or damage awards against directors and officers, which we may be unable to recoup. These provisions and the resulting costs may also discourage the Company from bringing a lawsuit against directors and officers for breaches of their fiduciary duties, and may similarly discourage the filing of derivative litigation by our shareholders against our directors and officers even though such actions, if successful, might otherwise benefit the Company and our shareholders.

There is doubt as to the ability to enforce judgments in Canada or under Canadian law against U.S. subsidiaries, assets and experts.

Our subsidiaries are organized under the laws of various U.S. states. All of the assets of these entities are located outside of Canada and certain of the experts that will be retained by us or our affiliates are residents of countries other than Canada. As a result, it may be difficult or impossible for our shareholders to effect service within Canada upon such persons, or to realize against them in Canada upon judgments of courts of Canada predicated upon the civil liability provisions of applicable Canadian provincial securities laws or otherwise. There is some doubt as to the enforceability in the U.S. by a court in original actions, or in actions to enforce judgments of Canadian courts, of civil liabilities predicated upon such applicable Canadian provincial securities laws or otherwise. A court in the U.S. may refuse to hear a claim based on a violation of Canadian provincial securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a court in the U.S. agrees to hear a claim, it may determine that the local law in the U.S., and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by U.S. law in such circumstances.

Our directors and officers reside outside of Canada. Some or all of the assets of such persons may be located outside of Canada. Therefore, it may not be possible for Company shareholders to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for Company shareholders to effect service of process within Canada upon such persons. Courts in the United States may refuse to hear a claim based on a violation of Canadian securities laws on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a United States court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process.

Our past performance may not be indicative of our future results.

Our prior investment and operational performance may not be indicative of our future operating results. There can be no assurance that the historical operating results achieved by us or our affiliates will be achieved by us, and our performance may be materially different.

Our business, financial condition, results of operations, and cash flow may be negatively impacted by challenging global economic conditions.

Disruptions and volatility in global financial markets and declining consumer and business confidence, including as a result of the COVID-19 pandemic, could lead to decreased levels of consumer spending. Our operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer spending and, consequently, impact our sales and profitability. These macroeconomic developments could negatively impact our business, which depends on the general economic environment and levels of consumer spending. As a result, we may not be able to maintain our existing customers or attract new customers, or we may be forced to reduce the price of our products. We are unable to predict the likelihood of the occurrence, duration, or severity of such disruptions in the credit and financial markets and adverse global economic conditions. Any general or market- specific economic downturn could have a material, adverse effect on our business, financial condition, results of operations, and cashflow.

Epidemics and pandemics, including the recent outbreak of COVID-19, may have a significant negative impact on our business and financial results.

In December 2019, there was an outbreak of COVID-19 in China that has since spread to many other regions of the world. The outbreak was subsequently labeled as a global pandemic by the World Health Organization in March 2020. Although the Company's financial condition and results of operations have not been materially impacted by the COVID-19 pandemic thus far, the Company may be impacted by business interruptions resulting from pandemics and public health emergencies, including those related to COVID-19, in the future. An outbreak of infectious disease, a pandemic, or a similar public health threat, such as the recent outbreak of COVID-19, or a fear of any of the foregoing, could adversely impact the Company by causing operating, manufacturing, supply chain, and project development delays and disruptions, labor shortages, travel, and shipping disruption and shutdowns (including as a result of government regulation and prevention measures). It is unknown whether and how the Company may be affected if such a pandemic persists for an extended period of time, including as a result of the waiver of regulatory requirements or the implementation of emergency regulations to which the Company is subject. Although the Company has been deemed essential and/or has been permitted to continue operating its facilities in the states in which it cultivates, processes, manufactures, and sells cannabis during the pendency of the COVID-19 pandemic, there is no assurance that the Company's operations will continue to be deemed essential and/or will continue to be permitted to operate. The Company may incur expenses or delays relating to such events outside of its control, which could have a material, adverse impact on its business, operating results, financial condition and the trading price of the Company's Subordinate Voting Shares.

Epidemics and pandemics may have adverse impacts on our financial condition and results of operations, including, but not limited to:

- We may experience significant reductions or volatility in demand for our products as customers may not be able to purchase merchandise due to illness, quarantine or government or self-imposed restrictions placed on our stores' operations.

- We may experience temporary or long-term disruptions in our supply chain. Transportation delays and cost increases, closures or disruptions of businesses and facilities or social, economic, political or labor instability, may impact our or our suppliers' operations or our customers.

- Our liquidity may be negatively impacted if our dispensaries are unable to maintain their current level of sales and we may be required to pursue additional sources of financing to meet our financial obligations. Obtaining such financing is not guaranteed and is largely dependent upon market conditions and other factors. Further actions may be required to improve our cash position, including but not limited to, monetizing our asset and foregoing capital expenditures and other discretionary expenses.

The extent of the impact of COVID-19 on our operations and financial results depends on future developments and is highly uncertain due to the unknown duration and severity of the outbreak. The situation continues to change and future impacts may materialize that are not yet known.

Risks Related to Our Securities

A return on our securities is not guaranteed.

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

Our voting control is concentrated given 39.3% of our voting power is held by our Chief Executive Officer.

As of December 1, 2020, the holder of our Super Voting Shares, Dr. Kyle E. Kingsley, exercises in the aggregate approximately 39.3% of the voting power in respect of our outstanding shares. As a result, Dr. Kingsley has substantial ability to control the outcome of matters submitted to our shareholders for approval, including the election and removal of directors and any arrangement or sale of all or substantially all of our assets. Even if Dr. Kingsley does not retain any employment with us, he will continue to have the ability to exercise the same significant voting power.

The concentrated control through the Super Voting Shares could delay, defer, or prevent a change of control of the Company, an arrangement involving us or a sale of all or substantially all of our assets that our other shareholders support. Conversely, this concentrated control could allow the holder of the Super Voting Shares to consummate such a transaction that our other shareholders do not support. In addition, the holder of Super Voting Shares may make long-term strategic investment decisions and take risks that may not be successful and may seriously harm our business.

As a director and Chief Executive Officer of the Company, Dr. Kingsley has control over the day-to-day management and the implementation of major strategic decisions of the Company, subject to authorization and oversight by the Board. As a Board member, Dr. Kingsley owes a fiduciary duty to our shareholders and is obligated to act honestly and in good faith with a view to the best interests of the Company. As a shareholder, Dr. Kingsley is entitled to vote his shares, and shares over which he has voting control, in his own interests, which may not always be in the interests of the Company or our other shareholders.

Our capital structure and voting control may cause unpredictability.

Although other Canadian companies have dual class or multiple voting share structures, given the concentration of voting control that is held by Dr. Kingsley, the sole holder of the Super Voting Shares, this structure and control could result in a lower trading price for, or greater fluctuations in, the trading price of the Subordinate Voting Shares, adverse publicity to us or other adverse consequences.

Additional issuances of Subordinate Voting Shares, or securities convertible into Subordinate Voting Shares, may result in dilution.

We may issue additional equity or convertible debt securities in the future, which may dilute an existing shareholder's holdings in the Company. Our articles permit the issuance of an unlimited number of Super Voting Shares, Multiple Voting Shares and Subordinate Voting Shares, and existing shareholders will have no pre-emptive rights in connection with such further issuances. Our Board of Directors has discretion to determine the price and the terms of further issuances, and such terms could include rights, preferences and privileges superior to those existing holders of our securities. Moreover, additional Subordinate Voting Shares will be issued by the Company on the conversion of the Multiple Voting Shares and Super Voting Shares in accordance with their terms. To the extent holders of our options or other convertible securities convert or exercise their securities and sell Subordinate Voting Shares they receive, the trading price of the Subordinate Voting Shares may decrease due to the additional amount of Subordinate Voting Shares available in the market. Further, the Company may issue additional securities in connection with strategic acquisitions. The Company cannot predict the size or nature of future issuances or the effect that future issuances and sales of Subordinate Voting Shares (or securities convertible into Subordinate Voting Shares) will have on the market price of the Subordinate Voting Shares. Issuances of a substantial number of additional Subordinate Voting Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Subordinate Voting Shares. With any additional issuance of Subordinate Voting Shares, investors will suffer dilution to their voting power and economic interest in the Company.

Sales of substantial numbers of Subordinate Voting Shares may have an adverse effect on their market price.

Sales of a substantial number of Subordinate Voting Shares in the public market could occur at any time either by existing holders of Subordinate Voting Shares or, after January 1, 2021, by holders of the Multiple Voting Shares, which are convertible into Subordinate Voting Shares on the satisfaction of certain conditions. These sales, or the market perception that the holders of a large number of Subordinate Voting Shares or Multiple Voting Shares intend to sell Subordinate Voting Shares, could reduce the market price of the Shares. If this occurs and continues, it could impair our ability to raise additional capital through the sale of securities.

The market price for the Subordinate Voting Shares may be volatile.

The market prices for securities of cannabis companies generally have been volatile. In addition, the market price for the Subordinate Voting Shares has been and may be subject to wide fluctuations in response to numerous factors beyond our control, including, but not limited to:

- actual or anticipated fluctuations in our results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which we operate;
- addition or departure of our executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Multiple Voting Shares or Subordinate Voting Shares;
- sales or expected sales of additional Subordinate Voting Shares;
- operating and financial performance that deviates from the expectations of management, securities analysts or investors;
- regulatory changes affecting our industry generally and/or our business and operations;

- announcements of developments and other material events by us or our competitors;
- fluctuations in the costs of vital production materials and services;
- changes in global financial markets, global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors;
- operating and share price performance of other companies that investors deem comparable to us or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in our industry or target markets.

Financial markets have at times historically experienced significant price and volume fluctuations that: (i) have especially affected the market prices of equity securities of companies and (ii) have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Subordinate Voting Shares from time to time may decline even if our operating results, underlying asset values and prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that may result in impairment losses to us. There can be no assurance that further fluctuations in price and volume of Subordinate Voting Shares traded will not occur. If increased levels of volatility and market turmoil continue, our operations could be adversely impacted, and the trading price of the Subordinate Voting Shares may be materially adversely affected.

A decline in the price or trading volume of the Subordinate Voting Shares could affect our ability to raise further capital and adversely impact our ability to continue operations.

A prolonged decline in the price or trading volume of the Subordinate Voting Shares could result in a reduction in the liquidity of the Subordinate Voting Shares and a reduction in our ability to raise capital. Because a significant portion of our operations have been and will be financed through the sale of equity securities, a decline in the price or trading volume of our Subordinate Voting Shares could be especially detrimental to our liquidity and our operations. Such reductions may force us to reallocate funds from other planned uses and may have a material, adverse effect on our business plan and operations, including our ability to operationalize existing licenses and complete planned capital expenditures. If the price or trading volume of our Subordinate Voting Shares declines, there can be no assurance that we will be able to raise additional capital or generate funds from operations sufficient to meet our obligations. If we are unable to raise sufficient capital in the future, we may not be able to have the resources to continue our normal operations.

If securities or industry analysts do not publish or cease publishing research or reports or publish misleading, inaccurate or unfavorable research about us, our business or our market, our stock price and trading volume could decline.

The trading market for our Subordinate Voting Shares may be influenced by the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. If no or few securities or industry analysts cover our Company, the trading price and volume of our Subordinate Voting Shares would likely be negatively impacted. If one or more of the analysts who covers us downgrades our Subordinate Voting Shares or publishes inaccurate or unfavorable research about our business, or provides more favorable relative recommendations about our competitors, the price of our Subordinate Voting Shares would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our Subordinate Voting Shares could decrease, which could cause our stock price or trading volume to decline.

An investor may face liquidity risks with an investment in the Subordinate Voting Shares.

The Subordinate Voting Shares currently trade on the Canadian Securities Exchange and are quoted on the OTCQX tier of the OTC Markets in the United States. We cannot predict at what prices the Subordinate Voting Shares will continue to trade, and there is no assurance that an active trading market will be sustained. The Subordinate Voting Shares do not currently trade on any U.S. national securities exchange. In the event Subordinate Voting Shares begin trading on any U.S. national securities exchange, we cannot predict at what prices the Subordinate Voting Shares will trade and there is no assurance that an active trading market will develop or be sustained. There is a significant liquidity risk associated with an investment in the Subordinate Voting Shares of the Company.

Trading in securities quoted on the OTC Markets is often thin and characterized by wide fluctuations in trading prices, due to many factors, some of which may have little to do with our operations or business prospects. This volatility could depress the market price of Subordinate Voting Shares for reasons unrelated to operating performance. Moreover, the OTC Markets is not a U.S. national securities exchange, and trading of securities on the OTC Markets is often more sporadic than the trading of securities listed on a U.S. national securities exchange like the Nasdaq or the NYSE. These factors may result in investors having difficulty reselling Subordinate Voting Shares on the OTC Markets.

We are subject to increased costs as a result of being a public company in Canada and the United States.

As a public company in Canada and the United States, we are subject to the reporting requirements, rules and regulations under the applicable Canadian and United States securities laws and rules of stock exchange(s) on which our securities may be listed. There are increased costs associated with legal, accounting and other expenses related to such regulatory compliance. Securities legislation and the rules and policies of the Canadian Securities Exchange require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. We may also elect to devote greater resources than we otherwise would have on communication and other activities typically considered important by publicly traded companies.

We do not intend to pay dividends on our Shares and, consequently, the ability of investors to achieve a return on their investment will depend entirely on appreciation in the price of our Subordinate Voting Shares.

We have never declared or paid any cash dividend on our Shares and do not currently intend to do so in the foreseeable future. We currently anticipate that we will retain future earnings, if any, for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends in the foreseeable future. Therefore, the success of an investment in our Subordinate Voting Shares will depend upon any future appreciation in their value. There is no guarantee that our Subordinate Voting Shares will appreciate in value or even maintain the price at which they were purchased.

We are eligible to be treated as an "emerging growth company" as defined in the JOBS Act and our election to delay adoption of new or revised accounting standards applicable to public companies may result in our financial statements not being comparable to those of some other public companies. As a result of this and other reduced disclosure requirements applicable to emerging growth companies, the Subordinate Voting Shares may be less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act. Under the JOBS Act, emerging growth companies may take advantage of certain reduced disclosures and may, as the Company has, elect to delay adopting new or revised accounting standards until such time as those standards apply to private companies, which may result in the Company's financial statements not being comparable to those of some other public companies

For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including (1) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, (2) reduced disclosure obligations regarding executive compensation in this Amendment No. 2 to our registration statement on Form 10 and periodic reports and proxy statements, and (3) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years, although circumstances could cause the Company to lose that status earlier, including if the market value of the Subordinate Voting Shares held by non-affiliates exceeds $700 million as of June 30, 2022, or if we have total annual gross revenue of $1.07 billion or more during any fiscal year before that time, in which case we would no longer be an emerging growth company as of the following December 31. Additionally, if we issue more than $1.0 billion in non-convertible debt during any three-year period before June 30, 2022, we would cease to be an emerging growth company immediately. We cannot predict if investors will find the Subordinate Voting Shares less attractive because we may rely on these exemptions. If some investors find the Subordinate Voting Shares less attractive as a result, there may be a less active trading market for the Subordinate Voting Shares, and the share price may be more volatile.

Our shareholders are subject to extensive governmental regulation and, if a shareholder is found unsuitable by one of our licensing authorities, that shareholder would not be able to beneficially own our securities. Our shareholders may also be required to provide information that is requested by licensing authorities and we have the right, under certain circumstances, to redeem a shareholder's securities; we may be forced to use our cash or incur debt to fund such redemption of our securities.

The Company is, subject to certain conditions, entitled to redeem its securities held by certain shareholders in order to permit the Company to comply with applicable licensing regulations. The purpose of the redemption right is to provide the Company with a means of protecting itself from having a shareholder (an "**Unsuitable Person**") with an ownership interest of five percent (5%) or more of the Company's issued and outstanding shares (calculated on as-converted to Subordinate Voting Shares basis):

1. who a governmental authority granting licenses to the Company (including to any subsidiary) has determined to be unsuitable to own shares, or

2. whose ownership of our securities may result in the loss, suspension or revocation (or similar action) with respect to any licenses relating to the conduct of the Company's business relating to the cultivation, processing or dispensing of cannabis or cannabis-derived products in the United States or in the Company being unable to obtain any new licenses in the course of its business, in each case including, but not limited to, as a result of such person's failure to apply for a suitability review from or to otherwise fail to comply with the requirements of a governmental authority, as determined by the Board of Directors in its sole discretion after consultation with legal counsel and, if a license application has been filed, after consultation with the applicable governmental authority.

In the event a shareholder's background or status jeopardizes our current or proposed licensure, we may be required to redeem such shareholder's securities in order to continue our operations or obtain licenses in the future. This redemption may divert our cash resources from other productive uses and require us to obtain additional financing which, if in the form of equity financing, would be dilutive to our shareholders. Further, any debt financing may involve additional restrictive covenants and further leveraging of our fixed assets. The inability to obtain additional financing to redeem an Unsuitable Person's securities may result in the loss of a current or potential license.

Certain Tax Risks

THE FOLLOWING IS A DISCUSSION OF CERTAIN MATERIAL TAX RISKS ASSOCIATED WITH THE ACQUISITION AND OWNERSHIP OF SHARES. THIS REGISTRATION STATEMENT DOES NOT DISCUSS RISKS ASSOCIATED WITH ANY APPLICABLE STATE, PROVINCIAL, LOCAL OR FOREIGN TAX LAWS. THE TAX RELATED INFORMATION IN THIS REGISTRATION STATEMENT DOES NOT CONSTITUTE TAX ADVICE AND IS FOR INFORMATIONAL PURPOSES ONLY. FOR ADVICE ON TAX LAWS APPLICABLE TO A SHAREHOLDER'S INDIVIDUAL TAX SITUATIONS, SHAREHOLDERS SHOULD SEEK THE ADVICE OF THEIR TAX ADVISORS. NO REPRESENTATION OR WARRANTY OF ANY KIND IS MADE BY US OR ANY OF THE BOARD OF DIRECTORS, OFFICERS, LEGAL COUNSEL, OTHER AGENTS OR AFFILIATES WITH RESPECT TO THE TAX TREATMENT APPLICABLE TO ANY PERSON WHO ACQUIRES SHARES. EACH INVESTOR IS URGED TO REVIEW THE REGISTRATION STATEMENT IN ITS ENTIRETY AND TO CONSULT HIS OR HER OWN TAX ADVISOR WITH RESPECT TO THE FEDERAL, STATE, PROVINCIAL, LOCAL AND FOREIGN TAX CONSEQUENCES ARISING IN CONNECTION WITH THE ACQUISITION AND OWNERSHIP OF SHARES.

We will be subject to Canadian and United States tax on our worldwide income.

We are deemed to be a resident of Canada for Canadian federal income tax purposes by virtue of being organized under the laws of a Province of Canada. Accordingly, we are subject to Canadian taxation on our worldwide income, in accordance with the rules in the Tax Act generally applicable to corporations resident in Canada.

Notwithstanding that we are deemed to be a resident of Canada for Canadian federal income tax purposes, we are treated as a United States corporation for United States federal income tax purposes, pursuant to Section 7874(b) of the Code, and will be subject to United States federal income tax on our worldwide income. As a result, we are subject to taxation both in Canada and the United States, which could have a material, adverse effect on our business, financial condition or results of operations.

Dispositions of shares will be subject to Canadian and/or United States tax.

Dispositions of shares are subject to Canadian tax. In addition, dispositions of shares by U.S. Holders are subject to U.S. tax, and certain dispositions of shares by Non-U.S. Holders (including, if we are treated as a USRPHC, as defined below) are subject to U.S. tax. For purposes of this discussion, a "U.S. Holder" is a holder who, for U.S. federal income tax purposes, is a beneficial owner of the shares and is (i) An individual who is a citizen or resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if (1) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (2) the trust has a valid election in effect to be treated as a U.S. person under applicable Treasury regulations. Further, for purposes of this discussion, a "Non-U.S. holder" is a beneficial owner of the shares other than a U.S. holder or partnership.

Although we do not intend to pay dividends on our shares, any such dividends would be subject to Canadian and/or United States withholding tax.

It is currently not anticipated that we will pay any dividends on our shares in the foreseeable future.

To the extent dividends are paid on the shares, dividends received by shareholders who are residents of Canada for purposes of the Tax Act (and Non-U.S. Holders for purposes of the Code) will be subject to U.S. withholding tax. Any such dividends may not qualify for a reduced rate of withholding tax under the Canada-United States tax treaty. In addition, a Canadian foreign tax credit or a deduction in respect of such U.S. withholding taxes paid may not be available.

Dividends received by U.S. Holders will not be subject to U.S. withholding tax but will be subject to Canadian withholding tax. Dividends paid by us will be characterized as U.S. source income for purposes of the foreign tax credit rules under the Code. Accordingly, U.S. Holders may not be able to claim a credit for any Canadian tax withheld unless, depending on the circumstances, they have other foreign source income that is subject to a low or zero rate of foreign tax.

Dividends received by shareholders that are neither Canadian nor U.S. shareholders will be subject to U.S. withholding tax and will also be subject to Canadian withholding tax. These dividends may not qualify for a reduced rate of U.S. withholding tax under any income tax treaty otherwise applicable to a shareholder of the Company, subject to examination of the relevant tax treaty. These dividends may, however, qualify for a reduced rate of Canadian withholding tax under any income tax treaty otherwise applicable to a shareholder of the Company, subject to examination of the relevant tax treaty.

Transfers of shares may be subject to United States estate and generation-skipping transfer taxes.

Because the shares are treated as shares of a U.S. domestic corporation, the U.S. estate and generation-skipping transfer tax rules generally may apply to a Non-U.S. Holder of shares.

Taxation of Non-U.S. Holders upon a disposition of shares depends on whether we are classified as a United States real property holding corporation.

We are treated as a U.S. domestic corporation for U.S. federal income tax purposes under Section 7874 of the Code. As a U.S. domestic corporation for U.S. federal income tax purposes, the taxation of our Non-U.S. Holders upon a disposition of shares generally depends on whether we are classified as a "United States real property holding corporation" for U.S. federal income tax purposes (a "**USRPHC**"). We have not performed any analysis to determine whether we are currently, or have ever been, a USRPHC. In addition, we have not sought and do not intend to seek formal confirmation of our status as a Non-USRPHC from the IRS. If we ultimately are determined by the IRS to constitute a USRPHC, our non-U.S. Holders may be subject to U.S. federal income tax on any gain associated with the disposition of the shares.

Changes in tax laws may affect the Company and holders of shares.

There can be no assurance that the Canadian and U.S. federal income tax treatment of the Company or an investment in the Company will not be modified, prospectively or retroactively, by legislative, judicial or administrative action, in a manner adverse to us or holders of shares.

ERISA imposes additional obligations on certain investors.

In considering an investment in the shares, trustees, custodians, investment managers, and fiduciaries of retirement and other plans subject to the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974 ("**ERISA**") and/or Section 4975 of the Code, should consider, among other things: (1) whether an investment in the Company shares is in accordance with plan documents and satisfies the diversification requirements of Sections 404(a)(1)(C) and 404(a)(1)(D) of ERISA, if applicable; (2) whether an investment in the Company shares will result in unrelated business taxable income to the plan; (3) whether an investment in the Securities is prudent under Section 404(a)(1)(B) of ERISA, if applicable, given the nature of an investment in, and the compensation structure of, the Company and the potential lack of liquidity of the Company shares during the lock-up period following the Reverse Takeover; (4) whether the Company or any of its affiliates is a fiduciary or party in interest to the plan, and (5) whether an investment in the Securities complies with the "indicia of ownership" requirement set forth in ERISA Section 404(b). Fiduciaries and other persons responsible for the investment of certain governmental and church plans that are subject to any provision of federal, state, or local law that is substantially similar to the fiduciary responsibility provisions of Title I of ERISA or Section 4975 of the Code that are considering the investment in the Securities should consider the applicability of the provisions of such similar law and whether the Securities would be an appropriate investment under such similar law. The responsible fiduciary must take into account all of the facts and circumstances of the plan and of the investment when determining if a particular investment is prudent.

ITEM 2. FINANCIAL INFORMATION

Selected Financial Information

The following are selected financial data derived from the unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2020 and 2019. The data set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements, the Unaudited Pro Forma Financial Statements and the accompanying notes presented in Item 13 of this registration statement. The Company's Consolidated Financial Statements and Unaudited Pro Forma Financial Statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles ("**GAAP**") and on a going-concern basis that contemplates continuity of operations and realization of assets and liquidation of liabilities in the ordinary course of business.

The selected consolidated financial information set out below may not be indicative of the Company's future performance:

	For the Three Month Period Ended September 30,		For the Nine Month Period Ended September 30,	
	2020	**2019**	**2020**	**2019**
Retail Revenue	$ 9,904,034	$ 6,155,301	$ 27,270,389	$ 17,626,880
Wholesale Revenue	2,571,748	1,836,858	9,539,325	3,337,383
Total Revenues, net of discounts	$ 12,475,782	$ 7,992,159	$ 36,809,714	$ 20,964,263
Cost of Goods Sold	7,511,999	6,461,560	24,977,401	14,940,756
Gross Profit	**$ 4,963,783**	**$ 1,530,599**	**$ 11,832,313**	**$ 6,023,507**
Total Expenses	7,232,969	8,798,023	32,645,806	18,462,073
Other Income (Expense)	11,224,190	(1,147,690)	6,937,141	(4,368,432)
Operating Loss Before Provision for Income Taxes	**$ 8,955,004**	**$ (8,415,114)**	**$ (13,876,352)**	**$ (16,806,998)**

	As at September 30, 2020
Current Assets	$ 41,388,511
Total Assets	$ 89,716,900
Current Liabilities	$ 20,723,378
Long-Term Liabilities	$ 45,403,605

The following are selected financial data derived from Vireo's audited consolidated financial statements for the year ended December 31, 2019 and 2018. The data set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements, the Unaudited Pro Forma Financial Statements and the accompanying notes presented in Item 13 of this registration statement. The Company's Consolidated Financial Statements and Unaudited Pro Forma Financial Statements have been prepared in accordance with GAAP on a going-concern basis that contemplates continuity of operations and realization of assets and liquidation of liabilities in the ordinary course of business.

The selected consolidated financial information set out below may not be indicative of the Company's future performance:

	For the Twelve Month Period Ended December 31,	
	2019	**2018**
Retail Revenue	$ 24,350,022	$ 18,147,414
Wholesale Revenue	5,606,150	311,655
Total Revenues, net of discounts	$ 29,956,172	$ 18,459,069
Cost of Sales	22,619,892	9,519,433
Gross Profit	**$ 7,336,280**	**$ 8,939,636**
Total Expenses	29,703,926	12,185,516
Other Income (Expense)	(6,260,816)	(2,475,085)
Loss on Impairment	(28,264,850)	-
Operating Loss Before Provision for Income Taxes	**$ (56,893,312)**	**$ (5,720,965)**

	As at December 31,	
	2019	**2018**
Current Assets	$ 27,245,396	$ 21,231,390
Total Assets	$ 85,431,918	$ 48,549,569
Current Liabilities	$ 3,756,913	$ 4,202,582
Total Liabilities	$ 36,746,144	$ 21,219,595

Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis ("**MD&A**") of the financial condition and results of operations of Vireo Health International, Inc. (the "**Company**" or "**Vireo**") is for the three and nine month periods ended September 30, 2020 and for the years ended December 31, 2019 and 2018. It is supplemental to, and should be read in conjunction with, the Company's consolidated financial statements for the three and nine month periods ended September 30, 2020 and the years ended December 31, 2019 and 2018 and the accompanying notes for each respective period. The Company's financial statements are prepared in accordance with GAAP. Financial information presented in this MD&A is presented in United States dollars ("**$**" or "**US$**"), unless otherwise indicated.

This MD&A contains certain "forward-looking statements" and certain "forward-looking information" as defined under applicable securities laws. As a result of many factors, including those outlined in the "Risk Factors" section included in this Amendment No. 2 to Form 10, the Company's actual results may differ materially from those anticipated in these forward-looking statements and information. See *"Disclosure Regarding Forward-Looking Statements" and Item 1A—"Risk Factors"* elsewhere in this Amendment No. 2 to Form 10.

Overview of the Company

Vireo Health International, Inc. is a physician-led, science-focused cannabis company focused on building long-term, sustainable value by bringing the best of medicine, science, and engineering to the cannabis industry. With its core operations strategically located in five limited-license markets through its wholly-owned, state-licensed subsidiaries, Vireo cultivates and manufactures cannabis products and distributes these products through its growing network of Green Goods™ and other Vireo branded retail dispensaries as well as third-party dispensaries in the markets in which Vireo's subsidiaries hold operating licenses.

In addition to developing and maintaining cannabis businesses in its core limited-license jurisdictions, Vireo's team of scientists, engineers and attorneys has focused on developing and protecting intellectual property.

Vireo has developed proprietary cannabis strains, cultivation methods, carbon dioxide extraction, ethanol extraction, and other processes related to the extraction, refinement and packaging of cannabis products. The Company has documented the relevant processes in the form of standard operating procedures and work instructions, which are only shared with third parties when absolutely required and then only upon receipt of written non-disclosure agreements.

Vireo has sought and continues to seek to protect its trademark and service mark rights Because the cultivation, processing, possession, transport and sale of cannabis and cannabis-related products remain illegal under the CSA, Vireo is not able to fully protect its intellectual property at the federal level. As a result, the Company has sought and continues to seek federal registrations in limited classes of goods and services and has obtained a number of state registrations in its markets.

Resurgent Biosciences, Inc., a wholly-owned subsidiary of Vireo, is a non-plant-touching entity that was formed with the intent of commercializing Vireo's patent portfolio. This portfolio includes two issued patents for harm reduction in tobacco products as well as other patent-pending opportunities, including terpene-preserving packaging, that Vireo believes have potential to create additional value for shareholders through licensing, joint development with third parties, or outright sale.

While Vireo is not currently focused on substantial capital investment or expansion outside of its core markets, the Company does own additional non-core medical cannabis licenses or operations that may present opportunities for partnership or divestiture in the future.

Reverse Take Over ("RTO") Transaction

On March 18, 2019, Vireo U.S. completed the reverse take-over transaction of Vireo Health International, Inc. (formerly Darien Business Development Corp. or "**Darien**") (the "**Transaction**") whereby Darien acquired all of the issued and outstanding shares of Vireo U.S. Following the completion of the Transaction, the former shareholders of Vireo U.S. acquired control of the Company, as they owned a majority of the outstanding shares of the Company upon completion of the Transaction.

The Transaction is being treated as a reverse recapitalization effected by a share exchange for financial accounting and reporting purposes since substantially all of Darien's operations were disposed of as part of the consummation of the Transaction and therefore no goodwill or other intangible assets were recorded by the Company as a result of the Transaction. Vireo U.S. is treated as the accounting acquirer as its shareholders control the Company after the Transaction, even though Darien was the legal acquirer. As a result, the assets and liabilities and the historical operations that are reflected in these financial statements are those of Vireo U.S. as if Vireo U.S. had always been the reporting company. All reference to Vireo U.S. subordinate voting shares, warrants and options have been presented on a post-transaction, post-reverse split basis.

Operating Segments

We report our operating results in one business segment: the cultivation, production, and sale of cannabis. The Company cultivates, manufactures and distributes cannabis products to third parties in wholesale markets and cultivates, manufactures and sells cannabis products directly to approved patients in its owned retail stores.

As of September 30, 2020, the Company had operating revenue in seven states: Arizona, Maryland, Minnesota, New Mexico, New York, Ohio and Pennsylvania. Retail revenues were derived from sales in thirteen dispensaries throughout five states. It had one operational dispensary in Arizona, four in Minnesota, two in New Mexico, four in New York, and two in Pennsylvania. Wholesale revenues were derived from sales of products to third parties in the states of Arizona, Maryland, New York, Ohio and Pennsylvania.

Regulatory Jurisdictions

The following discussion of Vireo's regulatory jurisdictions is as of September 30, 2020. For information about regulation of the Company's business both federally and at state and local levels, see Item 1—"*Business"* elsewhere in this Amendment No. 2 to Form 10.

Each of Vireo's five core medical cannabis markets of New York, Minnesota, Arizona, New Mexico, and Maryland have the potential to enact adult-use legalization in the foreseeable future. When this change has occurred in several other state markets, many licensed operators have realized improved revenue growth, which affords Vireo's management optimism that it will be able to drive financial performance improvements in the future if these events occur in some or all of above noted states. In Arizona, the ballot initiative to legalize adult-use sales was approved by Arizona voters on November 3rd, 2020. Vireo expects that adult-use sales will be permitted in Arizona beginning in late Q1 2021.

In Minnesota, the Company is one of only two licensed operators in the state. Vireo currently operates eight retail dispensaries and one cultivation and processing facility of approximately 80,000 square feet. Additions to the states qualifying conditions for medical cannabis patients have contributed to increases in patient enrollment. The Company opened four of the dispensaries during 2020. These additional dispensary licenses, combined with the potential for the state to add dry flower to the list of allowed delivery methods, give Vireo's management team optimism that the Minnesota market remains a strong near-term growth opportunity for the Company.

In New York, Vireo was one of the original five licensed operators and is currently one of only 10 licensed operators in the state. Vireo currently operates four retail dispensaries and one cultivation and processing facility of approximately 60,000 square feet. It also operates a legal home-delivery business in New York. While Vireo believes the long-term opportunity in New York is substantial, recent performance has been impacted by neighboring states transitioning to recreational-use jurisdictions, as well as by increasing competition from other developing operators coupled with modest patient adoption growth in the program. New product introductions and the beginning of wholesale revenue streams may contribute to improving profit margins in the future. Vireo anticipates additional growth of its home delivery service.

In Maryland, the Company owns one retail dispensary license, which is not currently operational, and it operates a cultivation and processing facility of 22,500 square feet to serve the wholesale market. Wholesale revenues have grown, driven in part by new product offerings and increased market penetration. Vireo plans to execute on its retail license around year end 2020 and recently purchased a 3-acre greenhouse facility in Massey, MD to augment cultivation capacity. Vireo anticipates this cultivation facility will be operational in Q1 2021.

The Company's licenses in Arizona, Massachusetts, New Mexico, and Puerto Rico were acquired in conjunction with its RTO in March of 2019. See Item 1— "*Business"* in this Amendment No. 2 to Form 10.

In Arizona, Vireo operates and controls one retail dispensary and an outdoor cultivation facility with processing capability. Vireo has completed construction of a 9-acre outdoor cultivation facility, which it plans to have fully operational in Q4 of 2020.

In New Mexico, Vireo currently operates approximately 3,000 square feet of cultivation and has two operational retail dispensaries. Vireo is working to expand cultivation in New Mexico. The expansion is anticipated to support the opening of two additional retail dispensary locations during Q4 of 2020.

In addition to these businesses, during the first and second quarter of 2020, the Company also incurred start-up expenses related to buildout and pre-revenue operations in non-core markets, including Massachusetts, Ohio, Rhode Island and Puerto Rico. While these markets may offer future revenue opportunities, the Company's recent decision to focus its efforts and capital on its core markets resulted in changes to future expectations regarding the overall revenue and profitability of its consolidated operations.

As at the time of Vireo's acquisition of these now non-core assets in 2019, global cannabis stocks were approaching all-time highs and valuation methodologies within the sector were predominantly tied to revenue growth expectations rather than cash flow or profitability metrics. The book value of Vireo's various state-by-state assets at the time similarly reflected expectations for an aggressive pace of expansion as access to growth capital for cannabis business operators within the global capital markets was much more readily available.

As calendar year 2019 progressed, several factors contributed to a more challenging operating environment for state-authorized cannabis businesses, including shifts in the regulatory landscape and public health concerns related to a sudden rise in the number of cases of lung disease illnesses associated with the use of, what appears to be, illicit-market vaporizer liquids. Growth capital for cannabis businesses became much more difficult to access during the second half of 2019, which caused Vireo's management to revise its operating strategies in order to prioritize capital allocation decisions to medical markets.

These decisions resulted in changes to Vireo's future expectations and required the Company to make adjustments to the fair book value of intangible assets and goodwill on its balance sheet, resulting in non-cash impairment charges of approximately $28.3 million in the fourth quarter of 2019. Vireo does not anticipate its non-core assets will be fully developed in the near future, although there may be future opportunities to effectively monetize these assets through partnership or potential divestitures.

Three-months ended September 30, 2020 Compared to Three-months ended September 30, 2019

Revenue

Revenue for the three months ended September 30, 2020 was $12,475,782, an increase of $4,483,623 or 56% compared to revenue of $7,992,159 for three months ended September 30, 2019. The increase is primarily due to revenue contributions in retail business from Minnesota and Pennsylvania and the wholesale business in Maryland of $1.6 million, $1.3 million, and $1 million, respectively. Key performance drivers include increased market penetration of Vireo branded products in the Maryland and Ohio wholesale markets and increased patient demand in Minnesota, which is partially the result of increased qualifying conditions which helps contribute to growth in certified patient enrollments. The two retail dispensaries in Pennsylvania, opened in Q4 of 2019, also contributed significantly to year over year growth.

Retail revenue for the three months ended September 30, 2020 was $9,904,034, an increase of $3,748,733 or 61% compared to retail revenue of $6,155,301 for the three months ended September 30, 2019. The increase is principally due to increases in patient count and average revenue per patient in Minnesota and New Mexico as well as the Pennsylvania dispensaries revenue, which were not operational in 2019.

Wholesale revenue for the three months ended September 30, 2020 was $2,571,748, an increase of $734,890 compared to wholesale revenue of $1,836,858 for the three months ended September 30, 2019. The increase is principally due to the growth of wholesale operations in Maryland, which was a new market in 2019 and has been operating at near capacity in 2020.

	For the Three Months Ended September 30,			
	2020	**2019**	**$ Change**	**% Change**
Retail:				
MN	$ 4,293,831	$ 2,670,287	$ 1,623,544	61%
NY	2,735,990	2,355,448	380,542	16%
AZ	928,718	819,928	108,790	13%
NM	621,728	309,638	312,090	101%
PA	1,323,767	-	1,323,767	N.M.
Total Retail	**$ 9,904,034**	**$ 6,155,301**	**$ 3,748,733**	**61%**
Wholesale:				
AZ	$ 541,388	$ 634,738	$ (93,350)	-15%
MD	1,178,516	158,513	1,020,003	643%
NY	181,236	187,270	(6,034)	-3%
OH	137,466	400	137,066	34267%
PA	533,142	855,937	(322,795)	-38%
Total Wholesale	**$ 2,571,748**	**$ 1,836,858**	**$ 734,890**	**40%**
Total Revenue	**$ 12,475,782**	**$ 7,992,159**	**$ 4,483,623**	**56%**

N.M. Not Meaningful

Cost of Goods Sold and Gross Profit

Cost of goods sold are determined from costs related to the cultivation and manufacturing of cannabis and cannabis-derived products as well as the cost of finished goods inventory purchased from third parties.

Cost of goods sold for the three months ended September 30, 2020 was $7,511,999, an increase of $1,050,439 compared to the cost of goods sold for the three months ended September 30, 2019, which was $6,461,560.

Gross profit for the three months ended September 30, 2020 was $4,963,783, representing a gross margin of 40%. This is compared to gross profit for the three months ended September 30, 2019 of $1,530,599 or a 19% gross margin. This increase in margin was driven most significantly by improvements in our new markets, Maryland and Pennsylvania which contributed gross margin increases of approximately 245% and 58% respectively, driven by operational efficiency gains, increased operating leverage through higher volumes, and planned upgrades to production facilities in 2019, which did not contribute to operational efficiencies until 2020.

Total Expenses

Total expenses for the three months ended September 30, 2020 were $7,232,969, a decrease of $1,565,054 compared to total expenses of $8,798,023 for the three months ended September 30, 2019, which represents 58% of revenue for the three months ended September 30, 2020 compared to 110% of revenue for the comparative year. The decrease in total expenses was attributable primarily to a decrease in amortization expense of approximately $1.0 million driven by the write downs of various intangible assets in Q4 of 2019, and a decrease in selling, general and administrative expenses of $0.6 million driven by operational efficiencies in the Company's core markets. The impairment of intangible assets resulted from our view of changing industry and market circumstances, primarily in non-core markets. Vireo does not anticipate its non-core assets will be fully developed in the near future, although there may be future opportunities to effectively monetize these assets through partnership or potential divestitures.

Operating Income (Loss)

Operating loss for the three months ended September 30, 2020 was $(2,269,186), a favorable variance of $4,998,238 compared to an operating loss of $(7,267,424) for the three months ended September 30, 2019.

Total Other Income (Expense)

Total other income for the three months ended September 30, 2020 was $11,224,190, a favorable variance of $12,371,880 compared to total other expense of $1,147,690 for the three months ended September 30, 2019. This favorable variance is primarily attributable to a gain on the divesture of a subsidiary of $16,884,173 partially offset by the loss on derivative liability of $4,066,335.

Provision for Income Taxes

Income tax expense is recognized based on the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end 2019. For the three-months ended September 30, 2020, Federal and State income tax expense totaled $6,003,000 compared to a credit of $245,000 for the three-months ended September 30, 2019. A deferred tax provision of $2,280,000 is included in the income tax expense of $6,003,000 for the three months ended September 30, 2020; this expense is significantly impacted by the $16,884,173 gain affiliated with the divestiture of a subsidiary.

Nine months ended September 30, 2020 Compared to Nine months ended September 30, 2019

Revenue

Revenue for the nine months ended September 30, 2020 was $36,809,714, an increase of $15,845,451 or 76% compared to revenue of $20,964,263 for the nine months ended September 30, 2019. The increase is primarily due to increased revenue contributions in retail business from Minnesota and Pennsylvania of $4.5 million and $2.6 million, respectively, the increase in the wholesale business in Maryland of $2.6 million, the total increase in the Arizona retail and wholesale businesses of $2.4 million, and the increase in the New Mexico retail business of $1.0 million. Key performance drivers include increased market penetration of Vireo branded products in the Maryland and Ohio wholesale markets, two Pennsylvania dispensaries that were opened in Q4 2019 and increased patient demand in Minnesota, which is partially the result of increased qualifying conditions which helps contribute to growth in certified patient enrollments.

Retail revenue for the nine months ended September 30, 2020 was $27,270,389, an increase of $9,643,509 or 55% compared to retail revenue of $17,626,880 for the nine months ended September 30, 2019. The increase is principally due to increases in patient count and average revenue per patient in Minnesota, the retail dispensaries in Pennsylvania that were not operational until Q4 of 2019, and the retail acquisitions in Arizona and New Mexico during Q1 2019, which did not contribute revenue until Q2 of 2019.

Wholesale revenue for the nine months ended September 30, 2020 was $9,539,325 an increase of $6,201,942 compared to wholesale revenue of $3,337,383 for the nine months ended September 30, 2019. The increase is principally due to the growth of wholesale operations in Maryland, which was a new market in 2019 and has been operating at near capacity in 2020, and the acquisitions of wholesale businesses in Arizona in Q1 2019, which did not contribute revenue until Q2 of 2019.

	For the Nine Months Ended September 30,			
	2020	**2019**	**$ Change**	**% Change**
Retail:				
MN	$ 12,024,850	$ 7,563,903	$ 4,460,947	59%
NY	8,007,368	7,555,294	452,074	6%
AZ	2,976,038	1,823,672	1,152,366	63%
NM	1,658,096	684,011	974,085	142%
PA	2,604,037	-	2,604,037	N.M.
Total Retail	**$ 27,270,389**	**$ 17,626,880**	**$ 9,643,509**	**55%**
Wholesale:				
AZ	$ 2,325,291	$ 1,043,760	$ 1,281,531	123%
MD	2,811,138	214,988	2,596,150	1208%
NY	504,735	187,270	317,465	170%
OH	376,295	400	375,895	N.M.
PA	3,521,866	1,890,965	1,630,901	86%
Total Wholesale	**$ 9,539,325**	**$ 3,337,383**	**$ 6,201,942**	**186%**
Total Revenue	**$ 36,809,714**	**$ 20,964,263**	**$ 15,845,451**	**76%**

N.M. Not Meaningful

Cost of Goods Sold and Gross Profit

Cost of goods sold are determined from costs related to the cultivation and manufacturing of cannabis and cannabis-derived products as well as the cost of finished goods inventory purchased from third parties.

Cost of goods sold for the nine months ended September 30, 2020 was $24,977,401, an increase of $10,036,645 compared to the cost of goods sold for the nine months ended September 30, 2019, which was $14,940,756.

Gross profit for the nine-months ended September 30, 2020 was $11,832,313 representing a gross margin of 32%. This is compared to gross profit for the nine months ended September 30, 2019 of $6,023,507 or a 29% gross margin. This increase in margin was driven most significantly by improvements in our new markets, Maryland and Pennsylvania, which contributed gross margin increases of approximately 213% and 65%, respectively, driven by operational efficiency gains, increased operating leverage through higher volumes, and planned upgrades to production facilities in 2019 which did not contribute to operational efficiencies until 2020.

Total Expenses

Total expenses for the nine months ended September 30, 2020 were $32,645,806, an increase of $14,183,733 compared to total expenses of $18,462,073 for the nine months ended September 30, 2019, which represents 89% of revenue for the nine months ended September 30, 2020 compared to 88% of revenue for the comparative year. The increase in total expenses was attributable primarily to an increase in selling, general and administrative expenses of $3.8 million driven by operational expansion in the Company's core markets, and an increase in share-based compensation of $11.6 million driven by the vesting of compensation warrants issued in November of 2019.

Operating Loss

Operating loss for the nine months ended September 30, 2020 was $20,813,493, an unfavorable variance of $8,374,927 compared to an operating loss of $12,438,566 for the nine months ended September 30, 2019.

Total Other Income (Expense)

Total other income for the nine months ended September 30, 2020 was $6,937,141, a favorable variance of $11,305,573 compared to other expense of $4,368,432 for the nine-months ended September 30, 2019. This favorable variance is primarily attributable to a gain on the divesture of a subsidiary of $16,884,173 partially offset by the loss on derivative liability of $5,032,537.

Provision for Income Taxes

Income tax expense is recognized based on the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end 2019. For the nine months ended September 30, 2020, Federal and State income tax expense totaled $6,800,000 compared to an expense of $1,178,000 for the nine months ended September 30, 2019. A deferred tax provision of $2,225,000 is included in the income tax expense of $6,800,000 for the nine months ended September 30, 2020; this expense is significantly impacted by the $16,884,173 gain affiliated with the divestiture of a subsidiary.

The Year ended December 31, 2019 Compared to the Year ended December 31, 2018

Revenue

Revenue for the year ended December 31, 2019 was $29,956,172, an increase of $11,497,103 or 62% compared to revenue of $18,459,069 for year ended December 31, 2018. The increase is primarily attributable to revenue contributions from the retail business unit in Minnesota of $2.5 million, the wholesale business unit in Pennsylvania of $2.5 million, and the acquisitions in Arizona and New Mexico during Q1 2019, which contributed to a revenue increase of $5.7 million. Key performance revenue drivers are increased market penetration of Vireo branded products in the Pennsylvania wholesale market and increased patient demand in Minnesota, which is partially the result of an increase in the number of qualifying conditions, which helps contribute to growth in certified patient enrollments.

Retail revenue for the year ended December 31, 2019 was $24,350,022, an increase of $6,202,608 or 34% compared to retail revenue of $18,147,414 for the year ended December 31, 2018 primarily due to revenue contributions from Minnesota and acquisitions in Arizona and New Mexico during Q1 2019.

Wholesale revenue for the year ended December 31, 2019 was $5,606,150, an increase of $5,294,495 compared to wholesale revenue of $311,655 for year ended December 31, 2018 due to commencement of Pennsylvania wholesale operations in Q3 2018, Maryland wholesale operations in Q1 2019, Ohio wholesale operations in Q3 2019 and the acquisitions in Arizona and New Mexico in Q1 2019.

	Twelve Months Ended December 31,			
	2019	2018	$ Change	% Change
Retail:				
MN	$ 10,359,342	$ 7,837,934	$ 2,521,408	32%
NY	9,990,907	10,309,480	(318,573)	-3%
AZ	2,722,531	-	2,722,531	N/A
NM	1,085,332	-	1,085,332	N/A
PA	191,910	-	191,910	N/A
Total Retail	**$ 24,350,022**	**$ 18,147,414**	**$ 6,202,608**	**34%**
Wholesale:				
PA	$ 2,797,446	$ 311,655	$ 2,485,791	798%
AZ	1,908,521	-	1,908,521	N/A
MD	547,653	-	547,653	N/A
NY	280,570	-	280,570	N/A
OH	71,960	-	71,960	N/A
Total Wholesale	**$ 5,606,150**	**$ 311,655**	**$ 5,294,495**	**1699%**
Total	**$ 29,956,172**	**$ 18,459,069**	**$ 11,497,103**	**62%**

Cost of Goods Sold and Gross Profit

Cost of goods sold is determined from costs related to the cultivation and manufacturing of cannabis and cannabis-derived products.

Cost of goods sold for the year ended December 31, 2019 was $22,619,892, an increase of $13,100,459 compared to the year ended December 31, 2018 of $9,519,433, driven most significantly by the increase in sales and patient demand in New York and Minnesota, commencement of operations in Pennsylvania in Q3 2018 and the acquisitions in Arizona and New Mexico during Q1 2019. The Arizona and New Mexico acquisitions accounted for approximately $5 million of the increase in cost of goods sold.

Gross profit for the year ended December 31, 2019 was $7,336,280, representing a gross margin on the sale of cannabis-derived products of 24%. This is compared to gross profit for the year ended December 31, 2018 of $8,939,636 or a 48% gross margin.

The decrease in margin was driven by the acquisition of Arizona Natural Remedies in Q1 of 2019, and expansion of the Maryland and Pennsylvania markets, which did not generate material revenue or cost of goods sold in 2018. Arizona, Maryland, and Pennsylvania had gross margins of 4%, -182%, and -53% respectively driven by operational buildouts in 2019 that did not contribute to efficiencies in 2019, and the significant wholesale component in these markets.

Total Expenses

Total expenses for the year ended December 31, 2019 were $29,703,926, an increase of $17,518,410 compared to total expenses of $12,185,516 for the year ended December 31, 2018. Increase in total expenses was attributable to an increase in salaries and wages, professional fees, and general and administrative expenses of $16,070,968 and an increase in share-based compensation of $1,230,591. The increase in salaries and wages, and general and administrative expenses was driven by significant operational buildout in existing markets and acquisitions in Arizona and New Mexico in Q1 2019 which drove an increase in operating expenses of approximately $1 million, and the increase in share-based compensation was driven by the issuance of various compensation warrants in 2019. Included in the increased expenses are an estimated $3,265,000 in start-up expenses related to buildout and pre-revenue operations in certain markets.

Operating Loss before Income Taxes

Operating loss before other income (expense) and provision for income taxes for the year ended December 31, 2019 was $(22,367,646), a decrease of $19,121,766 compared to operating income before other income (expense) and provision for income taxes of $(3,245,880) for the year ended December 31, 2018.

Total Other Income (Expense)

Total other expenses for the year ended December 31, 2019 were $34,525,666, an increase of $32,050,581 compared to $2,475,085 for the year ended December 31, 2018. Increase in other expenses is primarily attributable to intangible asset write-offs of $28,264,850 to reflect changing market conditions, interest expense from the capital leases of the cultivation and manufacturing facilities in Minnesota, New York, Ohio, Pennsylvania and Puerto Rico; and the costs related to acquisitions in Puerto Rico, and Rhode Island. The impairment of intangible assets resulted from our view of changing industry and market circumstances, primarily in non-core markets. Vireo does not anticipate its non-core assets will be fully developed in the near future, although there may be future opportunities to effectively monetize these assets through partnership or potential divestitures.

Provision for Income Taxes

Income tax expense is recognized based on the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end. For the year ended December 31, 2019, Federal and State income tax expense totaled $586,000 compared to a tax expense of $2,490,000 for the year ended December 31, 2018.

NON-GAAP MEASURES

EBITDA, Adjusted Net loss EBITDA and Adjusted EBITDA are non-GAAP measures and do not have standardized definitions under GAAP. The following information provides reconciliations of the supplemental non-GAAP financial measures presented herein to the most directly comparable financial measures calculated and presented in accordance with GAAP. The Company has provided the non-GAAP financial measures, which are not calculated or presented in accordance with GAAP, as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. These supplemental non-GAAP financial measures are presented because management has evaluated the financial results both including and excluding the adjusted items and believe that the supplemental non-GAAP financial measures presented provide additional perspective and insights when analyzing the core operating performance of the business. These supplemental non-GAAP financial measures should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income (loss)	$ 2,952,004	$ (8,170,114)	$ (20,676,352)	$ (17,984,998)
Gain on disposal of assets	(16,884,173)	-	(16,884,173)	-
Loss on Derivative Liability	4,066,335	-	5,032,537	-
Inventory adjustment	151.328	(230,470)	487,570	522,226
Share-based compensation	524,052	229,916	12,245,412	686,868
Severance Expense	-	-	339,997	-
Adjusted net loss (non-GAAP)	$ (9,341,631)	$ (8,170,668)	$ (19,455,009)	$ (16,775,904)
Net income (loss)	$ 2,952,004	$ (8,170,114)	$ (20,676,352)	$ (17,984,998)
Interest expense, net	1,255,656	1,045,638	4,249,090	2,831,464
Income taxes	6,003,000	(245,000)	6,800,000	1,178,000
Depreciation	38,097	252,968	260,725	410,177
Amortization	153,356	1,209,909	461,737	1,512,775
EBITDA (non-GAAP)	$ 10,402,113	$ (5,906,599)	$ (8,904,800)	$ (12,052,582)
Gain on disposal of assets	(16,884,173)	-	(16,884,173)	-
Loss on Derivative Liability	4,066,335	-	5,032,537	-
Inventory adjustment	151.328	(230,470)	487,570	522,226
Share-based compensation	524,052	229,916	12,245,412	686,868
Severance Expense	-	-	339,997	-
Adjusted EBITDA (non-GAAP)	$ (1,891,522)	$ (5,907,153)	$ (7,683,457)	$ (10,843,488)

	Twelve Months Ended December 31,	
	2019	2018
Net loss	$(57,479,312)	$ (8,210,965)
Acquisition related costs	739,880	-
Inventory adjustment	865,405	-
Share-based compensation	3,303,297	2,072,706
Intangible Write Offs	28,264,850	-
Adjusted net loss (non-GAAP)	$(24,305,880)	$ (6,138,259)
Net loss	$(57,479,312)	$ (8,210,965)
Interest expense	4,460,331	2,390,103
Income taxes	586,000	2,490,000
Depreciation	491,170	274,319
EBITDA (non-GAAP)	$(51,941,811)	$ (3,056,543)
Acquisition related costs	739,880	-
Inventory adjustment	865,405	-
Share-based compensation	3,303,297	2,072,706
Intangible Write Offs	28,264,850	-
Adjusted EBITDA (non-GAAP)	$(18,768,379)	$ (983,837)

DRIVERS OF RESULTS OF OPERATIONS

(For the three and nine months ended September 30, 2020 and 2019)

Revenue

The Company derives its revenue from cultivating, manufacturing, and distributing cannabis products through its thirteen dispensaries in five states and its wholesale sales to third parties in four states. For the nine months ended September 30, 2020, 79% of the revenue was generated from retail business and 21% from wholesale business. For the nine months ended September 30, 2019, 77% of the revenue was generated from retail dispensaries and 23% from wholesale business.

For the nine months ended September 30, 2020, Minnesota operations contributed approximately 33% of revenues, New York contributed 23%, while Pennsylvania contributed 17%, Arizona contributed 14%, Maryland contributed 8%, New Mexico contributed 4%, and Ohio contributed 1%.

For the nine months ended September 30, 2019, New York operations contributed approximately 37% of revenues, Minnesota contributed 36%, Arizona contributed 14%, Pennsylvania 9%. New Mexico contributed 3%, and Maryland contributed 1%.

Gross Profit

Gross profit reflects total net revenue less cost of goods sold. Cost of goods sold represents the costs attributable to producing finished goods, which includes direct materials, labor, and certain indirect costs such as depreciation, insurance and utilities. Cannabis costs are affected by various state regulations that limit the sourcing and procurement of cannabis product, which may create fluctuations in gross profit over comparative periods as the regulatory environment changes.

During the quarter ended September 30, 2020, the Company continued to focus on the profitability of the Company's operations in its core markets of Minnesota, New York, Maryland, Arizona and New Mexico as well as its production facility in Ohio.

The Company's current production capacity has not been fully realized and future gross profits are expected to increase with revenue growth reflective of higher demand, increased product output and new product development. However, the Company expects gradual price compression as markets mature that could place downward pressure on the Company's retail and wholesale gross margins.

Total Expenses

Total expenses other than the cost of goods sold consist of selling costs to support customer relationships, marketing, and branding activities. It also includes a significant investment in the corporate infrastructure required to support ongoing business.

Selling costs generally correlate to revenue. As a percentage of sales, the Company expects selling costs to remain relatively flat in its more established operational markets (Minnesota, New York and Arizona) and increase in developing markets as business continues to grow (New Mexico and Maryland). The increase is expected to be driven primarily by the growth of retail and wholesale channels to sustainable market share.

General and administrative expenses also include costs incurred at the corporate offices, primarily related to personnel costs, including salaries, benefits, and other professional service costs, as well as corporate insurance, legal and professional fees associated with being a publicly traded company. The Company expects this spend to decrease as a percentage of revenue as sales continue to ramp in all markets. It is anticipated that share-based compensation expenses will continue to persist in order to recruit and retain competitive talent.

The Company implemented several strategic initiatives in order to optimize its cost structure and operating model. The objectives of these initiatives are to build sustainable value with changing market conditions and to improve the Company's operating performance. These initiatives included closing the New York corporate office, the related termination of office leases, the reduction of the Company's workforce by 9% (37 FTEs) and the elimination of certain other costs. Further savings are anticipated starting Q1 2021 as the Company will not renew certain office space leases in Minneapolis.

(For the years ended December 31, 2019 and 2018)

Revenue

The Company derives its revenue from cultivating, manufacturing and distributing cannabis products through its thirteen dispensaries in five states and its wholesale sales to third parties in five states. For the year ended December 31, 2019, 81% of the revenue was generated from retail business and 19% from wholesale business. Wholesale revenues did not begin until the end of Q3 2018. For the year ended December 31, 2018, 98% of the revenue was generated from retail dispensaries.

For the year ended December 31, 2019, New York operations contributed approximately 34% of revenues, while Minnesota contributed 35%, Arizona contributed 15%, Pennsylvania contributed 10%, Maryland contributed 2%, and New Mexico contributed 4%.

For the year ended December 31, 2018, New York operations contributed approximately 56% of revenues, Minnesota contributed approximately 42%, and Pennsylvania contributed 2%.

Gross Profit

Gross profit reflects total net revenue less cost of goods sold. Cost of goods sold represents the costs attributable to producing finished goods, which includes direct materials, labor, and certain indirect costs such as depreciation, insurance and utilities. Cannabis costs are affected by various state regulations that limit the sourcing and procurement of cannabis product, which may create fluctuations in gross profit over comparative periods as the regulatory environment changes.

Throughout the year ended December 31, 2019, the Company continued to focus on the profitability of the Company's existing operations while pursuing expansion into new markets.

In the markets in which the Company is operational, the Company expects gradual price compression as markets mature. This could place downward pressure on the Company's retail and wholesale gross margins. With that said, the Company's current production capacity has not been fully realized, future gross profits could still increase with increased revenues reflective of higher demand and output.

Total Expenses

Total expenses other than the cost of goods sold consist of selling costs to support customer relationships and marketing and branding activities. It also includes a significant investment in the corporate infrastructure required to support ongoing business.

Selling costs generally correlate to revenue. As a percentage of sales, the Company expects selling costs to remain relatively flat in its more established operational markets (Minnesota and New York) and increase in developing markets as business continues to grow (Maryland, New Mexico, and Arizona). We expect the increase to be driven primarily by the growth of wholesale channels and the ramp up from pre-revenue to sustainable market share.

General and administrative expenses also include costs incurred at the corporate offices, primarily related to personnel costs, including salaries, benefits, and other professional service costs, as well as corporate insurance, legal and professional fees associated with being a publicly traded company. The Company expects to maintain spending in these areas and also anticipates stock-based compensation expenses to persist in order to recruit and retain competitive talent.

LIQUIDITY, FINANCING ACTIVITIES DURING THE PERIOD, AND CAPITAL RESOURCES

(For the nine months ended September 30, 2020 and 2019)

3% Convertible Note

On January 3, 2019, the Company issued a convertible note with a face value of $700,000 in connection with the High Gardens acquisition (refer to Note 3 of the notes to the Company's Consolidated Interim Financial Statements for the Three and Nine Months ended September 30, 2020 and 2019).

The convertible notes bear interest at a rate of 3.0% per annum, payable monthly commencing January 3, 2019 and continuing on the first of each month, beginning on February 1, 2019. Additional interest may accrue on the convertible notes in specified circumstances. The convertible notes will mature on January 2, 2024, unless earlier repurchased, redeemed or converted. There are no principal payments required over the five-year term of the convertible notes, except in the case of redemption or events of defaults.

The convertible notes are the Company's general unsecured obligations and rank senior in right of payment to all of the Company's indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment with any of the Company's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables but excluding intercompany obligations) of the Company's current or future subsidiaries.

The note includes customary covenants and sets forth certain events of default after which the convertible notes may be declared immediately due and payable, including certain types of bankruptcy or insolvency involving the Company.

To the extent the Company or the holder so elects, the convertible note will be convertible only in the event of a reverse merger. The conversion rate for the convertible note shall be equal to the price per share of the Company's capital stock is valued at in the reverse merger. On March 28, 2019, the reverse merger conversion price was established at $425.00 per Multiple Voting Share (refer to Note 3 of the notes to the Company's Consolidated Interim Financial Statements for the Three and Nine Months ended September 30, 2020 and 2019).

On June 4, 2019, the Company converted the outstanding principle and accrued interest into 1,665 Multiple Voting Shares pursuant to the original contractual terms.

2.76% Convertible Note

On January 1, 2019, the Company issued a convertible note with a face value of $50,000 in connection with the Midwest Hemp Research, LLC. acquisition (refer to Note 3 of the notes to the Company's Consolidated Interim Financial Statements for the Three and Nine Months ended September 30, 2020 and 2019).

The convertible notes bear interest at a rate of 2.76% per annum, payable monthly commencing January 1, 2019 and continuing on the first of each month, beginning on July 1, 2019. Additional interest may accrue on the convertible notes in specified circumstances. The convertible notes will mature on December 10, 2021, unless earlier repurchased, redeemed or converted.

There are no principal payments required over the two-year term of the convertible notes, except in the case of redemption or events of defaults.

The convertible notes are the Company's general unsecured obligations and rank senior in right of payment to all of the Company's indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment with any of the Company's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables but excluding intercompany obligations) of the Company's current or future subsidiaries.

The note includes customary covenants and sets forth certain events of default after which the convertible notes may be declared immediately due and payable, including certain types of bankruptcy or insolvency involving the Company.

To the extent the Company or the holder so elects, the convertible note will be convertible at the conversion rate equal to the price per share that the Company's capital stock is valued at in the reverse merger at $4.25 per share. These notes were cancelled in July of 2020.

5% Convertible Note

On June 17, 2019, the Company issued a convertible note with a face value of $900,000 in connection with the XAAS Argo, Inc. acquisition (refer to Note 3 of the notes to the Company's Consolidated Interim Financial Statements for the Three and Nine Months ended September 30, 2020 and 2019).

The convertible notes bear interest at a rate of 5.0% per annum, payable monthly commencing June 17, 2019 and continuing on the first of each month, beginning on July 1, 2019. Additional interest may accrue on the convertible notes in specified circumstances. The convertible notes will mature on June 17, 2021, unless earlier repurchased, redeemed or converted. There are no principal payments required over the two-year term of the convertible notes, except in the case of redemption or events of defaults.

The convertible note are the Company's general unsecured obligations and rank senior in right of payment to all of the Company's indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment with any of the Company's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables but excluding intercompany obligations) of the Company's current or future subsidiaries.

The note includes customary covenants and sets forth certain events of default after which the convertible notes may be declared immediately due and payable, including certain types of bankruptcy or insolvency involving the Company.

To the extent the Company or the holder so elects, the convertible note will be convertible at the conversion rate equal to the price per share that the Company's capital stock is valued at in the reverse merger of $4.25 per share. The initial conversion rate for the convertible note is 211.7547 per one-thousand-dollar principle amount of the note which represents 190,588 common shares, based on the $900,000 aggregate principle amount of convertible notes outstanding as of September 30, 2020.

As of September 30, 2020, the Company was in compliance with all the covenants set forth under the convertible notes.

The following table sets forth the net carrying amount of the convertible notes:

	September 30, 2020	December 31, 2019
5.00% convertible notes	$ 900,001	$ 900,001
2.76% convertible notes	—	50,000
3.00% convertible notes costs	—	—
Net carrying amount	$ 900,001	$ 950,001

Cash Used in Operating Activities

Net cash used in operating activities was $11.0 million for the nine months ended September 30, 2020, a decrease of $9.3 million as compared to the nine months ended September 30, 2019. The decrease in primarily attributed to our revenue growth and reduced SG&A spending.

Cash Flow from Investing Activities

Net cash from investing activities was $13.3 million for the nine months ended September 30, 2020, compared to net cash used of $20.5 million for the nine months ended September 30, 2019. The increase in cash flow is primarily attributable to cash proceeds received from the divesture of the Company's PAMS subsidiary of $16.6 million and Q1 2019 cash used of $10.2 million for the purchases of the equity interest of Elephant Head Farms, LLC and Retail Management Associates, LLC in Arizona and $1.9 million in cash used for the asset purchase of Silver Fox Management Services LLC in New Mexico.

Cash Flow from Financing Activities

Net cash provided by financing activities was $6.3 million for the nine months ended September 30, 2020, a decrease of $41.2 million as compared to the nine months ended September 30, 2019. The decrease was principally due to the receipt of $47.5 million in proceeds from the RTO and other private placements during the three months ended March 31, 2019. In addition, on March 9, 2020, the Company closed the first tranche of a non-brokered private placement and issued 13,651,574 units at a price of C$ 0.77 per unit. Net proceeds from this transaction were $7,613,490.

Lease Transactions

The Company has entered into lease agreements for the use of buildings used in cultivation, production and sales of cannabis products in Arizona, Maryland, Minnesota, New Mexico, Nevada, New York, Ohio, Pennsylvania, and Puerto Rico.

The lease agreements for all of retail space used for its dispensary operations are with third-party landlords and remaining duration ranges from 1 to 6 years. These agreements are short-term facility leases that require the Company to make monthly rent payments as well as funding common area costs, utilities and maintenance. In some cases, the Company has received Tenant Improvement funds to assist in the buildout of the space to meet the Company's operating needs. As of September 30, 2020, the Company had 14 retail locations secured under these agreements.

The Company has also entered into sale and leaseback arrangements for its cultivation and manufacturing facilities in Minnesota, New York, and Ohio with a special-purpose real estate investment trust. These leases are long-term agreements that provide, among other things, funds to make certain improvements to the property that will significantly enhance production capacity and operational efficiency of the facility.

The Company received commitments for a total of $1,420,000 for tenant improvements as per the terms of its cultivation and manufacturing lease agreements during the nine months ended September 30, 2020. Excluding any contracts under one year in duration, the future minimum lease payments (principal and interest) on all the Company's leases is as follows:

	Operating Leases September 30, 2020	Finance Leases September 30, 2020	Total
2020	$ 594,393	$ 805,093	$ 1,399,486
2021	2,114,161	3,278,354	5,392,515
2022	2,104,260	3,391,772	5,496,032
2023	2,039,149	3,509,111	5,548,260
2024	2,009,380	3,630,509	5,639,889
Thereafter	19,407,877	55,150,231	74,558,108
Total minimum lease payments	$ 19,376,029	69,765,070	98,034,290
Less discount to net present value			(75,246,086)
			$ 22,788,204

(For the years ended December 31, 2019 and 2018)

As of December 31, 2019, the Company had total current liabilities of $3,756,913 ($4,202,582 as of December 31, 2018) and cash of $7,641,673 ($9,624,110 as of December 31, 2018) to meet its current obligations. As of December 31, 2019, the Company had working capital of $23,488,483 up $6,459,675 compared to December 31, 2018 driven mainly by the RTO subscription net receipts of $47,764,958.

During the year ended December 31, 2018, the Company issued 383,300 Series D shares for gross proceeds of $17,248,500. In connection with the financing, the Company incurred share issuance costs of $1,458,108 and issued compensation options and advisory warrants to acquire an additional 11,930 Series D shares at $45 per share.

During the year ended December 31, 2019, the Company issued 12,090,937 Subordinate Voting Shares of the Company at $4.25 per share for gross proceeds of $51,386,482. In connection with the financing, the Company paid a cash fee to the agents equal to $2,826,739 and the agents were granted a combined 763,111 in compensation warrants. The agent's compensation warrants will be exercisable at a price of $4.25 per share for a period of two years. In addition, the Company paid a financial advisory fee of $415,000 and had costs in the amount of $379,785. The compensation warrants have been valued at $1,723,741 using the Black-Scholes option pricing model applying the following assumptions: Risk Free Rate - 2.31%, Expected Life - 2 years, Expected Annualized Volatility – 100%, Expected Dividend Yield – 0%.

The Company is an early-stage growth company. It is generating cash from sales and is deploying its capital reserves to develop assets capable of producing additional revenues and earnings. Capital reserves are also being utilized for capital expenditures and improvements in existing facilities, product development and marketing, as well as to improve the customer experience and operational efficiencies. The Company's ability to fund its operating strategies and make planned capital expenditures is dependent on operating cash flows and the Company's ability to access capital markets. Such abilities are subject to prevailing economic conditions, as well as financial, business and other factors, some of which are beyond the Company's control.

Cash Flows

Cash Used in Operating Activities

Net cash used in operating activities was $26.9 million for the year ended December 31, 2019, an increase of $13.9 million as compared to the year ended December 31, 2018. The increase was due to increases in SG&A expenses, largely driven by transaction costs related to the RTO and employee wages, increased working capital needs to scale in new markets, and increased spending on inventory and biological assets.

Cash Flow from Investing Activities

Net cash used in investing activities was $21.2 million for the year ended December 31, 2019, compared to net cash provided of $4.2 million the year ended December 31, 2018. The increase is primarily attributable to the purchases of property and equipment and acquisition related spending. The primary driver of the net cash provided in the prior year was attributable to asset sales related to a sale-lease back transaction.

Cash Flow from Financing Activities

Net cash provided by financing activities was $47.7 million for the year ended December 31, 2019, an increase of $31.9 million as compared to the year ended December 31, 2018. The increase was principally due to the receipt of $51.4 million in proceeds from the RTO and other private placements. Offsetting these cash receipts were share issuance costs of $3.2 million and $5.2 million in lease payments.

The net cash used for the year ended December 31, 2019 was $0.4 million compared to net cash provided of $7.0 in the prior year. The Company ended the year with $7.6 million in cash.

Lease Transactions

The Company has entered into lease agreements for the use of buildings used in cultivation, production and sales of cannabis products in Arizona, Maryland, Minnesota, New Mexico, Nevada, New York, Ohio, Pennsylvania, and Puerto Rico.

The lease agreements for all of retail space used for its dispensary operations are with third-party landlords and remaining duration ranges from 1 to 6 years. These agreements are short-term facility leases that require the Company to make monthly rent payments as well as funding common area costs, utilities and maintenance. In some cases, the Company has received Tennent Improvement funds to assist in the buildout of the space to meet the Company's operating needs. As of December 31, 2019, the Company had 7 retail locations secured under these agreements.

The Company has also entered into sale and leaseback arrangements for its cultivation and manufacturing facilities in Minnesota, New York, Pennsylvania and its manufacturing-only facility in Ohio with a special-purpose real estate investment trust. These leases are long-term agreements that provide, among other things, funds to make certain improvements to the property that will significantly enhance production capacity and operational efficiency of the facility.

The Company received a total of $9,950,760 for tenant improvements as per the terms of its cultivation and manufacturing lease agreements during the year ended December 31, 2019. It is contemplated that the Company will utilize remaining funds available under the leases to build out of existing facilities in 2020 and thus will not require additional funding to complete.

Excluding any contracts under one year in duration, the future minimum lease payments (principal and interest) on all the Company's leases is as follows:

	Operating Leases December 31, 2019	Finance Leases December 31, 2019	Total
2020	$ 1,782,678	$ 4,048,544	$ 5,831,222
2021	1,548,850	4,188,956	5,737,806
2022	1,557,269	4,334,240	5,891,509
2023	1,546,111	4,484,566	6,030,677
2024	1,560,512	4,640,109	6,200,621
Thereafter	12,271,948	58,194,015	70,465,963
Total minimum lease payments	$ 20,267,368	$ 79,890,430	$ 100,157,798

ADDITIONAL INFORMATION

Outstanding Share Data

As at December 16, 2020, the Company had 51,231,051 shares outstanding, consisting of the following:

(a) Subordinate voting shares

50,615,712 shares issued and outstanding. The holders of subordinate voting shares are entitled to receive dividends which may be declared from time to time and are entitled to one vote per share at all stockholder meetings. All subordinate voting shares are ranked equally with regards to the Company's residual assets. The Company is authorized to issue an unlimited number of no-par value subordinate voting shares.

(b) Multiple voting shares

549,928 shares issued and outstanding. The holders of multiple voting shares are entitled to one hundred votes per share at all stockholder meetings. Each multiple voting share is exchangeable for one hundred subordinate voting shares. The Company is authorized to issue an unlimited number of multiple voting shares.

(c) Super voting shares

65,411 shares issued and outstanding. The holders of super voting shares are entitled to one thousand votes per share at all stockholder meetings. Each super voting share is exchangeable for one hundred subordinate voting shares. The Company is authorized to issue an unlimited number of super voting shares.

(d) Options, Warrants, and Convertible Promissory Notes

As of September 30, 2020, the Company has 24,653,266 employee stock options outstanding, as well as 30,295,466 advisory and compensation warrants related to financing activities, and $900,001 outstanding in convertible promissory notes related to recent acquisitions.

Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Management's Responsibility for Financial Information

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Company's audit committee and Board of Directors. The accompanying financial statements are prepared by management in accordance with GAAP and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of two non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

Transactions Between Related Parties

Key management personnel include those persons having the authority and responsibility of planning, directing, and executing the activities of the Company. The Company has determined that its key management personnel consists of all members of the Board of Directors serving at any time during the relevant period, the Company's Chief Executive Officer and the Company's Chief Financial Officer.

Key management personnel compensation during the nine-month period ended September 30, 2020 and 2019 were as follows:

- Salaries and wages paid to key management personnel in the amount of $721,001 for the nine-months ended September 30, 2020 and $970,253 for the nine-months ended September 30, 2019.
- Director Fees paid to key management personnel in the amount of $87,500 for the nine-months ended September 30, 2020 and $nil for the nine-months ended September 30, 2019.
- Share based compensation paid to key management personnel in the amount of $11,066,888 for the nine-months ended September 30, 2020 and $198,000 for the nine-months ended September 30, 2019.
- As of September 30, 2020, $nil was due to related parties.
- During the nine-month period ended September 30, 2020 and 2019, the Company paid a related party, Salo, LLC for contract staffing expenses in the amount of $126,896 and $264,422, respectively.
- Kyle Kingsley, Amber Shimpa, Ari Hoffnung and Stephen Dahmer own Ohio Medical Solutions, Inc.; the Company previously entered into and the Company executed a management agreement and option to purchase that gives the Company effective control over it.

Key management personnel compensation during the twelve-month period ended December 31, 2019 and 2018 were as follows:

- Salaries and wages paid to key management personnel in the amount of $1,343,621 for the twelve-months ended December 31, 2019 and $835,338 for the twelve-months ended December 31, 2018.
- Share based compensation paid to key management personnel in the amount of $1,636,396 for the twelve-months ended December 31, 2019 and $ $1,184,540 for the twelve-months ended December 31, 2018.
- As of December 31, 2019 – $nil was due from related parties.
- As of December 31, 2019, the Company paid a related party, Salo, LLC for contract staffing expenses in the amount of $295,463.
- For the year ended December 31, 2019, Kyle Kingsley, Amber Shimpa, Ari Hoffnung and Stephen Dahmer own Ohio Medical Solutions, Inc. and the Company executed a management agreement and option to purchase.

Subsequent Events

In March 2020 and continuing through the Effective Date, there was a global outbreak of a new strain of coronavirus, COVID-19. The global and domestic response to the COVID-19 pandemic continues to rapidly evolve. Thus far, certain responses to the COVID-19 outbreak have included mandates from federal, state and/or local authorities that required temporary closure of many businesses and cessation of public events. While the Company's medical cannabis business has been deemed "essential" in each of the states in which we currently operate, substantial job losses resulting in millions of people filing new applications for unemployment benefits as of the date of these financial statements, many of whom are likely our customers, A reduction in the income or financial security of our customers could result in a material impact to the Company's future results of operations, cash flows and financial condition. Vireo has taken a very proactive approach to protection of its customers and team during the COVID-19 outbreak, with the early implementation of procedures including the use of personal protective equipment, alternative staffing models and sanitation protocols.

On October 1, 2020, the Company reached a definitive agreement with Ayr Strategies Inc. ("**Ayr**") to sell all of the assets and liabilities of its affiliated company, Ohio Medical Solutions, LLC ("**OMS**") for $1.15 million in cash.

On October 20, 2020, the Nevada Cannabis Control Board ("**NCCB**"), which is the successor regulator to NDOT, approved the transfer of ownership of C201 and P132 to a Vireo subsidiary. The transfer closed on January 5, 2021.

On November 5, 2020, the Company entered into a non-binding term sheet with Green Ivy Capital and its affiliates (the "**Lenders**") on a senior secured, delayed draw term loan (the "**Credit Facility"**) with an aggregate principal amount of up to $46,000,000. The Lenders are not obligated to fund unless and until definitive loan documents are executed, which is anticipated in December.

On November 16, 2020, the Company announced that a subsidiary of Jushi Holdings, Inc. ("**Jushi**") has exercised its option to purchase Vireo's equity in Pennsylvania Dispensary Solutions, LLC ("**PDS**") for total consideration of $5.0 million cash. This transaction closed on December 18, 2020.

On November 16, 2020, the Company announced that it has exercised its right to force the redemption of all subordinate voting share purchase warrants (the "**Warrants**") issued to participants in the Company's previously announced March 10, 2020, private placement offering (the "**Offering**"). Each Warrant issued in conjunction with the Offering entitles the holder to purchase one subordinate voting share in the capital of Vireo for a period of three years from the date of issuance at an exercise price of C$ 0.96 per share, subject to adjustment in certain events. Vireo retained the right to require the redemption of these Warrants if the Company's five-day volume-weighted-average-price ("**VWAP**") on the Canadian Securities Exchange (CSE) exceeded C$ 1.44. This milestone was achieved during the trading period from November 3, 2020 through November 9, 2020 and the Company issued mandatory redemption notices. The holders of the Warrants all redeemed them, resulting in the issuance of 13,651,574 additional subordinate voting shares and cash proceeds of approximately C$13.1 million.

On December 18, 2020, the Company announced the closing of the sale of its equity in Pennsylvania Dispensary Solutions, LLC to a subsidiary of Jushi Holdings, Inc. for total consideration of $5.7 million cash before final post-closing adjustments.

On April 10, 2019, the Company entered into definitive agreements to acquire 100% of the membership interests in MJ Distributing C201, LLC and MJ Distributing P132, LLC (together, "**MJ Distributing**") which hold licenses to cultivate and distribute, respectively, medical and adult-use cannabis in the state of Nevada. The purpose of these acquisitions was to acquire marijuana licenses in the State of Nevada. The acquisitions were to be financed with cash on hand and borrowings. As of December 31, 2019, the Company had made cash deposits with the sellers and in escrow of $1,592,500 in the aggregate and placed convertible promissory notes in the amount of $2,500,000 in escrow, as consideration for the equity. Additionally, as of December 31, 2019, there were deferred acquisition costs of $28,136. The completion of the acquisition of these entities is conditional upon the Nevada Department of Taxation's approval of the change in ownership. On October 20, 2020, the Nevada Cannabis Compliance Board, the successor regulator to the Nevada Department of Taxation, approved the transfer. Subsequently, the Company renegotiated the purchase price for MJ Distributing and other terms of the acquisitions, whereby the convertible promissory notes were to be canceled, Vireo was to issue 1,050,000 Subordinate Voting Shares to the seller's designees and all other matters were to be resolved between the parties. The transactions closed on these terms on January 5, 2021. Vireo has no continuing payment or other obligations related to this acquisition.

Outlook

Vireo has a growth-focused outlook for fiscal year 2021. Vireo anticipates investing in a number of capital projects in its current markets, with the goal of increasing revenues and achieving profitability in each of these markets.

Vireo remains focused on the prudent deployment of capital into the highest yield opportunities and achieving free cash flow. Vireo is also focused on margin expansion via operational efficiencies and economies of scale in our 5 core markets with the aim to be a very low-cost producer in each market. The high likelihood of multiple regulatory changes across the Vireo footprint, including AZ, NY, MD and NM potentially all transitioning to adult use regulation may lead to significant increases in utilization of Vireo's existing scale and the need to further expand existing operations. Vireo has taken a forward-looking approach to obtain production facilities that are not landlocked and allow for substantial expansion. The recently completed 10-acre campus in AZ, purchase of the three-acre cultivation facility in Maryland, along with the recent option to purchase 96 additional acres in NY demonstrate this large-scale approach to production.

Vireo's retail strategy is focused on sequential improvement of our retail footprint with new stores opening in MN (4), MD (1) and NM (2) in the next few months along with rebranding to our Green Goods retail concept. We anticipate rebranding of our New York retail portfolio, including our Queens cannabis superstore, to Green Goods in 2021, prior to potential adult use implementation.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The critical accounting estimates, assumptions, and judgments that we believe to have the most significant impact on our consolidated financial statements are described below. Note 2, "Summary of Significant Accounting Policies" of the Notes to the Consolidated Financial Statements in Item 13 of this Form 10 describes the significant accounting policies and methods used in the preparation of our consolidated financial statements.

Use of estimates and significant judgments

The preparation of the Company's financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of revenue, expenses, assets, liabilities, accompanying disclosures and the disclosure of contingent liabilities. These estimates and judgments are subject to change based on experience and new information which could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affecting future periods. Estimates and judgments are assessed on an ongoing basis. Revisions to estimates are recognized prospectively.

Examples of key estimates in these financial statements include cash flows and discount rates used in accounting for business combinations including contingent consideration, asset impairment including estimated future cash flows and fair values, the allowance for doubtful accounts receivable and trade receivables, inventory valuation adjustments that contemplate the market value of, and demand for inventory, estimated useful lives of property and equipment and intangible assets, valuation allowance on deferred income tax assets, determining the fair value of financial instruments, fair value of stock-based compensation, estimated variable consideration on contracts with customers, sales return estimates, the fair value of the convertible notes and equity component and the classification, incremental borrowing rates and lease terms applicable to lease contracts. We believe that the estimates, judgments, and assumptions used to determine certain amounts that affect the financial statements are reasonable, based on information available at the time they are made. To the extent there are differences between these estimates and actual results, our consolidated financial statements may be materially affected.

Revenue Recognition

The Company recognizes revenue as earned when the following four criteria have been met: (i) when persuasive evidence of an arrangement exists, (ii) the product has been delivered to a customer, (iii) the sales price is fixed or determinable, and (iv) collection is reasonably assured. Revenue is recognized net of sales incentives and returns, after discounts for the assurance program, veterans coverage program and compassionate programs.

Direct-to-patient sales are recognized when the products are shipped to the customers. Bulk and adult-use sales under wholesale agreements are recognized based on the shipping terms of the agreements. Export sales under pharmaceutical distribution and pharmacy supply agreements are recognized when products are delivered to the end customers or patients.

Cost of sales

Cost of sales represents costs directly related to manufacturing and distribution of the Company's products. Primary costs include raw materials, packaging, direct labor, overhead, shipping and handling and the depreciation of manufacturing equipment and production facilities. Manufacturing overhead and related expenses include salaries, wages, employee benefits, utilities, maintenance, and property taxes. Cost of sales also includes inventory valuation adjustments. The Company recognizes the cost of sales as the associated revenues are recognized.

Inventory

Inventory is comprised of raw materials, finished goods and work-in-progress. Cost includes harvested finished goods, harvested cannabis (bud and trim) in progress, cannabis oil in progress, accessories, and packaging materials.

Inventory cost includes pre-harvest, post-harvest and shipment and fulfillment, as well as related accessories. Pre-harvest costs include labor and direct materials to grow cannabis, which includes water, electricity, nutrients, integrated pest management, growing supplies and allocated overhead. Post-harvest costs include costs associated with drying, trimming, blending, extraction, purification, quality testing and allocated overhead. Shipment and fulfillment costs include the costs of packaging, labelling, courier services and allocated overhead.

Inventory is stated at the lower of cost or net realizable value, determined using weighted average cost. Net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. At the end of each reporting period, the Company performs an assessment of inventory and records write-downs for excess and obsolete inventories based on the Company's estimated forecast of product demand, production requirements, market conditions, regulatory environment, and spoilage. Factors considered in the determination of obsolescence include slow-moving or non-marketable items. Actual inventory losses may differ from management's estimates and such differences could be material to the Company's balance sheets, statements of net loss and comprehensive loss and statements of cash flows. In calculating the value of the inventory, management is required to make a number of estimates, including estimating the stage of growth of the cannabis plant up to the point of harvest, harvesting costs, selling costs, sales price, wastage and expected yields of the cannabis plant. In calculating final inventory values, management is required to determine an estimated fail rate and compare the inventory cost to estimated net realizable value. If the assumptions around future demand for our inventory are more optimistic than actual future results, then the excess and obsolete inventory provision may not be sufficient, resulting in our inventory being valued in excess of its net realizable value.

Assessing Recoverability of long-lived assets

The Company reviews long-lived assets, including property and equipment and definite life intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Asset impairment tests require the allocation of assets to asset groups, where appropriate, which requires significant judgment and interpretation with respect to the integration between the assets and shared resources. In order to determine if assets have been impaired, assets are grouped and tested at the lowest level for which identifiable independent cash flows are available ("**asset group**"). Asset impairment tests require the determination of whether there is an indication of impairment. The assessment of whether an indication of impairment exists is performed at the end of each reporting period and requires the application of judgment, historical experience, and external and internal sources of information. An impairment loss is recognized when the sum of projected undiscounted cash flows is less than the carrying value of the asset group. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying value of the asset group. Fair value can be determined using a market approach, income approach or cost approach. The reversal of impairment losses is prohibited. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If impairment indicators exist and are not identified, or judgment and assumptions used in assessing the recoverable amount change, the carrying value of long-lived assets can exceed the recoverable amount.

Impairment of goodwill and indefinite life intangible assets

Goodwill and indefinite life intangible assets are tested for impairment annually, or more frequently when events or circumstances indicate that impairment may have occurred. As part of the impairment evaluation, the Company may elect to perform an assessment of qualitative factors. If this qualitative assessment indicates that it is more likely than not that the fair value of the indefinite-lived intangible asset or the reporting unit (for goodwill) is less than its carrying value, a quantitative impairment test to compare the fair value to the carrying value. An impairment charge is recorded if the carrying value exceeds the fair value. If the judgements relating to the qualitative or quantitative assessments performed differ from actual results, or if assumptions are different, the values of the indefinite life intangible assets and goodwill can differ from the amounts recorded.

Estimating the fair value of Stock-based compensation

In January 2019, the Company adopted the 2019 Equity Incentive Plan under which the Company may grant incentive stock option, restricted shares, restricted share units, or other awards. The exercise price for incentive stock options issued under the plan will be set by the committee (as defined under the plan) but will not be less 100% of the fair market value of the Company's shares on the date of grant. The Company measures and recognizes compensation expense for stock options to employees and non-employees on a straight-line basis over the vesting period based on their grant date fair values. The Company estimates the fair value of stock options on the date of grant using the Black-Scholes option pricing model. Estimates in our stock-based compensation valuations are highly complex and subjective. Determining the estimated fair value of at the grant date requires judgment in determining the appropriate valuation model and assumptions, including the fair value of common shares on the grant date, risk-free rate, volatility rate, annual dividend yield and the expected term. The volatility rate is based on historical volatilities of public companies operating in a similar industry to the Company. Stock options have a maximum term of 10 years from the date of grant. The stock options vest at the discretion of the Board. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant.

For stock options granted, the fair value of common stock at the date of grant was determined by the Board of Directors with assistance from third-party valuation specialists. The Company estimates forfeitures at the time of grant and revises these estimates in subsequent periods if actual forfeitures differ from those estimates.

For performance-based stock options and RSUs, the Company records compensation expense over the estimated service period adjusted for a probability factor of achieving the performance-based milestones. At each reporting date, the Company assesses the probability factor and records compensation expense accordingly, net of estimated forfeitures.

Fully vested, non-forfeitable equity instruments issued to parties other than employees are measured on the date they are issued where there is no specific performance required by the grantee to retain those equity instruments. Stock-based payment transactions with non-employees are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. Where fully vested, non-forfeitable equity instruments are granted to parties other than employees in exchange for notes or financing receivable, the note or receivable is presented in additional paid-in capital on the balance sheets.

Assessing the realizability of deferred tax assets

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Management assesses the likelihood that the resulting deferred tax assets will be realized. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized.

The Company recognizes uncertain income tax positions at the largest amount that is more likely than not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Changes in recognition or measurement are reflected in the period in which judgment occurs.

Recently Issued Accounting Standards

For a discussion of recent accounting pronouncements, please see Note 2, Summary of Significant Accounting Policies to our financial statements included elsewhere in this prospectus.

RISKS AND UNCERTAINTIES

In addition to the risks and uncertainties set forth in Item 1A—"*Risk Factors*," risks and uncertainties not presently known to the Company or currently deemed immaterial by the Company, may also impair the operations of the Company. If any such risks actually occur, shareholders of the Company could lose all or part of their investment and the business, financial condition, liquidity, results of operations and prospects of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. The Company is subject to various risks and uncertainties that could have a material impact on the Company, its financial performance, condition and outlook.

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Cash is held on hand ($433,129 and $363,589 cash on hand as of December 31, 2019 and 2018, respectively), from which management believes the risk of loss is remote. Receivables relate primarily to wholesale sales. The Company does not have significant credit risk with respect to customers. The Company's maximum credit risk exposure is equivalent to the carrying value of these instruments. The Company has been granted licenses pursuant to the laws of the states of Arizona, Massachusetts, Maryland, Minnesota, New Mexico, New York, Ohio, Puerto Rico and Rhode Island with respect to cultivating, processing, and/or distributing marijuana. Presently, this industry is illegal under United States federal law. The Company has, and intends, to adhere strictly to the state statutes in its operations.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of December 31, 2019, the Company's financial liabilities consist of accounts payable and accrued liabilities, debt, and lease liabilities. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. Historically, the Company's main source of funding has been additional funding from shareholders. Management believes access to traditional investment capital is limited for the foreseeable future and is therefore looking to defer/limit its capital expenditures on new asset growth. The Company is also reviewing strategic asset sales to generate additional cash for investment in core markets. The Company's access to financing is always uncertain. There can be no assurance of continued access to equity or debt financing.

Market Risk

Foreign Currency Risk

The operating results and financial position of the Company are reported in U.S. dollars. The results of the Company's operations are subject to currency transaction risks.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash and cash equivalents bear interest at market rates. The Company's financial debts have fixed rates of interest and therefore expose the Company to a limited interest rate fair value risk.

Price Risk

Price risk is the risk of variability in fair value due to movements in equity or market prices.

ITEM 3. PROPERTIES

The following tables set forth the Company's principal physical properties.

Material Properties

Type	Location	Leased / Owned
Cultivation	Arizona Natural Remedies, Inc. (2731 E. Frontage Road Amado, Arizona 85645)	Leased
Grower	MaryMed, LLC (100 Enterprise Drive Hurlock, Maryland 21643)	Leased
Manufacturing	Vireo Health of Minnesota, LLC (8740 77th Street NE Otsego, Minnesota 55362)	Leased
Manufacturing	Vireo Health of New York, LLC (Tryon Industrial Park 256 County Route 117 Perth, New York 12010)	Leased

Through its subsidiaries, the Company has entered into material lease agreements related to its Maryland, Minnesota and New York operations. Those agreements are discussed below.

Maryland Lease

100 Enterprise Drive, LLC ("**Maryland Lessor**") entered into a lease agreement with MaryMed, LLC on April 21, 2017 and continuing for a period of ten years ("**MaryMed Lease Agreement**"). Pursuant to the MaryMed Lease Agreement, MaryMed LLC agreed to lease from Maryland Lessor the premises located at 10 Enterprise Drive, in the Town of Hurlock County, of Dorchester, Maryland. The monthly base rent for the first twelve (12) months of the term of the lease was $20,000.00 per month and $300,000 as security deposit. The foregoing description is qualified in its entirety by reference to the MaryMed Lease Agreement, which is included as Exhibit 10.17 hereto and incorporated by reference herein.

Maryland Lessor entered into a lease amendment with MaryMed, LLC on May 8, 2020 ("**MaryMed Lease Amendment**") with respect to the MaryMed Lease Agreement. Pursuant to the MaryMed Lease Amendment, the base rent was reduced to an amount of $10,506.25 per month from June 1, 2020 through August 1, 2020. The foregoing description is qualified in its entirety by reference to the MaryMed Lease Amendment, which is included as Exhibit 10.18 hereto and incorporated by reference herein.

Minnesota Lease

IIP-MN 1 LLC ("**Minnesota Landlord**") and Minnesota Medical Solutions, LLC (predecessor to Vireo Health of Minnesota, LLC) entered into a lease agreement on November 8, 2017 that was set to expire on November 8, 2032 ("**MN Lease Agreement**"). Concurrent with the execution of the lease, Minnesota Landlord closed on a purchase of real property and improvements on the property located at 8740 77th Street Northeast, Ostego, Minnesota on October 6, 2017. The monthly base rent for the first twelve (12) months of the term of the MN Lease Agreement was $50,000, with $300,000 to be paid in security deposit. The foregoing description is qualified in its entirety by reference to the MN Lease Agreement, which is included as Exhibit 10.19 hereto and incorporated by reference herein.

Pursuant to the First Amendment to the MN Lease Agreement ("**1st Amendment to the MN Lease Agreement**"), dated December 7, 2018, the term of the MN Lease Agreement was extended to December 7, 2033 and Minnesota Medical Solutions, LLC was permitted to make improvements at a cost to Minnesota Landlord not to exceed $2,988,000 rather than $988,000 as initially detailed in the MN Lease Agreement. In addition, the monthly base rest was increased to $77,625 and the security deposit was increased to $450,000. The foregoing description is qualified in its entirety by reference to the 1st Amendment to the MN Lease Agreement, which is included as Exhibit 10.20 hereto and incorporated by reference herein.

Pursuant to the Second Amendment to the MN Lease Agreement ("**2nd Amendment to the MN Lease Agreement**"), dated September 25, 2019, the term of the MN Lease Agreement was extended to December 7, 2038 and Minnesota Medical Solutions, LLC was permitted to make improvements at a cost to Minnesota Landlord not to exceed $5,588,000 rather than $2,988,000 as detailed in the First Amendment to the MN Lease Agreement. In addition, the monthly base rest was increased to $111,262.50. The foregoing description is qualified in its entirety by reference to the 2nd Amendment to the MN Lease Agreement, which is included as Exhibit 10.21 hereto and incorporated by reference herein.

Pursuant to the Third Amendment to the MN Lease Agreement ("**3rd Amendment to the MN Lease Agreement**"), dated February 18, 2020, Minnesota Medical Solutions, LLC was permitted to make improvements at a cost to Minnesota Landlord not to exceed $5,638,183. The foregoing description is qualified in its entirety by reference to the 3rd Amendment to the MN Lease Agreement, which is included as Exhibit 10.22 hereto and incorporated by reference herein.

Pursuant to the Fourth Amendment to the MN Lease Agreement ("**4th Amendment to the MN Lease Agreement**"), dated April 10, 2020, Minnesota Medical Solutions, LLC was permitted to make improvements at a cost to Minnesota Landlord not to exceed $6,698,183 and the term of the MN Lease Agreement was extended to April 9, 2040. In addition, the monthly base rent was increased to $129,350.42. The security deposit will be reduced to $225,000 on November 8, 2023 and the security deposit will be further reduced to $112,500 on November 8, 2026. The foregoing description is qualified in its entirety by reference to the 4th Amendment to the MN Lease Agreement, which is included as Exhibit 10.23 hereto and incorporated by reference herein.

New York Lease

IIP-NY2 LLC ("**New York Landlord**") and Vireo Health of New York, LLC entered into a lease agreement on October 23, 2017 that was set to expire on October 23, 2032 ("**NY Lease Agreement**"). Concurrent with the execution of the lease, IIP-NY 2 LLC closed on a purchase of real property and improvements on the property located at 256 County Route 117, Perth, New York on September 21, 2017. The monthly base rent for the first twelve (12) months of the term of the NY Lease Agreement was $55,000, with $330,000 to be paid in security deposit. The foregoing description is qualified in its entirety by reference to the NY Lease Agreement, which is included as Exhibit 10.14 hereto and incorporated by reference herein.

Pursuant to the First Amendment to the NY Lease Agreement ("**1st Amendment to the NY Lease Agreement**"), dated December 7, 2018, the term of the NY Lease Agreement was extended to December 7, 2033 and Vireo Health of New York, LLC was permitted to make improvements at a cost to New York Landlord not to exceed $3,000,000, instead of $1,000,000 as initially outlined in the NY Lease Agreement. The foregoing description is qualified in its entirety by reference to the 1st Amendment to the NY Lease Agreement, which is included as Exhibit 10.15 hereto and incorporated by reference herein.

Pursuant to the Second Amendment to the NY Lease Agreement ("**2nd Amendment to the NY Lease Agreement**"), dated April 10, 2020, the term of the NY Lease Agreement was extended to April 9, 2035 and Vireo Health of New York, LLC was permitted to make improvements at a cost to New York Landlord not to exceed $3,360,000 rather than $3,000,000 as detailed in the First Amendment to the NY Lease Agreement. In addition, the monthly base rent was increased to $90,518.51 and Vireo Health International, Inc. provided a new guaranty on behalf of New York Landlord. The foregoing description is qualified in its entirety by reference to the 2nd Amendment to the NY Lease Agreement, which is included as Exhibit 10.16 hereto and incorporated by reference herein.

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the expected beneficial ownership of the Company's securities as of January 13, 2021 for (i) each member of the Board of Directors, (ii) each named executive officer (as defined below), (iii) each person known to the Company to be the beneficial owner of more than 5% of the Company's securities and (iv) the members of the Board and the executive officers of the Company as a group. Beneficial ownership is determined according to the rules of the SEC. Generally, a person has beneficial ownership of a security if the person possesses sole or shared voting or investment power of that security, including any securities of which a person has the right to acquire beneficial ownership within 60 days. Information with respect to beneficial owners of more than 5% of the Company's securities is based on completed questionnaires and related information provided by such beneficial owners as of December 1, 2020. Except as indicated, all shares of the Company's securities will be owned directly, and the person or entity listed as the beneficial owner has sole voting and investment power.

Name, Position and Address of Beneficial Owner	Subordinate Voting Shares		Multiple Voting Shares		Super Voting Shares		Total[1]		Voting[2]
	Number Beneficially Owned	% of Total Subordinate Voting Shares	Number Beneficially Owned	% of Total Multiple Voting Shares	Number Beneficially Owned	% of Total Super Voting Shares	Total Number of Capital Stock Beneficially Owned	% of Total Capital Stock	% of Voting Capital Stock
Kyle E. Kingsley[3] Chairman of the Board and Chief Executive Officer	4,913,291	8.46%	—	—	65,411	100%	11,454,921	9.54%	39.31%
Amber H. Shimpa[4] Director	2,352,654	4.24%	8,521	1.54%	—	—	3,204,755	2.73%	1.82%
Chelsea A. Grayson[5] Director	205,459	*	—	—	—	—	205,459	*	*
Ross M. Hussey Director	—	—	16,803	3.03%	—	—	1,680,300	1.46%	*
Victor Mancebo Director	—	—	—	—	—	—	—	—	—
Judd T. Nordquist[6] Director	228,989	*	845	*	—	—	313,489	*	*
John Heller Chief Financial Officer	—	—	—	—	—	—	—	—	—
Christian Gonzalez Ocasio EVP, Operations[7]	201,853	*	—	—	—	—	—	—	—
All directors and executive officers as a group (10 people)[8]	**9,811,646**	**15.60%**	**26,169**	**4.72%**	**65,411**	**100%**	**18,969,646**	**15.19%**	**41.45%**

* Represents less than 1%.

Notes:

(1) Total share values are on an as-converted basis.
(2) The voting percentages differ from the beneficial ownership percentages in the total capital stock because our classes of securities have different voting rights. For further description of the different voting rights by different securities, see Item 11— "*Description of the Registrant's Securities To Be Registered*."
(3) Includes 4,913,291 options to purchase Subordinate Voting Shares that are exercisable within 60 days of January 13, 2021.
(4) Includes 2,329,124 options to purchase Subordinate Voting Shares that are exercisable within 60 days of January 13, 2021.
(5) Includes 205,459 options to purchase Subordinate Voting Shares that are exercisable within 60 days of January 13, 2021.
(6) Includes 205,459 options to purchase Subordinate Voting Shares that are exercisable within 60 days of January 13, 2021.
(7) Includes 201,853 options to purchase Subordinate Voting Shares that are exercisable within 60 days of January 13, 2021.
(8) Includes 9,764,586 options to purchase Subordinate Voting Shares that are exercisable within 60 days of January 13, 2021.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the individuals who we anticipate will be the directors and executive officers of the Company as of the Effective Date and their respective positions.

Name	Age	Position
Dr. Kyle E. Kingsley	45	Chief Executive Officer, Founder & Chairman of the Board
Amber H. Shimpa	41	Chief Administrative Officer & Director
Chelsea A. Grayson	49	Director
Ross M. Hussey	42	Director
Victor Mancebo	36	Director
Judd T. Nordquist	51	Director
Dr. Stephen Dahmer	46	Chief Medical Officer
John A. Heller	52	Chief Financial Officer
Christian González Ocasio	40	Executive Vice President, Operations
Patrick Peters	47	Senior Vice President, Retail
J. Michael Schroeder	53	General Counsel & Chief Compliance Officer

Director and Executive Officer Biographies

Dr. Kyle E. Kingsley

Dr. Kyle E. Kingsley is a board-certified emergency medicine physician and founder of the Company. Dr. Kingsley has served as CEO and a director of Vireo (and its predecessor Vireo U.S./Minnesota Medical Solutions LLC) since July 2014. Dr. Kingsley has expansive experience in starting medical cannabis companies in well-regulated, limited-license states with narrow timelines for implementation. Dr. Kingsley has been involved with all aspects of medical cannabis implementation, from horticulture and manufacturing to finance and policy. Dr. Kingsley's primary goal is to build mainstream, cannabis-based, alternatives to opioids, alcohol, and tobacco.

Dr. Kingsley's extensive experience with opioid pain medications and alcohol in the emergency department setting was a major reason for his desire to build a physician-led, science-focused cannabis company. Simultaneously with his emergency medicine staffing responsibilities, Dr. Kingsley founded and developed multiple companies including Clinical Scribes LLC, a medical scribe documentation training and implementation company, which he founded in 2007. Clinical Scribes LLC and its offshoot Medical Scribe Training Systems focus on efficient training of medical professionals, specifically medical scribes. Expertise developed in this setting has led to direct benefits for Vireo which is building an industry-leading, medically-sound, employee education system. Dr. Kingsley is also the author of a wide array of scientifically robust medical scribe training textbooks, "The Ultimate Medical Scribe Handbook" series, which is used by companies across the country to train their medical scribes. Dr. Kingsley also founded MedMacros LLC in 2012, a medical documentation augmentation company that provides physicians and other healthcare providers with online templates to improve documentation speed and comprehensiveness. Dr. Kingsley also brings medical device start up expertise via Doctor Sly LLC, a company focused on development of intellectual property for simple cooling devices used to treat common medical conditions. Currently MigraineBox is a potential treatment for headaches by way of simple cooling of the head and neck. Dr. Kingsley obtained a patent for this method of cooling.

Dr. Kingsley received a Bachelor of Science degree in Biochemistry and a Bachelor of Arts degree in German from University of Minnesota in Duluth and received a Doctor of Medicine degree from the University of Minnesota, Twin Cities. During his time at the University of Minnesota, Duluth, Dr. Kingsley worked extensively in a biochemistry laboratory and developed expertise in HPLC and other laboratory techniques that are directly applicable to the medical cannabis industry.

Amber H. Shimpa

Amber H. Shimpa has served as the Chief Administrative Officer for Vireo since December 2019. From January 2015 through December 2019, Ms. Shimpa served as the Company's Chief Financial Officer. As Chief Administrative Officer, she leads Vireo's human resources, communications and policy teams and further drives the integration of people and culture for the Company. She works closely with Dr. Kingsley, in his role as CEO, to perpetuate Vireo's core values and culture as its workforce continues to rapidly expand. Ms. Shimpa spearheads Vireo's Corporate Social Responsibility initiatives and Diversity and Inclusion programs. Ms. Shimpa currently serves on the Company's Board and is a member of the Nominating and Governance Committee. Ms. Shimpa has 14 years of experience as a financial services professional with various commercial and investment banking organizations. Prior to joining Vireo, Ms. Shimpa spent nine years as Vice President of a $1.6 billion bank focused on commercial, nationwide lending. Her experience in the highly regulated banking environment has engrained quality and control in her leadership and financial management approach. Banking is often seen as a challenge for operators within the cannabis industry. Ms. Shimpa's understanding of the strict compliance requirements in the banking industry, coupled with the Company's scientific and safe medical model, have led to welcoming discussions with banks, and ultimately the first known open banking relationship with a cannabis-related company in the U.S. Ms. Shimpa holds a Bachelor of Arts degree in Business from the University of North Dakota.

Chelsea A. Grayson

Chelsea A. Grayson is the Chief Executive Officer of Swift Brands, a business platform that enables brands to streamline their go-to-market strategies and data science practices, an Executive-in-Residence at Wunderkind (formerly BounceX), a leading marketing technologies provider, a member of the Board of Directors of Spark Networks, where she sits on the nominating and corporate governance committee, a member of the UCLA Board of Visitors for the English Department and a Board Leadership Fellow and Corporate Governance Fellow with the National Association of Corporate Directors (NACD). From November 2018 to June 2019, she served as Chief Executive Officer and a board member of True Religion, Inc. (formerly NASDAQ: TRLG), where she chaired the audit committee. Prior to assuming her the role with True Religion, Ms. Grayson served as Chief Executive Officer and a board member of American Apparel Inc. (formerly NYSE: APP). Before joining American Apparel, Ms. Grayson was a partner in the Mergers & Acquisitions practice group of law firm Jones Day from 2007 to 2012. Ms. Grayson has served on the Company's Board since March 2019 and currently serves as Chair of the Nominating and Corporate Governance Committee and is a member of the Compensation and Audit Committees. Ms. Grayson received a Bachelor of Arts degree in English Literature and Business/Economics from the University of California, Los Angeles and received a Juris Doctor degree from Loyola Law School in Los Angeles, California.

Ross M. Hussey

Ross M. Hussey is an attorney with over 15 years of experience who practices in multiple states and jurisdictions and focuses primarily on complex litigation and representing private businesses. He has practiced with Smith Jadin Johnson, PLLC since June 2019. From April 2015 through May 2019, he practiced with Benson, Kerrane, Storz & Nelson, PC. Mr. Hussey is a founding member of Vireo U.S. where he helped create and launch Minnesota Medical Solutions, LLC. He has served as a director of Vireo since July 2020 and sits on the Compensation and Nominating and Corporate Governance Committees. Mr. Hussey previously served as General Counsel for Minnesota Medical Solutions from December of 2014 to March of 2016 before returning to private practice. He also has prior government relations experience and was involved in the implementation of the medical cannabis program in Minnesota. Mr. Hussey holds a Bachelor of Arts degree in Political Science from Gustavus Adolphus College and received a Juris Doctor degree. from William Mitchell College of Law.

Victor E. Mancebo

Victor E. Mancebo is a business professional with nearly 20 years of experience in a variety of operational, re-tail, and agricultural leadership roles for several national and regional companies in the United States. Mr. Mancebo has amassed executive leadership roles in Banking, Education, Logistics, Technology, Food Safety, Manufacturing, Agriculture, and Retail. From July 2018 through December 31, 2020, Mr. Mancebo served as the President, Chief Executive Officer and as a Director of Liberty Health Sciences Inc. (OTCQX: LHSIF), a profitable vertically integrated cannabis company with 29 dispensaries and a 250,000 square feet production facility housed in 387 acres in Florida, which has served over 100,000 patients to date. At Liberty Health Sciences Inc., Mr. Mancebo was responsible for the growth and success of various departments including retail, sales, compliance, production, processing, cultivation, construction, facilities, and accounting. Prior to that experience, Mr. Mancebo served as a Partner and Chief Operations Officer at Gelatys from April 2016 through April 2018. From 2013 to 2020, Mr. Mancebo served as the Founder and Managing Director at iAgriGroup, where he was responsible for the expansion, strategy and overall operational execution of the international agriculture and food production company. Mr. Mancebo joined the Company's Board on January 18, 2020, where he will serve as an advisor to Chairman & Chief Executive Officer, Dr. Kyle Kingsley, as well as to the Company's executive leadership team. Mr. Mancebo holds a B.A. from Florida International University and a Master Black Belt Six Sigma Certification.

Judd T. Nordquist

Judd T. Nordquist is a Certified Public Accountant with more than 25 years of experience and has served on several Board of Advisors, Audit Committees, and has leadership roles with several organizations. He has served on Vireo's Board of Directors since March 2019 and is Chair of Audit Committee. As a Business Partner at Abdo, Eick & Meyers, LLP, which he joined in 1995, Mr. Nordquist leads the manufacturing, distribution and agriculture segment of the firm where he is responsible for setting the strategic plan and delivering results. Mr. Nordquist helps business owners with business and tax planning, mergers and acquisitions, cash flow management, budgeting, overhead computations, auditing and entrepreneurial consulting services throughout North America and Europe. Mr. Nordquist graduated from Minnesota State University, Mankato with a Bachelor of Science degree in Accounting. He is a member of the American Institute of Certified Public Accountants, the Minnesota Society of Certified Public Accountants and DFK International.

Dr. Stephen Dahmer

Dr. Stephen Dahmer is a board-certified family physician whose passion for health and healing has taken him around the globe. Dr. Dahmer has served as the Chief Medical Officer of Vireo since September 2015. A fellow of the Arizona Center for Integrative Medicine, for over two decades he has studied the relationships between plants and people, working closely with diverse cultures and documenting their uses of plants and other integrative therapies.

Aspiring to understand ethnomedical systems, as well as the plants and traditional beliefs that support them, Dr0 Dahmer has worked in divergent settings including Umbanda terreiros in the heart of Brazil's second largest slum, Maori clinics in New Zealand, native healers on the Palauan Islands, and as a hospitalist to the Navajo (Dine) Tribe in Chinle, Arizona. Dr. Dahmer has given over 150 lectures on cannabinoid-related medical topics and is involved in two large-scale clinical trials studying medical cannabis, opioids and chronic pain.

At Vireo, Dr. Dahmer oversees clinical research partnerships, pharmacovigilance, physician outreach and engagement, and over 200 employees providing education, support, awareness and a compassionate patient experience to tens of thousands of patients utilizing medical cannabis.

From June of 2015 to present, Dr. Dahmer has served as Assistant Clinical Professor in the Department of Family Medicine and Community Health at the Icahn School of Medicine at Mount Sinai where he passionately provided innovative primary care for seven years in New York City where he lives and resides with his family. In addition, since May of 2018, Dr. Dahmer has served as a Family Physician and Director of Holistic Primary Care at Scarsdale Integrative Medicine.

Dr. Dahmer received his Bachelor of Arts degree in Zoology and Spanish, as well as his Medical Doctor degree from the University of Wisconsin.

John A. Heller

John A. Heller has been serving as the Chief Financial Officer of Vireo since July 2020. Mr. Heller has 30 years of experience managing finance, accounting, IT, and business information functions in a variety of public and private companies. Prior to joining Vireo, Mr. Heller served as the Chief Financial Officer of Lift Brands, Inc., a worldwide fitness center franchisor. From June 1998 through April 2016, Mr. Heller served as Senior Vice President of Finance and Treasurer of Life Time Fitness, Inc. He began his career as a public accountant and Certified Public Accountant working for Arthur Andersen in Minneapolis, Minnesota. Mr. Heller has been involved in raising over $2 billion of capital through public and private equity, senior and subordinated debt, real estate financing, and sale leasebacks. Mr. Heller has a Bachelor of Science degree in Accounting from St. John's University in Collegeville, MN.

Christian González Ocasio

Christian González Ocasio is an engineer and manufacturing entrepreneur with over 15 years of experience in the medical device, pharmaceutical and aerospace/defense industries. He has served as Vireo's Executive Vice President, Operations since September 2019. Prior to that, he served as Vice President, Manufacturing Operations from June of 2019 until September of 2019. From December 2017 until June 2019, Mr. González served as General Manager of Pennsylvania Medical Solutions, LLC, a former subsidiary of Vireo. Mr. González founded and has served as the Chief Executive Officer of Esmeril Industries LLC, a successful medical device/aerospace component manufacturing company since August 2008. Mr. González's knowledge of the startup process, thorough understanding of good manufacturing methods/practices, and commitment to quality are useful tools in the ever-evolving medical device and pharmaceutical industries. At Vireo, Mr. González is involved in such activities as strategic planning and capital raising efforts to mergers and acquisition activities. As Executive Vice President of Operations, Mr. González helps drive and achieve operational, manufacturing and revenue goals in line with the Company's vision. Mr. González has a Bachelor of Science degree in Mechanical Engineering from the University of Puerto Rico.

Patrick Peters

Patrick Peters is a highly driven retail executive with experience in industry-leading brands across diverse market segments. Mr. Peters is experienced in developing innovative and effective solutions to drive continuous improvement and financial results. Mr. Peters has been serving as Senior Vice President of Retail, Wholesale, and E-Commerce at Vireo since November of 2019. Prior to that, from June 2018 to July 2019, Mr. Peters served as the Regional Director of Rue 21, where he managed Rue21's retail locations on the East Coast. Mr. Peters served as a Financial Planner at Northwest Mutual from June 2017 to March 2018, where he assisted individuals with life insurance and financial planning. From June 2013 to February 2017, Mr. Peters served as Chief Operating Officer and Vice President of Retail at Costume SuperCenter, where he focused on growing infrastructure of new e-commerce retail acquisition.

J. Michael Schroeder

J. Michael Schroeder has been serving as Vireo Health's General Counsel and Chief Compliance Officer since July 2018. Mr. Schroeder is an attorney with over 27 years of experience, including six years in law firm practice in New York City area and 21 years in house at four companies. He previously served as General Counsel of two other publicly traded companies. From July 2014 through February 2018, Mr. Schroder served as General Counsel and Chief Compliance Officer of Deluxe Corporation. Mr. Schroeder has expertise in a wide variety of substantive areas of the law, including corporate structuring and transactions, securities, employment, contracts, real estate, capital markets, intellectual property, international trade, litigation management, dispute resolution, and administrative law, as well as in managing the legal and regulatory compliance functions and teams for several companies. He has also provided corporate secretarial services for each of his private company employers. Mr. Schroeder joined Vireo for the opportunity to use his legal and compliance expertise to help a growing company navigate a complex industry with robust and ever-changing laws and regulations. Mr. Schroeder received a Bachelor of Science degree, magna cum laude, in Business with a concentration in Finance from the University of Colorado at Boulder and a Juris Doctor degree from Duke University.

Other Information

Dr. Kingsley is married to Ms. Shimpa's sister. In 2011, Mr. Schroeder filed a bankruptcy petition under Chapter 7 of Title 11 of the United States Bankruptcy Code in connection with his personal guarantee of real estate development projects and the inability to refinance related indebtedness. In June of 2012, the bankruptcy was discharged. American Apparel, of which Ms. Grayson served as Chief Executive Officer, filed for Chapter 11 bankruptcy protection during her tenure.

Board Committees

The Company currently has an audit committee, a nominating and governance committee, and a compensation committee. The members of each is set out below.

Name of Member	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Chelsea A. Grayson	X	X	X
Ross M. Hussey	X	X	X
Kyle E. Kingsley			
Judd T. Nordquist	X		
Amber H. Shimpa			X

A brief description of each committee is set out below.

Audit Committee

The audit committee of the Board (the "**Audit Committee**") assists the Company's Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Company and ensuring the adequacy and effectiveness of the Company's risk management programs. The Audit Committee reviews the financial reports and other financial information provided by the Company to regulatory authorities and its shareholders, as well as reviews the Company's system of internal controls regarding finance and accounting, including auditing, accounting and financial reporting processes.

Composition of the Audit Committee.

As of the date of filing of this registration statement, the following are the members of the Audit Committee:

Name of Member	Independent[(1)]	Financially Literate[(2)]
Chelsea A. Grayson	Yes	Yes
Judd T. Nordquist	Yes	Yes
Ross M. Hussey	Yes	Yes

Notes:

(1) A member of the Audit Committee is independent if he or she has no direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment. Any executive officer of the Company is deemed to have a material relationship with the Company.

(2) A member of the Audit Committee is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Each member of the Audit Committee has experience relevant to his or her responsibilities as an Audit Committee member. See Item 5— "*Directors and Executive Officers*" for a description of the education and experience of each Audit Committee member.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year were any audit committee recommendations to nominate or compensate an external auditor not adopted by the Board of Directors.

Audit Committee Charter

The Board has adopted a written charter for the Audit Committee, which sets out the Audit Committee's responsibilities. The Audit Committee performs a number of roles including (i) assisting directors to meet their oversight responsibilities, (ii) enhancing communication between directors and the external auditors; (iii) ensuring the independence of the external auditors; (iv) increasing the credibility and objectivity of financial reports; and (v) strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor. The Audit Committee has been delegated responsibility for: (i) the Company's internal audit function; (ii) the integrity of our consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements; (iii) compliance with legal and regulatory requirements; (iv) the external auditors' qualifications and independence; (v) the work and performance of financial management and external auditors; and (vi) the system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance and risk management established by management and the Board. The Audit Committee has unrestricted access to all books and records of the Company and may request any information as it may deem appropriate. It also has the authority to retain and compensate special legal, accounting, financial and other consultants or experts in the performance of its duties.

Nominating and Corporate Governance Committee

The nominating and corporate governance Committee of the Board (the "**Nominating and Corporate Governance Committee**") assists the Board in fulfilling its oversight responsibilities relating to the corporate governance of the Company and the size, structure, and membership of the Board and its committees.

Composition of the Nominating and Corporate Governance Committee.

As of the date of this registration statement, the following are the members of the Nominating and Corporate Governance Committee:

Name of Member	Independent[(1)]
Chelsea A. Grayson	Yes
Ross M. Hussey	Yes
Amber H. Shimpa	No

Notes:

(1) A member of the Nominating and Corporate Governance Committee is independent if he or she has no direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment. Any executive officer of the Company is deemed to have a material relationship with the Company.

Nominating and Corporate Governance Committee Charter

The Board has adopted a written charter for the Nominating and Corporate Governance Committee, which sets out the Nominating and Corporate Governance Committee's responsibilities. The Nominating and Corporate Governance Committee has been delegated responsibility for: (i) the Company's corporate governance guidelines; (ii) succession planning; (iii) director qualifications; (iv) the Company's code of business conduct and ethics; (iv) director education; (v) overall Board and committee structure, composition, membership and activities; and (vi) Board and committee evaluations.

Compensation Committee

The compensation committee ("**Compensation Committee**") the Board in fulfilling its oversight responsibilities relating to the recruitment, compensation, evaluation and retention of senior management and other key employees, and in particular the Chief Executive Officer, with the skills and expertise needed to enable the Company to achieve its goals and strategies at competitive compensation and with appropriate performance incentives.

Composition of the Compensation Committee.

As of the date of this registration statement, the following are the members of the Compensation Committee:

Name of Member	Independent[(1)]
Chelsea A. Grayson	Yes
Ross M. Hussey	Yes

Notes:

(1) A member of the Compensation Committee is independent if he or she has no direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment. Any executive officer of the Company is deemed to have a material relationship with the Company.

Compensation Committee Charter

The Board has adopted a written charter for the Compensation Committee, which sets out the Compensation Committee's responsibilities. The Compensation Committee has been delegated responsibility for: (i) establishing corporate goals and objectives for the Chief Executive Officer and other executive officers and recommending compensation levels for the Chief Executive Officer and executive officers to the Board; (ii) employee compensation plans; (iv) incentive compensation plans; (v) equity-based compensation plans; (vi) management agreements with the Chief Executive Officer and other executive officers; and (vii) executive compensation disclosures.

For additional details on the Compensation Committee, see Item 6— "*Compensation Governance*."

Board Qualifications

We believe that each of the members of our Board has the experience, qualifications, attributes and skills that make him or her suitable to serve as our director, in light of our highly regulated cannabis business, our complex operations and large number of employees. See Item 5— "*Directors and Executive Officers*" for a description of the education and experience of each director.

Dr. Kyle E. Kingsley's specific qualifications, experience, skills and expertise include:

- Leadership and management
- Mergers and acquisitions
- Capital markets transactions
- Cannabis industry knowledge

Chelsea A. Grayson's specific qualifications, experience, skills and expertise include:

- Leadership and management
- Mergers and acquisitions
- Branding and marketing
- Corporate governance

Ross M. Hussey's specific qualifications, experience, skills and expertise include:

- Cannabis industry knowledge
- Cannabis-related legislation
- Corporate Strategy

Victor Mancebo's specific qualifications, experience, skills and expertise include:

- Cannabis industry knowledge and experience
- Leadership and management
- Corporate Strategy

Judd T. Nordquist's specific qualifications, experience, skills and expertise include:

- Financial statements and financial transactions
- External and internal audit
- Corporate Strategy

Amber H. Shimpa's specific qualifications, experience, skills and expertise include:

- Leadership and management
- Financial statements and financial transactions
- Cannabis industry knowledge
- Security and inventory control

The Board believes these qualifications bring a broad set of complementary experience to the Board's discharge of its responsibilities.

Conflicts of Interest—Board Leadership Structure and Risk Oversight

Conflicts of interest may arise as a result of the directors, officers and promoters of the Company also holding positions as directors or officers of other companies. Some of the individuals that are directors and officers of the Company have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies provided under the Company's Code of Ethics and Business Conduct.

ITEM 6. EXECUTIVE COMPENSATION

Overview of Executive Compensation

The Board is authorized to review and approve annually all compensation decisions relating to the executive officers of the Company. In accordance with reduced disclosure rules applicable to emerging growth companies as set forth in Item 402 of Regulation S-K, this section explains how the Company's compensation program is structured for its Chief Executive Officer and the other executive officers named in the Summary Compensation Table (the "**named executive officers**").

Compensation Governance

The Board has not adopted any formal policies or procedures to determine the compensation of our directors or executive officers. The compensation of the directors and executive officers making over $200,000 per year is determined by the Board, based on the recommendations of the Compensation Committee. Recommendations of the Compensation Committee are made giving consideration to the objectives discussed below and, if applicable, considering applicable industry data.

The Compensation Committee currently consists of two directors: Ross M. Hussey and Chelsea A. Grayson, both of whom are independent. For details regarding the experience of the members of the Compensation Committee, see "*Director and Executive Officer Biographies*" and "*Board Qualifications*."

The role and responsibility of the Compensation Committee is to assist the Board in fulfilling its responsibilities for establishing compensation philosophy and guidelines. Additionally, the Compensation Committee has responsibility for recommending to the Board compensation levels for directors, recommending compensation levels, perquisites and supplemental benefits for the executive officers. In addition, the Compensation Committee is charged with reviewing the Company's equity incentive plans and proposing changes thereto and recommending any other employee benefit plans, incentive awards and perquisites with respect to the directors and executive officers. The Compensation Committee is responsible for approving any equity or incentive awards under the 2019 Equity Incentive Plan. The Compensation Committee is also responsible for reviewing, approving and reporting to the Board annually (or more frequently as required) on our succession plans for our executive officers, and for overseeing our Board annual self-evaluation process.

The Compensation Committee endeavors to ensure that the philosophy and operation of our compensation program reinforces our culture and values, creates a balance between risk and reward, attracts, motivates and retains executive officers over the long-term and aligns their interests with those of our shareholders. In addition, the Compensation Committee reviews our annual disclosure regarding executive compensation for inclusion where appropriate in our disclosure documents.

Elements of Compensation

Base Salary

Base salary is the fixed portion of each executive officer's total compensation. It is designed to provide income certainty. In determining the base level of compensation for the executive officers, weight is placed on the following factors: the particular responsibilities related to the position, salaries or fees paid by companies of similar size in the industry, level of experience of the executive, and overall performance and the time which the executive officer is required to devote to the Company in fulfilling his or her responsibilities.

Long-Term Equity Incentive Awards

Long-term incentives are intended to align the interests of the Company's directors and executive officers with those of the shareholders and to provide a long-term incentive that rewards these parties for their contribution to the creation of shareholder value. In establishing the number of nonqualified stock options ("**NQSOs**"), incentive stock options ("**ISOs**") (collectively, "**Options**"), stock appreciation rights ("**SARs**"), restricted stock ("**RS Awards**") and restricted stock units ("**RSU Awards**") to be granted, if any, reference is made to the recommendations made by the Compensation Committee as well as, from time to time, the number of similar awards granted to officers and directors of other publicly-traded companies of similar size, in the same business as the Company. The Compensation Committee and the Board also consider previous grants of Options, SARs, RS Awards or RSU Awards and the overall number of Options, SARs, RS Awards or RSU Awards that are outstanding relative to the number of outstanding securities in determining whether to make any new grants of Options, SARs, RS Awards or RSU Awards and the size and terms of any such grants. With respect to executive officers, the Compensation Committee and the Board also consider the level of effort, time, responsibility, ability, experience and level of commitment of the executive officer in determining the level of long-term equity incentive awards. With respect to directors, the Compensation Committee and the Board also consider committee assignments and committee chair responsibilities, as well as the overall time requirements of the Board members in determining the level of long-term equity incentive awards to be granted, if any.

Summary Compensation Table for 2020

The following table sets forth all compensation paid to or earned by the named executive officers of the Company in the last two fiscal years.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(2)	Total ($)
Dr. Kyle E. Kingsley, Chief Executive Officer	2020	$ 295,269	$	$	$	$	$	$ 176	$ 295,445
	2019	$ 360,000	$	$	$	$	$	$ 176	$ 360,176
John Heller, Chief Financial Officer[3]	2020	$ 133,333	$	$	$ 827,249	$	$	$ 176	$ 960.758
Christian Gonzalez Ocasio, EVP, Operations	2020	$ 217,150	$	$	$ 486,7835	$	$	$	$ 703.933

(1) The amounts reported in the Option Awards column reflects aggregate grant date fair value computed in accordance with ASC Topic 718, Compensation—Stock Compensation. These amounts reflect our calculation of the value of these awards at the grant date and do not necessarily correspond to the actual value that may ultimately be realized by the named executive officer. Assumptions used in the calculation of these amounts are as follows: discount rate = 0.45% - 0.62%; expected life of options = 7 years; expected annualized volatility = 100%; expected forfeiture rate = 0; expected dividend yield = 0. As of December 31, 2020, Mr. Heller held 1,314,941 options, which entitle the holder thereof to purchase one Subordinate Voting Share at an exercise price of $0.77. As of December 31, 2020, Mr. Gonzalez held 201,583 options, which entitle the holder thereof to purchase one Subordinate Voting Share at exercise prices ranging from $0.33 to $1.19.
(2) Consists of life insurance premiums paid on the executive's behalf.
(3) Mr. Heller was appointed as Chief Financial Officer effective July 6, 2020.

Employment Agreements

On December 28, 2020, Dr. Kyle E. Kingsley entered into an Employment Agreement with the Company, whereby the Company agreed to continue to employ Mr. Kingsley as the Company's Chief Executive Officer. The initial term of the agreement is for two years, but automatically extends for a one-year term on each succeeding one-year anniversary of the effective date of the agreement, subject to termination on an earlier date in accordance with the terms of the Agreement, or unless either party gives written notice of non-renewal to the other party at least 180 days prior to automatic extension. Pursuant to Dr. Kingsley's agreement, the Company has agreed to pay Dr. Kingsley an annual base salary of $360,000, with a potential annual cash bonus at the Company's discretion in an amount determined by the Company's Board.

The foregoing description of Dr. Kingsley's Employment Agreement is qualified in its entirety by reference to the Agreement, which is included as Exhibit 10.25 hereto and incorporated by reference herein.

On December 22, 2020, Amber H. Shimpa entered into an Employment Agreement with the Company whereby the Company agreed to continue to employ Ms. Shimpa as the Company's Chief Administrative Officer. The agreement is effective as of December 1, 2020. The initial term of the agreement is for two years, but automatically extends for a one-year term on each succeeding one-year anniversary of the effective date of the agreement, subject to termination on an earlier date in accordance with the terms of the Agreement, or unless either party gave written notice of non-renewal to the other party at least 180 days prior to automatic extension. Pursuant to Ms. Shimpa's agreement, the Company has agreed to pay Ms. Shimpa an annual base salary of $260,000, with a potential annual cash bonus at the Company's discretion in an amount determined by the Company's Chief Executive Officer.

The foregoing description of Ms. Shimpa's Employment Agreement is qualified in its entirety by reference to the Agreement, which is included as Exhibit 10.24 hereto and incorporated by reference herein.

On December 1, 2020, Christian Gonzalez Ocasio entered into an Employment Agreement with the Company, whereby the Company agreed to continue to employ Mr. Gonzalez as the Company's Chief Operating Officer. The initial term of the agreement was for two years, but automatically extends for a one-year term on each succeeding one-year anniversary of the effective date of the agreement, subject to termination on an earlier date in accordance with the terms of the Agreement, or unless either party gives written notice of non-renewal to the other party at least 180 days prior to automatic extension. Pursuant to Mr. Gonzalez's agreement, the Company has agreed to pay Mr. Gonzalez an annual base salary of $250,000, with a potential annual cash bonus at the Company's discretion in an amount determined by the Company's Chief Executive Officer.

The foregoing description of Mr. Gonzalez's Employment Agreement is qualified in its entirety by reference to the Agreement, which is included as Exhibit 10.26 hereto and incorporated by reference herein.

On December 1, 2020, John Heller entered into an Employment Agreement with the Company, whereby the Company agreed to continue to employ Mr. Heller as the Company's Chief Financial Officer. The initial term of the agreement was for two years, but automatically extends for a one-year term on each succeeding one-year anniversary of the effective date of the agreement, subject to termination on an earlier date in accordance with the terms of the Agreement, or unless either party gives written notice of non-renewal to the other party at least 180 days prior to automatic extension. Pursuant to Mr. Heller's agreement, the Company has agreed to pay Mr. Heller an annual base salary of $300,000, with a potential annual cash bonus at the Company's discretion in an amount determined by the Company's Chief Executive Officer.

The foregoing description of Mr. Heller's Employment Agreement is qualified in its entirety by reference to the Agreement, which is included as Exhibit 10.27 hereto and incorporated by reference herein.

On March 9, 2020, Bruce Linton, our former Executive Chairman, entered into an Amended and Restated Executive Employment Agreement with the Company (the "**Amended Employment Agreement**"), which amended and restated in their entirety the terms of Mr. Linton's previous employment agreement dated November 6, 2019. The Amended Employment Agreement was effective November 7, 2019 and was to continue until November 7, 2022, unless earlier terminated in accordance with the terms thereof. Pursuant to the Amended Employment Agreement, the Company agreed to pay Mr. Linton an annual base salary of $250,000 and granted him an aggregate of 15,000,000 non-transferable share purchase warrants (the "**Incentive Warrants**"), with each Incentive Warrant entitling Mr. Linton upon exercise to acquire one Subordinate Voting Share of the Company. 10,000,000 of the Incentive Warrants have a strike price of $1.02 (the "**First Tranche Incentive Warrants**"); 2,500,000 Incentive Warrants have a strike price of $3.81 ("**Second Tranche Incentive Warrants**"); and 2,500,000 have an exercise price of $5.86 ("**Third Tranche Incentive Warrants**"). The Incentive Warrants when issued under the Amended Employment Agreement had a term expiring on November 6, 2024 and vest as follows: (i) 5,000,000 First Tranche Incentive Warrants, 1,250,000 Second Tranche Incentive Warrants and 1,250,000 Third Tranche Incentive Warrants vest on November 6, 2020; and (ii) 5,000,000 First Tranche Incentive Warrants, 1,250,000 Second Tranche Incentive Warrants and 1,250,000 Third Tranche Incentive Warrants vest on November 6, 2021. In connection with Mr. Linton's resignation, all of his Incentive Warrants immediately became fully vested. Under the acceleration provisions of the Amended Employment Agreement, the Incentive Warrant Agreements will expire June 8, 2021.

Pursuant to the Amended Employment Agreement, provided that upon the occurrence of a "Triggering Transaction" (which included completion of an equity financing by the Company for gross proceeds of at least C$8,000,000) on or before March 9, 2020 and Mr. Linton subscribing for at least C$1,000,000 of equity securities in the Triggering Transaction: (a) the Corporation would extend to Mr. Linton a line of credit, in the form of a promissory note with a maximum principal amount equal to $10,200,000, solely to exercise the 10,000,000 First Tranche Warrants; and (b) Mr. Linton would have the opportunity to receive service bonus payments from the Company equal to the amount of any draws under such line of credit, provided that (i) the service bonus payment was made one year after the date of the draw; and (ii) the market capitalization of the Company reached approximately C$275 million. Because of Mr. Linton's termination of employment, it is the Company's view that these provisions are no longer in effect under the terms of the employment agreement governing and limiting his post-termination rights.

Mr. Linton's employment as Executive Chairman ended on June 8, 2020. He resigned as a director of the Company on June 11, 2020. With the exception of Articles 1, 7, 8 and 9 of the Amended Employment Agreement, which survive termination of the Amended Employment Agreement, the terms of Mr. Linton's Amended Employment Agreement have no further force and effect as of June 8, 2020.

The foregoing description of Mr. Linton's Amended Employment Agreement is qualified in its entirety by reference to the Amended Agreement, which is included as Exhibit 10.8 hereto and incorporated by reference herein.

On November 12, 2019, Shaun Nugent entered into an employment agreement with Vireo U.S. effective December 2, 2019, whereby Vireo US employed Mr. Nugent to serve as the Company's Chief Financial Officer. The initial term of the agreement was for two years, but would have automatically extended for a one-year term on each succeeding one-year anniversary of the effective date of the agreement, subject to termination on an earlier date in accordance with the terms of the Agreement, or unless either party gave written notice of non-renewal to the other party at least 180 days prior to the one-year period on which the Agreement would otherwise have been automatically extended.

Pursuant to Mr. Nugent's agreement, Vireo U.S. agreed to pay Mr. Nugent an annual base salary of $307,500, with a potential annual cash bonus at the Company's discretion in an amount determined by the Company's Chief Executive Officer. Mr. Nugent was also granted an option to purchase 740,000 Subordinate Voting Shares in accordance with the agreement. The option had a strike price of $1.13 and was to vest in four equal installments over a period of four years from the date of grant. Mr. Nugent resigned as Chief Financial Officer on July 5, 2020. All options held by Mr. Nugent were canceled and the terms of his agreement were of no further force or effect as of July 5, 2020.

Mr. Nugent's employment as Chief Financial Officer ended on July 5, 2020. The terms of Mr. Nugent's employment agreement have no further force and effect as of July 5, 2020.

The foregoing description of Mr. Nugent's employment agreement is qualified in its entirety by reference to the agreement, which is included as Exhibit 10.10 hereto and incorporated by reference herein.

Outstanding Equity Awards Table for 2020

The following table sets forth outstanding equity awards for the named executive officers of the Company at fiscal 2020-year end.

	Option Awards				
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (C$)	Option Expiration Date
Dr. Kyle E. Kingsley	775,193	—	—	$ 0.33	May 11, 2023
	3,725,532	—	—	$ 0.33	May 11, 2023
	412,566	187,530(1)	—	$ 0.33	May 11, 2023
John Heller	—	1,314,941(2)	—	$ 0.77	September 11, 2030
Christian Gonzalez Ocasio	—	500,000(3)	—	$ 1.139	November 30, 2030
	75,000	225,000(4)	—	$ 1.13	December 2, 2029
	51,571	23,441(5)	—	$ 0.33	May 1, 2028
	75,012	75,012(6)	—	$ 0.33	December 21, 2028

(1) Mr. Kingsley's options vest in tranches of 37,506 options at each quarter end beginning March 31, 2021, with the final tranche vesting on March 31, 2022.
(2) Mr. Heller's options vest 25% on September 30, 2021, with 6.25% vesting every quarter thereafter with the final tranche vesting on September 30, 2024.
(3) Mr. Gonzalez's options vest 25% on December 31, 2021, with 6.25% vesting every quarter thereafter with the final tranche vesting on December 31, 2024.
(4) Mr. Gonzalez's options vest in tranches of 18,750 options at each quarter end beginning March 31, 2021, with the final tranche vesting on December 31, 2023
(5) Mr. Gonzalez's options vest in tranches of 9,377 options at each quarter end beginning March 31, 2021, with the final tranche vesting on December 31, 2022.
(6) Mr. Gonzalez's options vest in tranches of 4,688 options at each quarter end beginning March 31, 2021, with the final tranche vesting on March 31, 2021.

Retirement Benefit Plans

The Company does not offer any retirement benefit plans.

Termination and Change of Control Benefits

The Company does not have any contract, agreement, plan or arrangement that provides for payments to a named executive officer at, following or in connection with a termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of Vireo or a change in a named executive officer's responsibilities.

Director Compensation for 2020

The following table sets forth all compensation paid to or earned by each director of the Company during fiscal year 2020.

Name	Fees Earned or Paid in Cash ($)[1]	Stock Awards ($)	Option Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Dr. Kyle E. Kingsley[3]	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Chelsea A. Grayson	$ 31,250	$ —	$ 193,886	$ —	$ —	$ —	$ 225,136
Aaron Hoffnung[3]	$ —	$ —	$ —	$ —	$ —	$ 144,044[4]	$ 144,044
Amy Langer[5]	$ 25,000	$ —	$ 129,257	$ —	$ —	$ —	$ 154,257
Bruce Linton[3]	$ —	$ —	$ —	$ —	$ —	$ 158,771[6]	$ 158,771
Ross M. Hussey[7]	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Judd T. Nordquist	$ 31,250	$ —	$ 193,886	$ —	$ —	$ —	$ 225,136
Amber H. Shimpa[3]	$ —	$ —	$ —	$ —	$ —	$ 221,576[8]	$ 221,576

(1) Cash fees paid to non-employee directors.
(2) The amounts reported in the Option Awards column reflects aggregate grant date fair value computed in accordance with ASC Topic 718, Compensation—Stock Compensation. These amounts reflect our calculation of the value of these awards at the grant date and do not necessarily correspond to the actual value that may ultimately be realized by the director. Assumptions used in the calculation of these amounts are as follows: discount rate = 0.45% - 0.62%; expected life of options = 7 years; expected annualized volatility = 100%; expected forfeiture rate = 0; expected dividend yield = 0.
(3) Directors who are also executive officers do not receive any compensation for their Board service. Compensation information for Mr. Kingsley is reflected in the Summary Compensation Table above.
(4) Reflects salary paid to Mr. Hoffnung, the Company's former Chief Strategy Officer, for 2020, and fees paid pursuant to Mr. Hoffnung's Confidential Separation and Transition Services Agreement, Waiver and Release, as described under Item 7 in this Form 10. Mr. Hoffnung resigned from the Company on January 16, 2020.
(5) Ms. Langer resigned from the Board on March 13, 2020.
(6) Reflects compensation paid to Mr. Linton, the Company's former Executive Chairman, for 2020. Mr. Linton resigned from the Company on June 8, 2020.
(7) Mr. Hussey was appointed to the Board on July 15, 2020.
(8) Reflects salary of $221,400 paid to Ms. Shimpa, the Company's Chief Administrative Officer, for 2020 and life insurance premiums of $176 paid on her behalf.

Compensation Committee Interlocks and Insider Participation

See Item 7 — "*Certain Relationships and Related Transactions and Director Independence*" for further details.

None of the Company's executive officers served as a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire Board of Directors) of another entity, one of whose executive officers served as a director of the Company or on the Compensation Committee, during the fiscal year ended December 31, 2020.

None of the Company's executive officers served as a director of another entity, one of whose executive officers served on the Compensation Committee, during the fiscal year ended December 31, 2020.

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Related Party Transactions

A related party transaction includes any transaction or proposed transaction in which:

- the Company is or will be a participant;
- the aggregate amount involved exceeds $120,000 in any fiscal year; and
- any related party has or will have a direct or indirect material interest.

Related parties include any person who is or was (since the beginning of the last fiscal year, even if such person does not presently serve in that role) an executive officer or director of the Company, any shareholder beneficially owning more than 5% of any class of the Company's voting securities or an immediate family member of any such persons.

The Audit Committee is charged with oversight over related party transactions entered into by the Company.

Company Transactions with Related Parties

Since March 18, 2019, the date of completion of the RTO, the Company has entered into related party transactions as follows:

On January 16, 2020, Ari Hoffnung resigned as an executive officer of the Company. In connection with his resignation from his officer role, Mr. Hoffnung entered into a Confidential Separation and Transition Services Agreement, Waiver and Release with the Company's wholly-owned subsidiary, Vireo U.S. Pursuant to this agreement, Mr. Hoffnung was entitled to and/or received the following: (i) payment of his salary earned through January 16, 2020; (ii) a payment in the amount of $12,500 per month for 12 months beginning March 11, 2020; (iii) with the approval of the Vireo U.S. Board of Directors, the continued regularly scheduled vesting of unvested options held by Mr. Hoffnung; (iv) with the approval of the Vireo U.S. Board of Directors, and subject to certain conditions, the accelerated vesting of some or all of his remaining unvested options as of October 5, 2020, Mr. Hoffnung's last day of service with the Company in any capacity, and the extension of the outside date by which he may exercise an option to the earlier of the expiration date of the option and January 16, 2023; (v) cancellation of Mr. Hoffnung's lock-up agreement dated September 10, 2019 related to the Company's share sale process; (vi) waiver by Vireo U.S. of all non-compete restrictions on Mr. Hoffnung's ability to work for other companies in the cannabis industry. The foregoing description is qualified in its entirety by reference to Mr. Hoffnung's separation agreement, which is included as Exhibit 10.9 hereto and incorporated by reference herein.

Harris Rabin previously served as the Company's Chief Marketing Officer. In connection with his resignation, on January 24, 2020, Mr. Rabin entered into a Confidential Separation and Consulting Agreement, Waiver and Release with Vireo U.S. Following his last day of employment by on January 16, 2020, Vireo U.S. agreed to (a) pay Mr. Rabin a consulting retainer in the amount of $10,416.66 per month for the six-month period beginning on the effective date of the agreement in exchange for Mr. Rabin providing cooperation to Vireo U.S. with the transition of his duties, and (b) accelerate the vesting of 115,000 Company options to purchase Subordinate Voting Shares. The options have a strike price of $1.70 and expire January 16, 2023.

As noted under *"Vireo's Licenses and Permits in Ohio"* in Item 1. — "*Business*," Ohio Medical Solutions, Inc. is an affiliated entity of the Company owned equally by Dr. Kingsley, Ms. Shimpa and Dr. Dahmer. OMS is treated by the Company as a disregarded entity for accounting purposes. Prior to January 16, 2020, OMS was owned equally by Dr. Kingsley, Ms. Shimpa, Dr. Dahmer and Mr. Hoffnung. In connection with his resignation, Mr. Hoffnung transferred his 25% interest in OMS to Dr. Kingsley, Ms. Shimpa and Dr. Dahmer in exchange for his release by Vireo US from any obligation related to certain indebtedness and cash advances extended by Vireo U.S. to OMS as discussed below.

Since 2018, Vireo U.S. has made interest-free loans and cash advances to OMS in an amount totaling $3.5 million. $100,000 of this amount is represented by a formal promissory note and the balance is based on oral agreements between Vireo U.S. and OMS. The loan and cash advances do not have a set maturity date. While OMS has no revenues, as an affiliated entity of the Company, OMS is charged a proportionate share of corporate governance and other shared services costs from the Company, primarily related to human resources, employee benefits, finance, legal, accounting, tax, information technology services, and office services.

On October 1, 2020, Vireo U.S. entered into an agreement with a third party to sell OMS to the third-party for $1.15 million. The proceeds will be used to cancel a portion of the $3.5 million total in loans, cash advances and amounts incurred as shared services costs by OMS since 2018. The remainder of the $3.5 million will be written off. The transaction is expected to close during the first quarter of 2021.

On March 9, 2020, the Company closed the first tranche of a non-brokered private placement offering 13,651,574 units of the Company at a price per unit of C$0.77. Each unit was comprised of one Subordinate Voting Share and one purchase warrant of the Company. Each warrant entitles the holder to purchase one Subordinate Voting Share for a period of three years from the date of issuance at an exercise price of C$0.96 per Warrant Share, subject to adjustment in certain events. Mr. Linton indirectly subscribed for 1,736,715 units in the offering.

The Company is party to an agreement with staffing company Salo LLC ("**Salo**"), which is owned 50% by Amy Langer, who served as a director of the Company from March 18, 2019 until March 13, 2020. Salo provided contract accounting services to the Company during 2019 in an aggregate amount of $295,463.

As discussed under Item 6 — "*Executive Compensation*," Messrs. Linton and Nugent were parties to employment agreements with the Company prior to their departures from the Company. See Item 6 — "*Executive Compensation*" for more information.

Promoters

Dr. Kyle E. Kingsley, Founder, Chief Executive Officer and a Director of the Company, and Amber H. Shimpa, Chief Administrative Officer and a Director of the Company, may be considered promoters of the Company.

Vireo U.S. entered into a membership interest purchase agreement with Kyle Kingsley and David Kingsley in November 2018 for the purchase by Vireo U.S. of all of the issued and outstanding membership interests of Midwest Hemp Research LLC for $50,000 payable on the closing of the Midwest Hemp transaction, in the form of convertible promissory notes in the original principal amount of $25,000 for each of Kyle Kingsley and David Kingsley (the "**Notes**"). The Notes contained certain conversion features related to the Transaction. In July 2020, this transaction was reversed, and ownership of Midwest Hemp Research LLC was transferred back to Kyle Kingsley and David Kingsley and the Notes were canceled.

Director Independence

For purposes of this registration statement, the independence of our directors is determined under the corporate governance rules of the Nasdaq Stock Market ("**Nasdaq**"). The independence rules of Nasdaq include a series of objective tests, including that an "independent" person will not be employed by us and will not be engaged in various types of business dealings with us. In addition, the Board is required to make a subjective determination as to each person that no material relationship exists with the Company either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company. It has been determined by the Board of Directors that three of our directors that we expect to be on the Board as of the Effective Date are independent persons under the independence rules of the Nasdaq: Chelsea A. Grayson, Ross M. Hussey and Judd T. Nordquist. Amber H. Shimpa, who serves on the Company's Nominating and Governance Committee, is not independent.

ITEM 8.

Legal Proceedings

The Company is involved in various regulatory issues, claims and lawsuits arising in the ordinary course of business, none of which, in the opinion of management, is expected to have a material, adverse effect on our results of operations or financial condition.

Schneyer Litigation

On February 25, 2019, Dr. Mark Schneyer ("**Schneyer**") filed a lawsuit in Minnesota District Court, Fourth District, on his own behalf and, derivatively, on behalf of Dorchester Capital, LLC, naming the Company's subsidiaries Vireo U.S., Dorchester Management, LLC ("**Dorchester Management**"), and Dorchester Capital, LLC ("**Capital**"), as defendants. The essence of the claims made by Schneyer is Vireo U.S. paid an inadequate price for MaryMed, LLC ("**MaryMed**"), which it purchased it from Capital in 2018, and that the consideration given – shares of preferred stock in Vireo U.S. – was distributed inappropriately by Capital at the direction of Dorchester Management (the managing member of Capital). Schneyer, who is a Class B member of Capital, is seeking unspecified damages in excess of $50,000 and other relief.

Simultaneously with the complaint, Schneyer filed a motion seeking a temporary restraining order ("**TRO**") to prevent the "further transfer" of MaryMed which would, Schneyer claimed, occur if Vireo U.S.'s RTO transactions were allowed to occur. The court held a hearing on the motion for TRO on March 5, 2019 and denied the motion on the same day.

Weeks prior to commencement of the litigation, Dorchester Management had appointed a special litigation committee ("**SLC**") on behalf of Capital to investigate the consideration provided by Vireo U.S. for the purchase of MaryMed and assess any potential claims Capital may have as a result of the transaction. The SLC, a retired judge who engaged another retired judge as legal counsel to the SLC, was appointed in accordance with Minnesota law and has done extensive work in evaluating certain of Schneyer's claims.

Vireo U.S. has filed motions to dismiss the complaint and to stay the proceedings pending the completion of the SLC process. The motion to dismiss has not yet been decided and the motion to stay was granted on November 23, 2019. Vireo believes that Schneyer's claims lack merit and expects to be vindicated in the SLC process or, in the alternative, prevail in the litigation, if and when it proceeds. However, should Vireo U.S. not ultimately prevail, it is not possible to estimate the amount or range of potential loss, if any.

ITEM 9. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Trading Price and Volume

The Subordinate Voting Shares of the Company are traded on the CSE under the symbol "VREO." The following table sets forth trading information for the Subordinate Voting Shares for the periods indicated, as quoted on the CSE.

Period	Low Trading Price (C$)	High Trading Price (C$)
Year Ending December 31, 2021		
First Quarter (through January 8, 2021)	$ 1.810	$ 3.220
Year Ended December 31, 2020		
Fourth Quarter (December 31, 2020)	$ 1.120	$ 2.030
Third Quarter (September 30, 2020)	$ 0.700	$ 1.400
Second Quarter (June 30, 2020)	$ 0.425	$ 1.050
First Quarter (March 31, 2020)	$ 0.305	$ 1.770
Year Ended December 31, 2019		
Fourth Quarter (December 31, 2019)	$ 1.050	$ 2.050
Third Quarter (September 30, 2019)	$ 1.520	$ 4.510
Second Quarter (June 30, 2019)	$ 2.950	$ 6.870
First Quarter (March 20, 2019 to March 31, 2019)	$ 4.660	$ 6.450

The Subordinate Voting Shares of the Company are also traded on the OTCQX under the symbol "VREOF." The following table sets forth trading information for the Subordinate Voting Shares for the periods indicated, as quoted on the OTCQX.

Period	Low Trading Price (US$)	High Trading Price (US$)
Year Ending December 31, 2021		
First Quarter (through January 8, 2021)	$ 1.4500	$ 2.5200
Year Ended December 31, 2020		
Fourth Quarter (December 31, 2020)	$ 0.8433	$ 1.5900
Third Quarter (September 30, 2020)	$ 0.4659	$ 1.0500
Second Quarter (June 30, 2020)	$ 0.2950	$ 0.7570
First Quarter (March 31, 2020)	$ 0.2000	$ 1.3500
Year Ended December 31, 2019		
Fourth Quarter (December 31, 2019)	$ 0.7740	$ 1.7620
Third Quarter (September 30, 2019)	$ 1.1564	$ 2.8900
Second Quarter (June 30, 2019)	$ 2.2042	$ 5.0626
First Quarter (March 25, 2019 to March 31, 2019)	$ 4.2000	$ 4.7835

Shareholders

As of January 13, 2021, there were 79 holders of record of our Subordinate Voting Shares.

Dividends

The Company has not paid, and does not in the foreseeable future intend to pay, any dividends on the Subordinate Voting Shares or any other equity. The declaration and payment of future dividends to holders of ours hares will be at the discretion of the Board of Directors and will depend upon many factors, including the Company's financial condition, earnings, legal requirements, restrictions in its debt agreements and other factors deemed relevant by the Board of Directors. In addition, as a holding company, the Company's ability to pay dividends depends on its receipt of cash dividends from its operating subsidiaries, which may further restrict its ability to pay dividends as a result of the laws of their respective jurisdictions of organization, agreements of the Company's subsidiaries or covenants under future indebtedness that the Company or the Company's subsidiaries may incur. See "*Risk Factors - Risks Related to the Company's Securities - The Company does not intend to pay dividends on the Company shares and, consequently, the ability of investors to achieve a return on their investment will depend entirely on appreciation in the price of the Subordinate Voting Shares*."

Equity Compensation Plans

The following table sets forth, as of December 31, 2020, securities authorized for issuance under each of the Vireo Health, Inc. 2018 Equity Incentive Plan and the Vireo Health International, Inc. 2019 Equity Incentive Plan. All outstanding options under the 2018 Equity Incentive Plan, as well as all outstanding compensation warrants, settle in Subordinate Voting Shares of Vireo. Outstanding options under the 2019 Equity Incentive Plan settle in either Subordinate Voting Shares of Vireo or Multiple Voting Shares of Vireo, at Vireo's option. Figures below are presented on an as-converted basis.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	6,834,010	$ 9.66	4,460,251
Equity compensation plans not approved by security holders	20,165,848	$ 6.24	—
Total	26,999,858	$ 7.10	4,460,251

Subject to adjustment provisions as provided in the applicable plan, the maximum number of Subordinate Voting Shares that may be issued under the 2019 Equity Incentive Plan is equal to 10% of the number of issued and outstanding Subordinate Voting Shares from time to time, on an as converted to Subordinate Voting Shares basis. No future awards will be made under the 2018 Plan. Awards under the 2019 Plan may be made in any form permitted under the 2019 Plan, in any combinations approved by the Board of Directors. For the purposes of this Amendment No. 2 to Form 10, the term "as converted to Subordinate Voting Shares basis" includes the conversion of the Multiple Voting Shares and Super Voting Shares into Subordinate Voting Shares.

On January 1, 2018, Vireo U.S. adopted the 2018 Equity Incentive Plan which permitted the Company to grant incentive stock option, restricted shares, restricted share units, or other awards. The plan was not approved by shareholders. Under the terms of the plan, a total of 1,000,000 common shares are reserved for issue. The exercise price for incentive stock options issued under the plan were to be set by the committee (as defined under the plan), but were not to be less 100% of the fair market value of Vireo U.S.'s shares on the date of grant. Incentive stock options to be issued were to have a maximum term of 10 years from the date of grant. The incentive stock options vested at the discretion of the Board.

ITEM 10. RECENT SALES OF UNREGISTERED SECURITIES

The following information represents securities sold by the Company since March 18, 2019, the date of completion of the Transaction, through October 15, 2020, which were not registered under the Securities Act.

On March 9, 2020, the Company closed the first tranche of a non-brokered private placement and issued 13,651,574 units at a price of C$0.77 per unit. Each unit is comprised of one Subordinate Voting Share of the Company and one Subordinate Voting Share purchase warrant. Each Warrant entitles the holder to purchase one Subordinate Voting Share for a period of three years from the date of issuance at an exercise price of C$0.96 per Subordinate Voting Share. The Company has the right to require holders of the warrants to exercise the warrants into shares if, prior to the maturity date, the five-trading-day volume weighted-average price of the Company's Subordinate Voting Shares equals or exceeds C$1.44. Total proceeds from this transaction were $7,613,480, net of share issuance costs of $104,173. The proceeds from the offering were used to fund various growth initiatives and for working capital and general corporate purposes. On November 16, 2020, the Company announced that it had exercised its right to force the redemption of all the Warrants given the Company's five-day VWAP on the CSE exceeded C$1.44 during the trading period from November 3, 2020 through November 9, 2020. These redemptions resulted in the issuance of 13,651,574 additional Subordinate Voting Shares and cash proceeds of approximately C$13.1 million.

In connection with the Transaction, on March 18, 2019, Canadian Finco completed a brokered private placement offering of subscription receipts at a price of $4.25 per subscription receipt, for aggregate gross proceeds in the amount of $51,386,482. The offering was co-led by Eight Capital and Canaccord Genuity Corp. as co-lead agents and joint bookrunners, together with GMP Securities L.P., Beacon Securities Limited, and Haywood Securities Inc. Each subscription receipt was automatically exchanged for one common share of Canadian Finco immediately prior to, and in connection with, the completion of the Transaction without payment of additional consideration or further action on the part of the holder. In connection with the close of the Transaction, all Canadian Finco shareholders (including former shareholders of the subscription receipts) received Subordinate Voting Shares of Vireo in exchange for Canadian Finco shares at a rate of one Subordinate Voting Share of Vireo for each share of Canadian Finco held at the time of the Transaction. The Company has used the net proceeds from the offering to help finance mergers and acquisition activity, as well as for general corporate purposes including business development, capacity expansion projects, working capital requirements and other strategic initiatives.

ITEM 11. DESCRIPTION OF THE REGISTRANT'S SECURITIES TO BE REGISTERED

Description of the Company's Securities

The Company is authorized to issue an unlimited number of Subordinate Voting Shares, an unlimited number of Multiple Voting Shares and an unlimited number of Super Voting Shares.

As of January 13, 2021, the issued and outstanding capital of the Company consisted of: (i) 53,147,426 Subordinate Voting Shares; (ii) 554,127 Multiple Voting Shares; and (iii) 65,411 Super Voting Shares (collectively, the "**Company Shares**").

The total number of equity shares assuming all are converted into Subordinate Voting Shares would be 98,869,885.

Our Articles, which are attached to this registration statement, provide further information regarding our securities and qualify the summary under this Item 11 of this registration statement in its entirety.

Subordinate Voting Shares

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

Class Rights. As long as any Subordinate Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Subordinate Voting Shares. Holders of Subordinate Voting Shares will not be entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities of the Company.

Dividend Rights. Holders of Subordinate Voting Shares are entitled to receive, as and when declared by the directors of the Company, dividends in cash or property of the Company. No dividend will be declared or paid on the Subordinate Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Shares basis) on the Multiple Voting Shares and Super Voting Shares.

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

Conversion Rights. In the event that an offer is made to purchase Multiple Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange, if any, on which the Multiple Voting Shares are then listed, to be made to all or substantially all the holders of Multiple Voting Shares in a given province or territory of Canada to which these requirements apply, each Subordinate Voting Share shall become convertible at the option of the holder into Multiple Voting Shares at the inverse of the Conversion Ratio (as defined below) then in effect at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer.

The conversion right may only be exercised in respect of Subordinate Voting Shares for the purpose of depositing the resulting Multiple Voting Shares under the offer, and for no other reason. In such event, the Company's transfer agent shall deposit under the offer the resulting Multiple Voting Shares on behalf of the holder. Should the Multiple Voting Shares issued upon conversion and tendered in response to the offer be withdrawn by shareholders or not taken up by the offeror, or should the offer be abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Multiple Voting Shares being taken up and paid for, the Multiple Voting Shares resulting from the conversion shall be automatically reconverted, without further intervention on the part of the Company or on the part of the holder, into Subordinate Voting Shares at the Conversion Ratio then in effect.

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

Redemption Rights. The Company is, subject to certain conditions, entitled to redeem Subordinate Voting Shares held by certain shareholders in order to permit the Company to comply with applicable licensing regulations. The purpose of the redemption right is to provide the Company with a means of protecting itself from having a shareholder (or a group of persons who the Board of Directors reasonably believes are acting jointly or in concert) (an "**Unsuitable Person**") with an ownership interest of, whether of record or beneficially (or having the power to exercise control or direction over), five percent (5%) or more of the issued and outstanding Company Shares (calculated on as-converted to Subordinate Voting Shares basis), who a governmental authority granting licenses to the Company (including to any subsidiary) has determined to be unsuitable to own shares, or whose ownership of Subordinate Voting Shares may result in the loss, suspension or revocation (or similar action) with respect to any licenses relating to the conduct of the Company's business relating to the cultivation, processing and dispensing of cannabis and cannabis-derived products in the United States or in the Company being unable to obtain any new licenses in the normal course, including, but not limited to, as a result of such person's failure to apply for a suitability review from or to otherwise fail to comply with the requirements of a governmental authority, as determined by the Board of Directors in its sole discretion after consultation with legal counsel and, if a license application has been filed, after consultation with the applicable governmental authority.

The terms of Subordinate Voting Shares provide the Company with a right, but not the obligation, at its option, to redeem Subordinate Voting Shares held by an Unsuitable Person at a redemption price per share, unless otherwise required by any governmental authority, equal to the Unsuitable Person Redemption Price (as defined below). This right is required in order for the Company to comply with regulations in various jurisdictions where the Company conducts business or is expected to conduct business, which provide that the shareholders of a company requiring a license who hold over a certain percentage threshold of the issued and outstanding shares of the Company cannot be deemed "unsuitable" by the applicable governmental authority issuing the license in order for such license to be issued and to remain valid and in effect.

A redemption notice may be delivered by the Company to any Unsuitable Person setting forth: (i) the redemption date, (ii) the number of Subordinate Voting Shares to be redeemed, (iii) the formula pursuant to which the redemption price will be determined and the manner of payment therefor, (iv) the place where such Subordinate Voting Shares (or certificate thereto, as applicable) will be surrendered for payment, duly endorsed in blank or accompanied by proper instruments of transfer, (v) a copy of the Valuation Opinion (as defined below) if the Company is no longer listed on the CSE or another recognized securities exchange, and (vi) any other requirement of surrender of the redeemed shares. The redemption notice will be sent to the Unsuitable Person not less than 30 trading days prior to the redemption date, except as otherwise provided below. The Company will send a written notice confirming the amount of the redemption price as soon as possible following the determination of such redemption price. The redemption notice may be conditional such that the Company need not redeem Subordinate Voting Shares on the redemption date if the Board of Directors determines, in its sole discretion, that such redemption is no longer advisable or necessary.

For purposes of the foregoing, the "**Unsuitable Person Redemption Price**" means: (i) in the case of Subordinate Voting Shares, the volume-weighted average trading price of Subordinate Voting Shares during the five (5) trading day period immediately after the date of the redemption notice on the CSE or other national or regional securities exchange on which Subordinate Voting Shares are listed; (ii) in the case of Multiple Voting Shares or Super Voting Shares, the amount determined under (i) multiplied by the Conversion Ratio in effect at the time the redemption notice is delivered, or (iii) if no such quotations are available, the fair market value per share of such Subordinate Voting Shares and/or Multiple Voting Shares as set forth in a valuation and fairness opinion (the "**Valuation Opinion**") from an investment banking firm of nationally recognized standing in Canada (qualified to perform such task and which is disinterested in the contemplated redemption and has not in the then past two years provided services for a fee to the Company or its affiliates) or a disinterested nationally recognized accounting firm.

The redemption date will be not less than 30 trading days from the date of the redemption notice unless a governmental authority requires that Subordinate Voting Shares be redeemed as of an earlier date, in which case the redemption date will be such earlier date, and if there is an outstanding redemption notice, the Company will issue an amended redemption notice reflecting the new redemption date forthwith.

From and after the date the redemption notice is delivered, an Unsuitable Person owning Subordinate Voting Shares called for redemption will cease to have any voting rights. From and after the redemption date, any and all rights of any nature which may be held by an Unsuitable Person with respect to such person's Subordinate Voting Shares will cease and, thereafter, the Unsuitable Person will be entitled only to receive the redemption price, without interest, on the redemption date; provided, however, that if any such Subordinate Voting Shares come to be owned solely by persons other than an Unsuitable Person (such as by transfer of such Subordinate Voting Shares to a liquidating trust, subject to the approval of any applicable governmental authority), such persons may exercise voting rights of such Subordinate Voting Shares and the Board of Directors may determine, in its sole discretion, not to redeem such Subordinate Voting Shares. The Company's redemption right is unilateral, and unless an Unsuitable Person otherwise disposes of his, her or its Subordinate Voting Shares, such Unsuitable Person cannot prevent the Company from exercising its redemption right.

Following redemption, the redeemed Subordinate Voting Shares will be cancelled.

If the Company exercises its right to redeem Subordinate Voting Shares from an Unsuitable Person, (i) the Company may fund the redemption price, which may be substantial in amount in certain circumstances, from its existing cash resources, the incurrence of indebtedness, the issuance of additional securities including debt securities, the issuance of a promissory note issued to the Unsuitable Person, any other means permitted by applicable law or a combination of the foregoing sources of funding, (ii) the number of Subordinate Voting Shares outstanding will be reduced by the number of applicable shares redeemed, and (iii) the Company cannot provide any assurance that the redemption will adequately address the concerns of any governmental authority or enable the Company to make all required governmental filings or obtain and maintain all licenses, permits or other governmental approvals that are required to conduct its business. The Company cannot prevent an Unsuitable Person from acquiring or reacquiring the Company Shares and can only address such unsuitability by exercising its redemption rights pursuant to the redemption provision. To the extent required by applicable laws, the Company may deduct and withhold any tax from the redemption price. To the extent any amounts are so withheld and are timely remitted to the applicable governmental authority, such amounts shall be treated for all purposes as having been paid to the person in respect of which such deduction and withholding was made.

A person (or group of persons acting jointly or in concert) will be prohibited from acquiring or disposing of five percent (5%) or more of the issued and outstanding shares of the Company (calculated on an as-converted to Subordinate Voting Share basis), directly or indirectly, in one or more transactions, without providing 15 days' advance written notice to the Company by mail sent to the Company's registered office to the attention of the corporate secretary. The foregoing restriction will not apply to the ownership, acquisition or disposition of shares as a result of: (i) a transfer of the Company Shares occurring by operation of law including, inter alia, the transfer of the Company Shares to a trustee in bankruptcy, (ii) an acquisition or proposed acquisition by one or more underwriters or portfolio managers who hold the Company Shares for the purposes of distribution to the public or for the benefit of a third party, provided that such third party is in compliance with the foregoing restriction, or (iii) a conversion, exchange or exercise of securities of the Company, duly issued or granted by the Company, into or for Subordinate Voting Shares in accordance with their respective terms. If the Board reasonably believes that any such holder of the Company Shares may have failed to comply with the foregoing restrictions, the Company may apply to the Supreme Court of British Columbia, or such other court of competent jurisdiction, for an order directing that such shareholder disclose the number of the Company Shares held.

Notwithstanding the adoption of the redemption provisions, the Company may not be able to exercise its redemption rights in full or at all. Under the BCBCA, the Company may not make any payment to redeem shares if there are reasonable grounds for believing that the Company is unable to pay its liabilities as they become due in the ordinary course of its business or if making the payment of the redemption price or providing the consideration would cause the Company to be unable to pay its liabilities as they become due in the ordinary course of its business. In the event that such restrictions prohibit the Company from exercising its redemption rights in part or in full, the Company will not be able to exercise its redemption rights absent a waiver of such restrictions, which the Company may not be able to obtain on acceptable terms or at all.

Super Voting Shares

Notice and Voting Rights. Holders of Super Voting Shares are entitled to notice of and to attend any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company have the right to vote. At each such meeting, holders of Super Voting Shares are entitled to 10 votes in respect of each Subordinate Voting Share into which such Super Voting Share could ultimately then be converted (currently 1,000 votes per Super Voting Share held).

Class Rights. As long as any Super Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Super Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Super Voting Shares. Additionally, consent of the holders of a majority of the outstanding Super Voting Shares will be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Super Voting Shares. In connection with the exercise of the voting rights in respect of any such approvals, each holder of Super Voting Shares will have one vote in respect of each Super Voting Share held. The holders of Super Voting Shares will not be entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, bonds, debentures or other securities of the Company.

Dividend Rights. The holders of the Super Voting Shares are entitled to receive such dividends as may be declared and paid to holders of the Subordinate Voting Shares on an as-converted to Subordinate Voting Share basis. No dividend will be declared or paid on the Super Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Subordinate Voting Shares and Multiple Voting Shares.

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

Conversion Rights. Each Super Voting Share has a right to convert into 1 Multiple Voting Share subject to customary adjustments for certain corporate changes.

Automatic Conversion. Each Super Voting Share will automatically be converted without further action by the holder thereof into one Multiple Voting Share upon transfer by the holder thereof to anyone other than (i) Dr. Kyle E. Kingsley (for purposes hereof, "**Initial Holders**"), an immediate family member of an Initial Holder or a transfer for purposes of estate or tax planning to a company or person that is wholly beneficially owned by an Initial Holder or immediate family members of an Initial Holder or which an Initial Holder or immediate family members of an Initial Holder are the sole beneficiaries thereof; or (ii) a party approved by the Company.

Each Super Voting Share held by a particular Initial Holder will automatically be converted without further action by the holder thereof into Multiple Voting Shares at the conversion ratio of one Multiple Voting Share for each Super Voting Share, subject to customary adjustments for certain corporate changes, if at any time the aggregate number of issued and outstanding Super Voting Shares beneficially owned, directly or indirectly, by that Initial Holder and that Initial Holder's predecessor or transferor, permitted transferees and permitted successors, divided by the number of Super Voting Shares beneficially owned, directly or indirectly, by that Initial Holder as of the date of completion of the previously completed business combination is less than 50%. The holders of Super Voting Shares will, from time to time upon the request of the Company, provide to the Company evidence as to such holders' direct and indirect beneficial ownership (and that of its permitted transferees and permitted successors) of Super Voting Shares to enable the Company to determine if its right to convert has occurred. For purposes of these calculations, a holder of Super Voting Shares will be deemed to beneficially own Super Voting Shares held by an intermediate company or fund in proportion to their equity ownership of such company or fund, unless such company or fund holds such shares for the benefit of such holder, in which case they will be deemed to own 100% of such shares held for their benefit.

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

Redemption Rights. The Company is, subject to certain conditions, entitled to redeem Super Voting Shares held by certain shareholders in order to permit the Company to comply with applicable licensing regulations. The purpose of the redemption right is to provide the Company with a means of protecting itself from having an "Unsuitable Person" with an ownership interest of, whether of record or beneficially (or having the power to exercise control or direction over), five percent (5%) or more of the issued and outstanding Company Shares (calculated on as-converted to Subordinate Voting Shares basis), who a governmental authority granting licenses to the Company (including to any subsidiary) has determined to be unsuitable to own shares, or whose ownership of Super Voting Shares may result in the loss, suspension or revocation (or similar action) with respect to any licenses relating to the conduct of the Company's business relating to the cultivation, processing and dispensing of cannabis and cannabis-derived products in the United States or in the Company being unable to obtain any new licenses in the normal course, including, but not limited to, as a result of such person's failure to apply for a suitability review from or to otherwise fail to comply with the requirements of a governmental authority, as determined by the Board of Directors in its sole discretion after consultation with legal counsel and, if a license application has been filed, after consultation with the applicable governmental authority.

The terms of Super Voting Shares provide the Company with a right, but not the obligation, at its option, to redeem Super Voting Shares held by an Unsuitable Person at a redemption price per share, unless otherwise required by any governmental authority, equal to the Unsuitable Person Redemption Price. This right is required in order for the Company to comply with regulations in various jurisdictions where the Company conducts business or is expected to conduct business, which provide that the shareholders of a company requiring a license who hold over a certain percentage threshold of the issued and outstanding shares of the Company cannot be deemed "unsuitable" by the applicable governmental authority issuing the license in order for such license to be issued and to remain valid and in effect.

A redemption notice may be delivered by the Company to any Unsuitable Person setting forth: (i) the redemption date, (ii) the number of Super Voting Shares to be redeemed, (iii) the formula pursuant to which the redemption price will be determined and the manner of payment therefor, (iv) the place where such Super Voting Shares (or certificate thereto, as applicable) will be surrendered for payment, duly endorsed in blank or accompanied by proper instruments of transfer, (v) a copy of the Valuation Opinion if the Company is no longer listed on the CSE or another recognized securities exchange, and (vi) any other requirement of surrender of the redeemed shares. The redemption notice will be sent to the Unsuitable Person not less than 30 trading days prior to the redemption date, except as otherwise provided below. The Company will send a written notice confirming the amount of the redemption price as soon as possible following the determination of such redemption price. The redemption notice may be conditional such that the Company need not redeem Super Voting Shares on the redemption date if the Board of Directors determines, in its sole discretion, that such redemption is no longer advisable or necessary.

The redemption date will be not less than 30 trading days from the date of the redemption notice unless a governmental authority requires that Super Voting Shares be redeemed as of an earlier date, in which case the redemption date will be such earlier date, and if there is an outstanding redemption notice, the Company will issue an amended redemption notice reflecting the new redemption date forthwith.

From and after the date the redemption notice is delivered, an Unsuitable Person owning Super Voting Shares called for redemption will cease to have any voting rights. From and after the redemption date, any and all rights of any nature which may be held by an Unsuitable Person, any other means permitted by applicable law with respect to such person's Super Voting Shares will cease and, thereafter, the Unsuitable Person will be entitled only to receive the redemption price, without interest, on the redemption date; provided, however, that if any such Super Voting Shares come to be owned solely by persons other than an Unsuitable Person (such as by transfer of such Super Voting Shares to a liquidating trust, subject to the approval of any applicable governmental authority), such persons may exercise voting rights of such Super Voting Shares and the Board of Directors may determine, in its sole discretion, not to redeem such Super Voting Shares. The Company's redemption right is unilateral, and unless an Unsuitable Person otherwise disposes of his, her or its Super Voting Shares, such the Unsuitable Person cannot prevent the Company from exercising its redemption right.

Following redemption, the redeemed Super Voting Shares will be cancelled.

If the Company exercises its right to redeem Super Voting Shares from an Unsuitable Person, (i) the Company may fund the redemption price, which may be substantial in amount in certain circumstances, from its existing cash resources, the incurrence of indebtedness, the issuance of additional securities including debt securities, the issuance of a promissory note issued to the Unsuitable Person or a combination of the foregoing sources of funding, (ii) the number of Super Voting Shares outstanding will be reduced by the number of applicable shares redeemed, and (iii) the Company cannot provide any assurance that the redemption will adequately address the concerns of any governmental authority or enable the Company to make all required governmental filings or obtain and maintain all licenses, permits or other governmental approvals that are required to conduct its business. The Company cannot prevent an Unsuitable Person from acquiring or reacquiring the Company Shares and can only address such unsuitability by exercising its redemption rights pursuant to the redemption provision. To the extent required by applicable laws, the Company may deduct and withhold any tax from the redemption price. To the extent any amounts are so withheld and are timely remitted to the applicable governmental authority, such amounts shall be treated for all purposes as having been paid to the person in respect of which such deduction and withholding was made.

A person (or group of persons acting jointly or in concert) will be prohibited from acquiring or disposing of five percent (5%) or more of the issued and outstanding shares of the Company (calculated on an as-converted to Subordinate Voting Share basis), directly or indirectly, in one or more transactions, without providing 15 days' advance written notice to the Company by mail sent to the Company's registered office to the attention of the corporate secretary. The foregoing restriction will not apply to the ownership, acquisition or disposition of shares as a result of: (i) a transfer of the Company Shares occurring by operation of law including, inter alia, the transfer of the Company Shares to a trustee in bankruptcy, (ii) an acquisition or proposed acquisition by one or more underwriters or portfolio managers who hold the Company Shares for the purposes of distribution to the public or for the benefit of a third party, provided that such third party is in compliance with the foregoing restriction, or (iii) a conversion, exchange or exercise of securities of the Company, duly issued or granted by the Company, into or for Subordinate Voting Shares in accordance with their respective terms. If the Board reasonably believes that any such holder of the Company Shares may have failed to comply with the foregoing restrictions, the Company may apply to the Supreme Court of British Columbia, or such other court of competent jurisdiction, for an order directing that such shareholder disclose the number of the Company Shares held.

Notwithstanding the adoption of the redemption provisions, the Company may not be able to exercise its redemption rights in full or at all. Under the BCBCA, the Company may not make any payment to redeem shares if there are reasonable grounds for believing that the Company is unable to pay its liabilities as they become due in the ordinary course of its business or if making the payment of the redemption price or providing the consideration would cause the Company to be unable to pay its liabilities as they become due in the ordinary course of its business. In the event that such restrictions prohibit the Company from exercising its redemption rights in part or in full, the Company will not be able to exercise its redemption rights absent a waiver of such restrictions, which the Company may not be able to obtain on acceptable terms or at all.

Multiple Voting Shares

Notice and Voting Rights. Holders of Multiple Voting Shares are entitled to notice of and to attend any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company have the right to vote. At each such meeting, holders of Multiple Voting Shares are entitled to one vote in respect of each Subordinate Voting Share into which such Multiple Voting Share could then be converted (currently 100 votes per Multiple Voting Share held).

Class Rights. As long as any Multiple Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Multiple Voting Shares and Super Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Multiple Voting Shares. Consent of the holders of a majority of the outstanding Multiple Voting Shares and Super Voting Shares will be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Multiple Voting Shares. In connection with the exercise of the voting rights discussed in this paragraph, each holder of Multiple Voting Shares will have one vote in respect of each Multiple Voting Share held. Holders of Multiple Voting Shares will not be entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities of the Company.

Dividend Rights. The holders of the Multiple Voting Shares are entitled to receive such dividends as may be declared and paid to holders of the Subordinate Voting Shares on an as-converted to Subordinate Voting Share basis. No dividend will be declared or paid on the Multiple Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Subordinate Voting Shares and Super Voting Shares.

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

Conversion Rights. The Multiple Voting Shares each have a restricted right to convert into 100 Subordinate Voting Shares (the "**Conversion Ratio**"), subject to customary adjustments for certain corporate changes. As of the date of this filing, the ability to convert the Multiple Voting Shares is subject to a restriction that the aggregate number of Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Securities Exchange Act of 1934, as amended) may not exceed 40% of the aggregate number of Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares issued and outstanding after giving effect to such conversions. Additionally, conversions subject to a restriction that a holder of Multiple Voting Shares may not convert their shares if after giving effect to such conversion, the holder, together with the holder's affiliates, would beneficially own in excess of 9.99% of the number of Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares issuable upon conversion of the Multiple Voting Shares subject to the conversion. Upon notice to the Company, a holder of Multiple Voting Shares may increase or decrease the foregoing limitation, provided the holder would not own in excess of 19.99% of the number of Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares upon conversion of Multiple Voting Shares subject to the conversion. Any increase in the limitation is not effective until the 61st day after the notice is delivered to the Company. At the Company's Annual Meeting of Shareholders held on July 15, 2020, the Company's shareholders approved the removal of the foregoing conversion restrictions from the Company's Articles of Incorporation to be effective as of January 1, 2021.

In the event that an offer is made to purchase Subordinate Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange, if any, on which the Subordinate Voting Shares are then listed, to be made to all or substantially all the holders of Subordinate Voting Shares in a given province or territory of Canada to which these requirements apply, each Multiple Voting Share shall become convertible at the option of the holder into Subordinate Voting Shares at the Conversion Ratio at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer.

The conversion right may be exercised in respect of Multiple Voting Shares for the purpose of depositing the resulting Subordinate Voting Shares under the offer, and for no other reason. In such event, the Company's transfer agent shall deposit under the offer the resulting Subordinate Voting Shares on behalf of the holder. Should the Subordinate Voting Shares issued upon conversion and tendered in response to the offer be withdrawn by shareholders or not taken up by the offeror, or should the offer be abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Subordinate Voting Shares being taken up and paid for, the Subordinate Voting Shares resulting from the conversion shall be automatically reconverted, without further intervention on the part of the Company or on the part of the holder, into Multiple Voting Shares at the inverse of the Conversion Ratio then in effect.

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

Redemption Rights. The Company is, subject to certain conditions, entitled to redeem Multiple Voting Shares held by certain shareholders in order to permit the Company to comply with applicable licensing regulations. The purpose of the redemption right is to provide the Company with a means of protecting itself from having an "Unsuitable Person" with an ownership interest of, whether of record or beneficially (or having the power to exercise control or direction over), five percent (5%) or more of the issued and outstanding Company Shares (calculated on as-converted to Subordinate Voting Shares basis), who a governmental authority granting licenses to the Company (including to any subsidiary) has determined to be unsuitable to own shares, or whose ownership of Multiple Voting Shares may result in the loss, suspension or revocation (or similar action) with respect to any licenses relating to the conduct of the Company's business relating to the cultivation, processing and dispensing of cannabis and cannabis-derived products in the United States or in the Company being unable to obtain any new licenses in the normal course, including, but not limited to, as a result of such person's failure to apply for a suitability review from or to otherwise fail to comply with the requirements of a governmental authority, as determined by the Board of Directors in its sole discretion after consultation with legal counsel and, if a license application has been filed, after consultation with the applicable governmental authority.

The terms of Multiple Voting Shares provide the Company with a right, but not the obligation, at its option, to redeem Multiple Voting Shares held by an Unsuitable Person at a redemption price per share, unless otherwise required by any governmental authority, equal to the Unsuitable Person Redemption Price. This right is required in order for the Company to comply with regulations in various jurisdictions where the Company conducts business or is expected to conduct business, which provide that the shareholders of a company requiring a license who hold over a certain percentage threshold of the issued and outstanding shares of the Company cannot be deemed "unsuitable" by the applicable governmental authority issuing the license in order for such license to be issued and to remain valid and in effect.

A redemption notice may be delivered by the Company to any Unsuitable Person setting forth: (i) the redemption date, (ii) the number of Multiple Voting Shares to be redeemed, (iii) the formula pursuant to which the redemption price will be determined and the manner of payment therefor, (iv) the place where such Multiple Voting Shares (or certificate thereto, as applicable) will be surrendered for payment, duly endorsed in blank or accompanied by proper instruments of transfer, (v) a copy of the Valuation Opinion if the Company is no longer listed on the CSE or another recognized securities exchange, and (vi) any other requirement of surrender of the redeemed shares. The redemption notice will be sent to the Unsuitable Person not less than 30 trading days prior to the redemption date, except as otherwise provided below. The Company will send a written notice confirming the amount of the redemption price as soon as possible following the determination of such redemption price. The redemption notice may be conditional such that the Company need not redeem Multiple Voting Shares on the redemption date if the Board of Directors determines, in its sole discretion, that such redemption is no longer advisable or necessary.

The redemption date will be not less than 30 trading days from the date of the redemption notice unless a governmental authority requires that Multiple Voting Shares be redeemed as of an earlier date, in which case the redemption date will be such earlier date, and if there is an outstanding redemption notice, the Company will issue an amended redemption notice reflecting the new redemption date forthwith.

From and after the date the redemption notice is delivered, an Unsuitable Person owning Multiple Voting Shares called for redemption will cease to have any voting rights. From and after the redemption date, any and all rights of any nature which may be held by an Unsuitable Person with respect to such person's Multiple Voting Shares will cease and, thereafter, the Unsuitable Person will be entitled only to receive the redemption price, without interest, on the redemption date; provided, however, that if any such Multiple Voting Shares come to be owned solely by persons other than an Unsuitable Person (such as by transfer of such Multiple Voting Shares to a liquidating trust, subject to the approval of any applicable governmental authority), such persons may exercise voting rights of such Multiple Voting Shares and the Board of Directors may determine, in its sole discretion, not to redeem such Multiple Voting Shares. The Company's redemption right is unilateral, and unless an Unsuitable Person otherwise disposes of his, her or its Multiple Voting Shares, such Unsuitable Person cannot prevent the Company from exercising its redemption right.

Following redemption, the redeemed Multiple Voting Shares will be cancelled.

If the Company exercises its right to redeem Multiple Voting Shares from an Unsuitable Person, (i) the Company may fund the redemption price, which may be substantial in amount in certain circumstances, from its existing cash resources, the incurrence of indebtedness, the issuance of additional securities including debt securities, the issuance of a promissory note issued to the Unsuitable Person, any other means permitted by applicable law or a combination of the foregoing sources of funding, (ii) the number of Multiple Voting Shares outstanding will be reduced by the number of applicable shares redeemed, and (iii) the Company cannot provide any assurance that the redemption will adequately address the concerns of any governmental authority or enable the Company to make all required governmental filings or obtain and maintain all licenses, permits or other governmental approvals that are required to conduct its business. The Company cannot prevent an Unsuitable Person from acquiring or reacquiring the Company Shares and can only address such unsuitability by exercising its redemption rights pursuant to the redemption provision. To the extent required by applicable laws, the Company may deduct and withhold any tax from the redemption price. To the extent any amounts are so withheld and are timely remitted to the applicable governmental authority, such amounts shall be treated for all purposes as having been paid to the person in respect of which such deduction and withholding was made.

A person (or group of persons acting jointly or in concert) will be prohibited from acquiring or disposing of five percent (5%) or more of the issued and outstanding shares of the Company (calculated on an as-converted to Subordinate Voting Share basis), directly or indirectly, in one or more transactions, without providing 15 days' advance written notice to the Company by mail sent to the Company's registered office to the attention of the corporate secretary. The foregoing restriction will not apply to the ownership, acquisition or disposition of shares as a result of: (i) a transfer of the Company Shares occurring by operation of law including, inter alia, the transfer of the Company Shares to a trustee in bankruptcy, (ii) an acquisition or proposed acquisition by one or more underwriters or portfolio managers who hold the Company Shares for the purposes of distribution to the public or for the benefit of a third party, provided that such third party is in compliance with the foregoing restriction, or (iii) a conversion, exchange or exercise of securities of the Company, duly issued or granted by the Company, into or for Subordinate Voting Shares in accordance with their respective terms. If the Board reasonably believes that any such holder of the Company Shares may have failed to comply with the foregoing restrictions, the Company may apply to the Supreme Court of British Columbia, or such other court of competent jurisdiction, for an order directing that such shareholder disclose the number of the Company Shares held.

Notwithstanding the adoption of the redemption provisions, the Company may not be able to exercise its redemption rights in full or at all. Under the BCBCA, the Company may not make any payment to redeem shares if there are reasonable grounds for believing that the Company is unable to pay its liabilities as they become due in the ordinary course of its business or if making the payment of the redemption price or providing the consideration would cause the Company to be unable to pay its liabilities as they become due in the ordinary course of its business. In the event that such restrictions prohibit the Company from exercising its redemption rights in part or in full, the Company will not be able to exercise its redemption rights absent a waiver of such restrictions, which the Company may not be able to obtain on acceptable terms or at all.

Coattail Agreement, dated March 18, 2019, by and among Kyle E. Kingsley, Vireo Health International, Inc. and Odyssey Trust Company

On March 18, 2019, Kyle E. Kingsley, as the owner of all the outstanding Super Voting Shares, entered into a customary coattail agreement with the Company and Odyssey Trust Company as trustee (the "**Coattail Agreement**"). The Coattail Agreement contains provisions customary for dual class, listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares or of Multiple Voting Shares of rights under applicable provincial take-over bid legislation to which they would have been entitled if Super Voting Shares had been Subordinate Voting Shares or Multiple Voting Shares. The foregoing description is qualified in its entirety by reference to the Coattail Agreement, which is included as Exhibit 4.1 hereto and incorporated by reference herein.

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company is subject to the provisions of Part 5, Division 5 of the BCBCA. Under Section 160 of the BCBCA, we may, subject to Section 163 of the BCBCA:

(a) indemnify an individual who:

(i) is or was a director or officer of our company,

(ii) is or was a director or officer of another corporation at a time when such corporation is or was an affiliate of our company; or

(iii) at our request, or at our request, is or was, or holds or held a position equivalent to that of, a director or officer of a partnership, trust, joint venture or other unincorporated entity, including, subject to certain limited exceptions, the heirs and personal or other legal representatives of that individual (collectively, an "**eligible party**"), against all eligible penalties, defined below, to which the eligible party is or may be liable; and

(b) after final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party in respect of that proceeding, where:

(i) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding,

(ii) "eligible proceeding" means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, our company or an associated corporation (A) is or may be joined as a party, or (B) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding,

(iii) "expenses" includes costs, charges and expenses, including legal and other fees, but does not include judgments, penalties, fines or amounts paid in settlement of a proceeding, and

(iv) "proceeding" includes any legal proceeding or investigative action, whether current, threatened, pending or completed.

Under Section 161 of the BCBCA, and subject to Section 163 of the BCBCA, we must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party in respect of that proceeding if the eligible party (a) has not been reimbursed for those expenses and (b) is wholly successful, on the merits or otherwise, in the outcome of the proceeding or is substantially successful on the merits in the outcome of the proceeding.

Under Section 162 of the BCBCA, and subject to Section 163 of the BCBCA, we may pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an eligible party in respect of the proceeding, provided that we must not make such payments unless we first receive from the eligible party a written undertaking that, if it is ultimately determined that the payment of expenses is prohibited under Section 163 of the BCBCA, the eligible party will repay the amounts advanced.

Under Section 163 of the BCBCA, we must not indemnify an eligible party against eligible penalties to which the eligible party is or may be liable or pay the expenses of an eligible party in respect of that proceeding under Sections 160(b), 161 or 162 of the BCBCA, as the case may be, if any of the following circumstances apply:

(a) if the indemnity or payment is made under an earlier agreement to indemnify or pay expenses and, at the time that the agreement to indemnify or pay expenses was made, we were prohibited from giving the indemnity or paying the expenses by our memorandum or Articles;

(b) if the indemnity or payment is made otherwise than under an earlier agreement to indemnify or pay expenses and, at the time that the indemnity or payment is made, we are prohibited from giving the indemnity or paying the expenses by our memorandum or Articles;

(c) if, in relation to the subject matter of the eligible proceeding, the eligible party did not act honestly and in good faith with a view to the best interests of our company or the associated corporation, as the case may be; or

(d) in the case of an eligible proceeding other than a civil proceeding, if the eligible party did not have reasonable grounds for believing that the eligible party's conduct in respect of which the proceeding was brought was lawful.

If an eligible proceeding is brought against an eligible party by or on behalf of our company or by or on behalf of an associated corporation, we must not either indemnify the eligible party under Section 160(a) of the BCBCA against eligible penalties to which the eligible party is or may be liable, or pay the expenses of the eligible party under Sections 160(b), 161 or 162 of the BCBCA, as the case may be, in respect of the proceeding.

Under Section 164 of the BCBCA, and despite any other provision of Part 5, Division 5 of the BCBCA and whether or not payment of expenses or indemnification has been sought, authorized or declined under Part 5, Division 5 of the BCBCA, on application of our company or an eligible party, the court may do one or more of the following:

(a) order us to indemnify an eligible party against any liability incurred by the eligible party in respect of an eligible proceeding;

(b) order us to pay some or all of the expenses incurred by an eligible party in respect of an eligible proceeding;

(c) order the enforcement of, or any payment under, an agreement of indemnification entered into by us;

(d) order us to pay some or all of the expenses actually and reasonably incurred by any person in obtaining an order under Section 164 of the BCBCA; or

(e) make any other order the court considers appropriate.

Section 165 of the BCBCA provides that we may purchase and maintain insurance for the benefit of an eligible party or the heirs and personal or other legal representatives of the eligible party against any liability that may be incurred by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, our company or an associated corporation.

Under Part 21.1 of our Articles, and subject to the BCBCA, we must indemnify an eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and we must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each eligible party is deemed to have contracted with the Company on the terms of the indemnity contained in our Articles.

Under Part 21.2 of our Articles, and subject to any restrictions in the BCBCA, we may indemnify any person.

We have entered into indemnification agreements or employment agreements containing indemnification provisions with certain of our executive officers. Under these indemnification provisions, an executive officer is entitled, subject to the terms and conditions thereof, to the right of indemnification by the Company for certain expenses to the fullest extent permitted by applicable law. We believe that these indemnification agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

Pursuant to Part 21.3 of our Articles, the failure of an eligible party to comply with the BCBCA or our Articles does not invalidate any indemnity to which he or she is entitled under our Articles.

Under Part 21.4 of our Articles, we may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who: (1) is or was a director, officer, alternate director, employee or agent of the Company; (2) at the request of the Company, is or was a director, alternate director, officer, employee or agent of another corporation at a time when the corporation is or was an affiliate of the Company; or (3) at the request of the Company, is or was or holds or held a position equivalent to that of a director, alternate director, officer, employee or agent of a partnership, trust, joint venture or other unincorporated entity, against any liability incurred by him or her by reason of having been a director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

We have an insurance policy covering our directors and officers, within the limits and subject to the limitations of the policy, with respect to certain liabilities arising out of claims based on acts or omissions in their capacities as directors or officers.

ITEM 13. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements required to be included in this registration statement appear immediately following the signature page to this registration statement beginning on page F-1.

ITEM 14. CHANGES IN AND DISAGREEMENTS WITH AUDITORS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS

(a) Vireo Consolidated Financial Statements as of December 31, 2019 and 2018 and for the Two Years Ended December 31, 2019

(b) Vireo Unaudited Interim Consolidated Financial Statements as of Three and Nine Months Ended September 30, 2020 and 2019

(c) Unaudited Pro Forma Combined Financial Statements for the Year Ended December 31, 2019, and for the Nine Months Ended September 30, 2020

(d) A list of exhibits filed with this registration statement is included in the Exhibit Index immediately preceding such exhibits and is incorporated herein by reference.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
Vireo Health International, Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Vireo Health International, Inc. (the "**Company**"), as of December 31, 2019 and 2018, and the related consolidated statements of net loss and comprehensive loss, stockholders' equity, and cash flows for the years ended December 31, 2019 and 2018, and the related notes (collectively referred to as the "**financial statements**"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Vireo Health International, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years ended December 31, 2019 and 2018, and in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("**PCAOB**") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatements of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2018.

/s/DAVIDSON & COMPANY LLP
"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

November 4, 2020

A member of Nexia international

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Davidson-co.com

VIREO HEALTH INTERNATIONAL, INC.
Consolidated Balance Sheets (In U.S. Dollars)

	December 31, 2019	December 31, 2018
Assets		
Current assets:		
Cash	$ 7,641,673	$ 9,624,110
Restricted cash	1,592,500	-
Accounts receivable, net of allowance for doubtful accounts of $278,309 and $0, respectively	1,025,963	2,224,257
Inventory	14,671,576	6,086,593
Prepayments and other current assets	2,285,548	962,297
Deferred acquisition costs	28,136	1,885,653
Deferred financing costs	-	448,480
Total current assets	27,245,396	21,231,390
Property and equipment, net	34,544,127	22,847,283
Operating lease, right-of-use asset	7,306,820	-
Intangible assets, net	9,001,237	2,184,565
Goodwill	3,132,491	-
Deposits	2,651,366	2,259,735
Deferred Loss on Sale Leaseback	30,481	26,596
Deferred tax assets	1,520,000	-
Total assets	$ 85,431,918	$ 48,549,569
Liabilities		
Current liabilities		
Accounts payable	3,137,086	2,512,389
Right of use liability	619,827	338,638
Deferred lease inducement	-	341,555
Long-term debt	-	1,010,000
Total current liabilities	3,756,913	4,202,582
Deferred rent	-	271,091
Deferred lease inducement	-	4,781,770
Right-of-use liability	30,929,230	11,839,152
Deferred tax liability	-	125,000
Convertible notes, net of issuance costs	950,001	-
Long-Term debt	1,110,000	-
Total liabilities	$ 36,746,144	$ 21,219,595
Commitments and contingencies (refer to Note 18)		
Stockholders' equity		
Subordinate Voting Shares ($- par value, unlimited shares authorized; 23,684,411 shares issued and outstanding)	-	-
Multiple Voting Shares ($- par value, unlimited shares authorized; 549,928 shares issued and outstanding)	-	-
Super Voting Shares ($- par value; unlimited shares authorized; 65,411 shares issued and outstanding, respectively)	-	-
Additional Paid in Capital	127,476,624	48,956,606
Accumulated deficit	(78,790,850)	(21,626,632)
Total stockholders' equity	$ 48,685,774	$ 27,329,974
Total liabilities and stockholders' equity	$ 85,431,918	$ 48,549,569

The accompanying notes are an integral part of these consolidated financial statements

VIREO HEALTH INTERNATIONAL, INC.
Consolidated Statements of Net Loss and Comprehensive Loss (In U.S. Dollars)

	2019	2018
Revenue	$ 29,956,172	$ 18,459,069
Cost of sales		
Product costs	21,754,487	9,519,433
Inventory valuation adjustments	865,405	-
Gross profit	7,336,280	8,939,636
Operating expenses:		
Selling, general and administrative	25,045,229	9,818,074
Stock-based compensation expenses	3,303,297	2,072,706
Depreciation	491,170	274,319
Amortization	864,230	20,417
Total operating expenses	29,703,926	12,185,516
Loss from operations	(22,367,646)	(3,245,880)
Other expenses:		
Impairment of Intangible assets	28,264,850	-
Interest expenses, net	4,460,331	2,390,103
Other expenses	1,800,485	84,982
Other expenses, net	34,525,666	2,475,085
Loss before income taxes	(56,893,312)	(5,720,965)
Current income tax expenses	(2,231,000)	(2,365,000)
Deferred income tax recoveries	1,645,000	(125,000)
Net loss and comprehensive loss	(57,479,312)	(8,210,965)
Net loss per share - basic and diluted	$ (0.71)	$ (6.79)
Weighted average shares used in computation of net loss per share - basic and diluted	80,822,129	1,208,403

The accompanying notes are an integral part of these consolidated financial statements

VIREO HEALTH INTERNATIONAL, INC.
Consolidated Statements of Stockholders' Equity (Deficit)
(in thousands of United States dollars)

	Series A		Series B		Series C		Series D		SVS		MVS		Super Voting Shares		Additional Paid-in	Accumulated Deficit Total	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Stockholders' Equity	
January 1st, 2018	21,663,494	$ -	10,261,655	$ -	20,350,213	$ -	-	$ -	-	$ -	-	$ -	-	$ -	$ 23,268,508	$ (9,190,667)	$ 14,077,841
Deferred tax liability from reorganization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,225,000	(4,225,000)	-
Acquisition of MaryMed, LLC	-	-	-	-	2,422,531	-	-	-	-	-	-	-	-	-	3,600,000	-	3,600,000
Issuance of Series D preferred stock	-	-	-	-	-	-	11,500,855	-	-	-	-	-	-	-	15,790,392	-	15,790,392
Share based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,072,706	-	2,072,706
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,210,965)	(8,210,965)
Balance, December 31, 2018	21,663,494	$ -	10,261,655	$ -	22,772,744	$ -	11,500,855	$ -	-	$ -	-	$ -	-	$ -	$ 48,956,606	$ (21,626,632)	$ 27,329,974
Exchange of shares on RTO transaction	(21,663,494)	-	(10,261,655)	-	(22,772,744)	-	(11,500,855)	-	8,217,695	-	514,388	-	65,411	-	-	-	-
Shares issued on RTO transaction	-	-	-	-	-	-	-	-	705,879	-	-	-	-	-	2,999,986	-	2,999,986
Re capitalization costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,994,606)	-	(2,994,606)
Shares issued in private placement	-	-	-	-	-	-	-	-	12,090,937	-	-	-	-	-	47,764,958	-	47,764,958
Cumulative effect adjustment from transition to ASC 842	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	315,094	315,094
Conversion of MVS shares to SVS shares	-	-	-	-	-	-	-	-	2,669,900	-	(26,699)	-	-	-	-	-	-
Acquisition of Mayflower Botanicals	-	-	-	-	-	-	-	-	-	-	37,047	-	-	-	15,996,524	-	15,996,524
Acquisition of AZ entities	-	-	-	-	-	-	-	-	-	-	16,806	-	-	-	7,594,463	-	7,594,463
Acquisition of Silver Fox assets	-	-	-	-	-	-	-	-	-	-	6,721	-	-	-	3,130,306	-	3,130,306
Stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,303,297	-	3,303,297
Shares issued on conversion of debt	-	-	-	-	-	-	-	-	-	-	1,665	-	-	-	725,090	-	725,090
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(57,479,312)	(57,479,312)
Balance, December 31, 2019	-	$ -	-	$ -	-	$ -	-	$ -	23,684,411	$ -	549,928	$ -	65,411	$ -	$ 127,476,624	$ (78,790,850)	$ 48,685,774

The accompanying notes are an integral part of these consolidated financial statements

VIREO HEALTH INTERNATIONAL, INC.
Consolidated Statements of Cash Flows
(in United States dollars, except for per share data)

	Year ended December 31,	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (57,479,312)	$ (8,210,965)
Adjustments to reconcile net loss to net cash used in operating activities:		
Inventory valuation adjustments	865,405	-
Depreciation	491,170	274,319
Depreciation capitalized into inventory	1,755,809	957,324
Non-cash operating lease expense	877,514	-
Amortization of intangible assets	864,230	20,417
Share-based payments	3,303,297	2,072,706
Impairment of goodwill	8,538,414	-
Impairment of intangible assets	19,726,436	-
Gain/loss	19,330	33,910
Deferred income tax	(1,645,000)	125,000
Accrued interest	9,861	-
Acquisition costs	739,880	-
Accretion	501,540	-
Change in operating assets and liabilities:		
Accounts Receivable	1,478,191	(2,224,257)
Prepaid expenses	(1,315,536)	(226,204)
Inventory	(6,834,419)	(2,554,674)
Accounts payable and accrued liabilities	421,346	(1,052,717)
Deferred acquisition costs	775,000	(1,885,653)
Deferred financing costs	-	(448,480)
Due from related party	-	146,893
Net cash used in operating activities	(26,906,844)	(12,972,381)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sale of PPE	1,000,257	5,793,830
PP&E Additions	(7,690,753)	(2,089,058)
Cash acquired from MaryMed	-	1,499,085
Acquisition of High Gardens	(250,000)	-
Acquisition of Silver Fox	(1,924,305)	-
Acquisition of Mayflower	(1,045,207)	-
Acquisition of XAAS Agro	(918,501)	-
Acquisition of Midwest Hemp	(12,229)	-
Acquisition of Elephant Head	(10,159,493)	-
Deposits	(214,470)	(993,723)
Net cash used in investing activities	(21,214,701)	4,210,134
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	48,213,438	15,790,392
Share issue costs	-	-
Proceeds from long-term debt	100,000	2,500,000
Repayment of long-term debt	-	(2,500,000)
Lease payments	(581,830)	-
Net cash provided by financing activities	47,731,608	15,790,392
Net change in cash and restricted cash	(389,937)	7,028,145
Cash and restricted cash, beginning of year	9,624,110	2,595,965
Cash and restricted cash, end of year	$ 9,234,173	$ 9,624,110

The accompanying notes are an integral part of these consolidated financial statements

1. Description of Business and Summary

Vireo Health International Inc. ("**Vireo International**" or the "**Company**") (formerly, Darien Business Development Corp.) was incorporated under the Alberta Business Corporations Act on November 23, 2004. On March 18, 2019, the Company completed a Reverse Takeover Transaction ("**RTO**") with Vireo Health Inc. ("**Vireo U.S.**"), whereby the Company acquired Vireo U.S. and the shareholders of Vireo U.S. became the controlling shareholders of the Company (*Note 3*). Following the RTO, the Company is listed on the Canadian Securities Exchange (the "**CSE**") under ticker symbol "VREO".

Vireo U.S. is a physician-led, science-focused organization that cultivates and manufactures pharmaceutical-grade cannabis extracts. Vireo U.S. operates medical cannabis cultivation, production, and dispensary facilities in Arizona, Maryland, Minnesota, New Mexico, New York, Ohio, Pennsylvania, and Rhode Island through its subsidiaries.

While marijuana and CBD-infused products are legal under the laws of several U.S. states (with vastly differing restrictions), the United States Federal Controlled Substances Act classifies all "marijuana" as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. Recently some federal officials have attempted to distinguish between medical cannabis use as necessary, but recreational use as "still a violation of federal law." At the present time, the distinction between "medical marijuana" and "recreational marijuana" does not exist under U.S. federal law.

2. Summary of Significant Accounting Policies

Basis of presentation and going concern

The accompanying financial statements reflect the accounts of the Company. The consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and pursuant to the rules and regulations of the United States Securities and Exchange Commission ("**SEC**").

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company's ability to continue as a going concern is dependent upon obtaining additional financing to meet anticipated cash needs for working capital and capital expenditures through the next twelve months.

For the fiscal year ended December 31, 2019, the Company reported a consolidated net loss of $57,479,312 and a net loss of $8,210,965 for the year ended December 31, 2018.

For the years ended December 31, 2019 and 2018, the Company had negative cash flows used in operating activities of $26,906,844 and $12,972,381, respectively. The Company had net cash outflows for the year ended December 31, 2019 of $389,937.

As at December 31, 2019 and 2018, the Company had working capital of $23,488,483 and $17,028,808 respectively, reflecting a decrease in cash of $389,937 for the year ended December 31, 2019.

Current management forecasts and related assumptions support the view that the Company can adequately manage the operational needs of the business with the additional financing of $7,613,489 secured on February 28, 2020 and $16,755,923 secured on August 10, 2020, and as necessary, through other equity financings. However, due to uncertainties the Company may face in raising additional equity financing in the future, an additional evaluation of management's plans and forecasts was conducted to assess the Company's ability to meet their contractual commitments and obligations over the next twelve months.

These management forecasts and assumptions support the Company's ability to meet its contractual obligations such as payment of interest on the 5% convertible notes of $45,123, payment of interest on the additional financings, and the Company's lease commitments of $5,831,222.

Should there be constraints on access to capital under the at-the-market program, the Company can manage cash-outflows through reduced capital expenditures and managing the operational expenses of the business that pertain to future investments that are discretionary in nature. Accordingly, the Company has concluded that it is probable that it is able to implement plans that would effectively mitigate the conditions and events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the issuance of the financial statements.

These financial statements do not include any adjustments to the carrying amount and classification of reported assets, liabilities, revenues or expenses that might be necessary should the Company not be successful with the aforementioned initiatives. Any such adjustments could be material.

These financial statements reflect all adjustments, which, in the opinion of management, are necessary for a fair presentation of the Company's financial position and results of operations.

Basis of consolidation

These financial statements include the accounts of the following entities wholly owned by the Company as of December 31, 2019:

Name of entity	Place of incorporation
Vireo Health International, Inc.	British Columbia, CAN
Vireo Health, Inc.	Delaware, USA
Vireo Health of New York, LLC	New York, USA
Minnesota Medical Solutions, LLC	Minnesota, USA
Pennsylvania Medical Solutions, LLC	Pennsylvania, USA
Ohio Medical Solutions, Inc.	Delaware, USA
MaryMed, LLC	Maryland, USA
1776 Hemp, LLC	Delaware, USA
Pennsylvania Dispensary Solutions, LLC	Delaware, USA
Vireo Health of Massachusetts, LLC	Delaware, USA
Mayflower Botanicals, Inc.	Massachusetts, USA
High Gardens, Inc.	Rhode Island, USA
Elephant Head Farm, LLC	Arizona, USA
Retail Management Associates, LLC	Arizona, USA
Arizona Natural Remedies, Inc.	Arizona, USA
Midwest Hemp Research, LLC	Minnesota, USA
Vireo Health of New Mexico, LLC	Delaware, USA
Red Barn Growers, Inc.	New Mexico, USA
Resurgent Biosciences, Inc.	Delaware, USA
Vireo Health of Puerto Rico, LLC	Delaware, USA
Vireo Health de Puerto Rico, Inc.	Puerto Rico
XAAS Agro, Inc.	Puerto Rico
Vireo Health of Nevada 1, LLC	Nevada, USA
Verdant Grove, Inc.	Massachusetts, USA

The entities listed above are wholly owned by the Company and have been formed or acquired to support the intended operations of the Company and all intercompany transactions and balances have been eliminated in the financial statements of the Company.

During the year ended December 31, 2019, the following entities have been added as a result of business combinations and asset acquisitions: High Gardens, Inc., Elephant Head Farm, LLC, Retail Management Associates, LLC, Red Barn Growers, Mayflower Botanicals, Inc., XAAS Agro, Inc., Midwest Hemp Research, LLC, and MaryMed, LLC. Refer to Note 3 for further details on business combinations.

On March 18, 2019, Vireo U.S. completed the RTO of Vireo Health International Inc. (formerly Darien Business Development Corp. or "**Darien**") whereby Darien acquired all of the issued and outstanding shares of Vireo U.S. Following the completion of the Transaction, the former shareholders of Vireo U.S. acquired control of the Company, as they own a majority of the outstanding shares of the Company upon completion of the Transaction.

New accounting pronouncements recently adopted

Financial instruments

On January 1, 2019, the Company adopted FASB ASU No. 2016-01, Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities ("**ASU 2016-01**"), which updates certain aspects of the recognition, measurement, presentation and disclosure of financial instruments. Most prominent among the changes in the standard is the requirement for changes in the fair value of equity investments, with certain exceptions, to be recognized through net income rather than other comprehensive income. The Company adopted the standard effective January 1, 2019. There was no impact on adoption.

Leases

In February 2016, the FASB issued ASU 2016-02, Leases, codified as ASC 842 Leases ("**ASC 842**"). ASC 842 requires leases to be accounted for using a right-of-use model, which recognizes that, at the date of commencement, a lessee has a financial obligation to make lease payments to the lessor for the right to use the underlying asset during the lease term. The lessee recognizes a corresponding right-of-use asset related to this right. Prior to adopting ASC 842, the Company followed the lease accounting guidance as issued in ASC 840, Leases ("**ASC 840**") under which the Company classified its leases as operating or capital leases based on evaluation of certain criteria of the lease agreement. Effective January 1, 2019, the Company adopted ASC 842 using the modified retrospective approach, which provides a method for recording existing leases at adoption using the effective date as its date of initial application. The Company also applied the practical expedient which provides an additional transition method which allows entities to elect not to recast comparative periods presented. The Company has elected this practical expedient in the adoption of the ASC 842. Lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the expected remaining lease term.

The Company elected the package of practical expedients provided by ASC 842, which allowed the Company to forgo reassessing the following upon adoption of the new standard: (1) whether contracts contain leases for any expired or existing contracts, (2) the lease classification for any expired or existing leases, and (3) initial direct costs for any existing or expired leases. In addition, the Company elected an accounting policy to exclude from the balance sheet the right-of-use assets and lease liabilities related to short-term leases, which are those leases with a lease term of twelve months or less that do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise.

The standard has a material impact in the Company's balance sheets but does not have an impact in the statements of net loss and comprehensive loss. The most significant impact is the recognition of right-of-use assets and lease liabilities for operating leases, while the accounting for finance leases remains substantially unchanged. As of the date of implementation on January 1, 2019, the impact of the adoption of ASC 842 resulted in the recognition of a right-of-use asset and lease liability on the Company's balance sheet of $7,977,238 and $7,662,144, respectively, with a $315,094 cumulative effect adjustment to accumulated deficit.

Revenue

On January 1, 2019, the Company adopted ASU 2014-09, Revenue from Contracts with Customers and all subsequent amendments to the ASU, codified as ASC 606 Revenue from Contracts with Customers (collectively, "**ASC 606**"), which amended revenue recognition principles and provides a single, comprehensive set of criteria for revenue recognition. ASC 606 applies to all contracts with customers except for contracts that are within the scope of other standards.

ASC 606 provides a five-step framework through which revenue is recognized when control of promised goods or services is transferred to a customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. To determine revenue recognition for arrangements that the Company concludes are within the scope of ASC 606, management performs the following five steps: (i) identifies the contract(s) with a customer; (ii) identifies the performance obligations in the contract (s); (iii) determines the transaction price, including whether there are any constraints on variable consideration; (iv) allocates the transaction price to the performance obligations; and (v) recognizes revenue when (or as) the Company satisfies a performance obligation.

The Company adopted ASC 606 using the modified retrospective method to all contracts not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under ASC 606 while prior period amounts continue to be reported in accordance with pre-adoption standards. The adoption of ASC 606 did not result in a change to the accounting for any of the in-scope revenue contracts; as such, no cumulative effect adjustment was recorded.

Use of estimates and significant judgments

The preparation of the Company's consolidated financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of revenue, expenses, assets, liabilities, accompanying disclosures and the disclosure of contingent liabilities. These estimates and judgments are subject to change based on experience and new information which could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affecting future periods. Estimates and judgments are assessed on an ongoing basis. Revisions to estimates are recognized prospectively.

Examples of key estimates in these consolidated financial statements include cash flows and discount rates used in accounting for business combinations including contingent consideration, asset impairment including estimated future cash flows and fair values, the allowance for doubtful accounts receivable and trade receivables, inventory valuation adjustments that contemplate the market value of, and demand for inventory, estimated useful lives of property and equipment and intangible assets, valuation allowance on deferred income tax assets, determining the fair value of financial instruments, fair value of stock-based compensation, estimated variable consideration on contracts with customers, sales return estimates, the fair value of the convertible notes and equity component and the classification, incremental borrowing rates and lease terms applicable to lease contracts.

Financial statement areas that require significant judgments are as follows:

Asset impairment – Asset impairment tests require the allocation of assets to asset groups, where appropriate, which requires significant judgment and interpretation with respect to the integration between the assets and shared resources. Asset impairment tests require the determination of whether there is an indication of impairment. The assessment of whether an indication of impairment exists is performed at the end of each reporting period and requires the application of judgment, historical experience, and external and internal sources of information.

Leases – The Company applies judgment in determining whether a contract contains a lease and if a lease is classified as an operating lease or a finance lease. The Company determines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

The Company has several lease contracts that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company also applies judgment in allocating the consideration in a contract between lease and non-lease components. It considers whether the Company can benefit from the right-of-use asset either on its own or together with other resources and whether the asset is highly dependent on or highly interrelated with another right-of-use asset.

Foreign currency

These financial statements are presented in the United States dollar ("**USD**"), which is the Company's reporting currency. The functional currency of the Company and its subsidiaries, as determined by management, is the United States ("**US**") dollar. These consolidated financial statements are presented in United States dollars.

Net loss per share

Basic net loss per share is computed by dividing reported net loss by the weighted average number of common shares outstanding for the reported period. Diluted net loss per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock of the Company during the reporting period. Diluted net loss per share is computed by dividing net loss by the sum of the weighted average number of common shares and the number of potential dilutive common share equivalents outstanding during the period. Potential dilutive common share equivalents consist of the incremental common shares issuable upon the exercise of vested share options and the incremental shares issuable upon conversion of the convertible notes. Potential dilutive common share equivalents consist of stock options, restricted stock units ("**RSUs**") and restricted stock awards.

In computing diluted earnings per share, common share equivalents are not considered in periods in which a net loss is reported, as the inclusion of the common share equivalents would be anti-dilutive.. Since the Company is in a net loss for all periods presented in these financial statements, there is no difference between the Company's basic and diluted net loss per share for the periods presented.

The anti-dilutive shares outstanding for years ending December 31, ,2019 and 2018 were as follows:

	For the year ended December 31,	
	2019	**2018**
Stock options	23,662,600	21,990,511
Warrants	17,988,609	867,198
Convertible notes	223,529	-
Total	41,874,738	22,857,709

Segment Information

Accounting Standards Codification ("**ASC**") 280, Segment Reporting, establishes disclosure requirements relating to operating segments in annual and interim financial statements. Operating segments are defined as components of an enterprise about which separate financial information is available that is regularly evaluated by the chief operating decision maker in deciding how to allocate resources to the segment and assess its performance. The Company operates in one business segment, namely as the Cannabis segment cultivates, processes and distributes medical and adult-use cannabis products in a variety of formats, as well as related accessories. The Company's Chief Executive Officer is the Company's chief operating decision maker.

Cash and cash equivalents

Cash is comprised of cash and highly liquid investments that are readily convertible into known amounts of cash with original maturities of three months or less.

The Company has no cash equivalents for the period under review.

Business combinations and goodwill

The Company accounts for business combinations using the acquisition method in accordance with ASC 805, Business Combinations, which requires recognition of assets acquired and liabilities assumed, including contingent assets and liabilities, at their respective fair values on the date of acquisition. Any excess of the purchase consideration over the net fair value of tangible and identified intangible assets acquired less liabilities assumed is recorded as goodwill. The costs of business acquisitions, including fees for accounting, legal, professional consulting and valuation specialists, are expensed as incurred within acquisition-related (income) expenses, net. Purchase price allocations may be preliminary and, during the measurement period not to exceed one year from the date of acquisition, changes in assumptions and estimates that result in adjustments to the fair value of assets acquired and liabilities assumed are recorded in the period the adjustments are determined.

The estimated fair value of acquired assets and assumed liabilities are determined primarily using a discounted cash flow approach, with estimated cash flows discounted at a rate that the Company believes a market participant would determine to be commensurate with the inherent risks associated with the asset and related estimated cash flow streams.

Fair value measurements

The carrying value of the Company's accounts receivable, accounts payable, accrued expenses and other current liabilities approximate their fair value due to their short-term nature, and the carrying value of long term loans and convertible debt approximates fair value as they bear a market rate of interest.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Inventory

Inventory is comprised of raw materials, finished goods and work-in-progress. Cost includes harvested finished goods, harvested cannabis (bud and trim) in progress, cannabis oil in progress, accessories, and packaging materials.

Inventory cost includes pre-harvest, post-harvest and shipment and fulfillment, as well as related accessories. Pre-harvest costs include labor and direct materials to grow cannabis, which includes water, electricity, nutrients, integrated pest management, growing supplies and allocated overhead. Post-harvest costs include costs associated with drying, trimming, blending, extraction, purification, quality testing and allocated overhead. Shipment and fulfillment costs include the costs of packaging, labelling, courier services and allocated overhead.

Inventory is stated at the lower of cost or net realizable value, determined using weighted average cost. Net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. At the end of each reporting period, the Company performs an assessment of inventory and records write-downs for excess and obsolete inventories based on the Company's estimated forecast of product demand, production requirements, market conditions, regulatory environment, and spoilage. Actual inventory losses may differ from management's estimates and such differences could be material to the Company's balance sheets, statements of net loss and comprehensive loss and statements of cash flows.

Property and equipment

Property and equipment are recorded at cost net of accumulated depreciation and impairment, if any. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful life of buildings ranges from three to thirty-nine years and the estimated useful life of property and equipment, other than buildings, ranges from three to ten years. Land is not depreciated. Leasehold improvements are depreciated over the lesser of the asset's estimated useful life or the remaining lease term.

When assets are retired or disposed of, the cost and accumulated depreciation are removed from the respective accounts and any related gain or loss is recognized. Maintenance and repairs are charged to expenses as incurred. Significant expenditures, which extend the useful lives of assets or increase productivity, are capitalized. When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items or components of property and equipment.

Construction-in-process includes construction progress payments, deposits, engineering costs, interest expense on long-term construction projects and other costs directly related to the construction of the facilities. Expenditures are capitalized during the construction period and construction in progress is transferred to the relevant class of property and equipment when the assets are available for use, at which point the depreciation of the asset commences.

The estimated useful lives are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Capitalization of interest

Interest incurred relating to the construction or expansion of facilities is capitalized to the construction in progress. The Company ceases the capitalization of interest when construction activities are substantially completed and the facility is available for commercial us

Intangible assets

Intangible assets include intangible assets acquired as part of business combinations, asset acquisitions and other business transactions. The Company records intangible assets at cost, net of accumulated amortization and accumulated impairment losses, if any. Cost is measured based on the fair values of cash consideration paid and equity interests issued. The cost of an intangible asset acquired is its acquisition date fair value.

Amortization of definite life intangible assets is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Licenses	4-20 years

When there is no foreseeable limit on the period of time over which an intangible asset is expected to contribute to the cash flows of the Company, an intangible asset is determined to have an indefinite life. Indefinite life intangible assets are not amortized but tested for impairment annually or more frequently when indicators of impairment exist. If the carrying value of an individual indefinite-lived intangible asset exceeds its fair value, such individual indefinite-life intangible asset is impaired by the amount of the excess.

The estimated useful lives are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment of long-lived assets

The Company reviews long-lived assets, including property and equipment and definite life intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. In order to determine if assets have been impaired, assets are grouped and tested at the lowest level for which identifiable independent cash flows are available ("**asset group**"). An impairment loss is recognized when the sum of projected undiscounted cash flows is less than the carrying value of the asset group. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying value of the asset group. Fair value can be determined using a market approach, income approach or cost approach. The reversal of impairment losses is prohibited.

Impairment of goodwill and indefinite life intangible assets

Goodwill and indefinite life intangible assets are tested for impairment annually, or more frequently when events or circumstances indicate that impairment may have occurred. As part of the impairment evaluation, the Company may elect to perform an assessment of qualitative factors. If this qualitative assessment indicates that it is more likely than not that the fair value of the indefinite-lived intangible asset or the reporting unit (for goodwill) is less than its carrying value, a quantitative impairment test to compare the fair value to the carrying value. An impairment charge is recorded if the carrying value exceeds the fair value.

Leases

As a result of the adoption of ASC 842 on January 1, 2019, the Company has changed its accounting policy for leases. The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("**ROU**") assets and right-of-use liabilities (current and non-current) in the balance sheets. Finance lease ROU assets are included in property and equipment, net and ROU liabilities (current and non-current) in the balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets are classified as a finance lease or an operating lease. A finance lease is a lease in which 1) ownership of the property transfers to the lessee by the end of the lease term; 2) the lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise; 3) the lease is for a major part of the remaining economic life of the underlying asset; 4) The present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already included in the lease payments equals or exceeds substantially all of the fair value; or 5) the underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. The Company classifies a lease as an operating lease when it does not meet any one of these criteria.

ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the incremental borrowing rate is used based on the information available at commencement date in determining the present value of lease payments. The Company uses the implicit rate when readily determinable. The ROU assets also include any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

For finance leases, lease expenses are the sum of interest on the lease obligations and amortization of the ROU assets, resulting in a front-loaded expense pattern. ROU assets are amortized based on the lesser of the lease term and the useful life of the leased asset according to the property and equipment accounting policy. If ownership of the ROU assets transfers to the Company at the end of the lease term or if the Company is reasonably certain to exercise a purchase option, amortization is calculated using the estimated useful life of the leased asset, according to the property and equipment accounting policy. For operating leases, the lease expenses are generally recognized on a straight-line basis over the lease term and recorded to general and administrative expenses in the statements of net loss and comprehensive loss.

The Company has elected to apply the practical expedient, for each class of underlying asset, except real estate leases, to not separate non-lease components from the associated lease components of the lessee's contract and account for both components as a single lease component.

The Company has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less that do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. Short-term leases include real estate and vehicles and are not significant in comparison to the Company's overall lease portfolio. The Company continues to recognize the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

Accounting policy related to periods prior to the adoption of ASC 842

The Company enters into various leases in conducting its business. At the inception of each lease, the Company evaluates the lease agreement to determine whether the lease is an operating or capital lease. A capital lease is a lease in which 1) ownership of the property transfers to the lessee by the end of the lease term; 2) the lease contains a bargain purchase option; 3) the lease term is equal to 75% or more of the economic life of the leased property; or 4) the present value of the minimum lease payment at the inception of the lease term equals or exceeds 90% of the fair value of the leased property.

An asset and a corresponding liability are established at inception for capital leases. The capital lease assets are included in property and equipment and the capital lease obligations are included in accrued obligations under finance lease. Operating lease payments are recognized as expenses on a straight-line basis over the lease term.

Convertible notes

The Company accounts for its convertible notes with a cash conversion feature in accordance with ASC 470-20, Debt with Conversion and Other Options ("**ASC 470-20**"), which requires the liability and equity components of convertible debt instruments that may be settled in cash upon conversion, including partial cash settlement, to be separately accounted for in a manner that reflects the issuer's nonconvertible debt borrowing rate. The initial proceeds from the sale of convertible notes are allocated between a liability component and an equity component in a manner that reflects interest expense at the rate of similar nonconvertible debt that could have been issued at such time. The equity component represents the excess initial proceeds received over the fair value of the liability component of the notes as of the date of issuance. The resulting debt discount is amortized over the period during which the convertible notes are expected to be outstanding as additional non-cash interest expenses.

Upon repurchase of convertible debt instruments, ASC 470-20 requires the issuer to allocate total settlement consideration, inclusive of transaction costs, amongst the liability and equity components of the instrument based on the fair value of the liability component immediately prior to repurchase. The difference between the settlement consideration allocated to the liability component and the net carrying value of the liability component, including unamortized debt issuance costs, would be recognized as gain (loss) on extinguishment of debt in the statements of net loss and comprehensive loss. The remaining settlement consideration allocated to the equity component would be recognized as a reduction of additional paid-in capital in the balance sheets.

Revenue recognition

As a result of the adoption of ASC 606 on January 1, 2019, the Company has changed its accounting policy for revenue recognition. Revenue is recognized when control of the promised goods or services, through performance obligations by the Company, is transferred to the customer in an amount that reflects the consideration it expects to be entitled to in exchange for the performance obligations.

The Company generates substantially all of its revenue from the direct sale of cannabis products through contracts with medical customers. Cannabis products are sold through various distribution channels. Revenue is recognized when the control of the goods is transferred to the customer, which occurs at a point in time, typically upon delivery to or receipt by the customer, depending on shipping terms.

Sales taxes collected from customers are remitted to the appropriate taxing jurisdictions and are excluded from sales revenue as the Company considers itself a pass-through conduit for collecting and remitting sales taxes. Excise duties that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer are included in revenue. Freight revenues on all product sales, when applicable, are also recognized, on a consistent manner, at a point in time. The term between invoicing and when payment is due is not significant and the period between when the entity transfers the promised good or service to the customer and when the customer pays for that good or service is one year or less.

The Company considers whether there are other promises in the contracts that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration and the existence of significant financing components (if any).

(i) Variable consideration

Some contracts for the sale of goods may provide customers with a right of return, volume discount, bonuses for volume/quality achievement, or sales allowance. In addition, the Company may provide in certain circumstances, a retrospective price reduction to a customer based primarily on inventory movement. These items give rise to variable consideration. The Company uses the expected value method to estimate the variable consideration because this method best predicts the amount of variable consideration to which the Company will be entitled. The Company uses historical evidence, current information and forecasts to estimate the variable consideration. The requirements in ASC 606 on constraining estimates of variable consideration are applied to determine the amount of variable consideration that can be included in the transaction price. The Company reduces revenue and recognizes a contract liability equal to the amount expected to be refunded to the customer in the form of a future rebate or credit for a retrospective price reduction, representing its obligation to return the customer's consideration. The estimate is updated at each reporting period.

(ii) Significant financing component

The Company may receive short-term advances from its customers. Using the practical expedient in ASC 606, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good to a customer and when the customer pays for that good or service will be one year or less. The Company has not, nor expects to receive long-term advances from customers.

(iii) Contract balance

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration.

Accounts receivable

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

Accounting policy related to periods prior to the adoption of ASC 606

The Company recognizes revenue as earned when the following four criteria have been met: (i) when persuasive evidence of an arrangement exists, (ii) the product has been delivered to a customer, (iii) the sales price is fixed or determinable, and (iv) collection is reasonably assured. Revenue is recognized net of sales incentives and returns, after discounts for the assurance program, veterans coverage program and compassionate programs.

Direct-to-patient sales are recognized when the products are shipped to the customers. Bulk and adult-use sales under wholesale agreements are recognized based on the shipping terms of the agreements. Export sales under pharmaceutical distribution and pharmacy supply agreements are recognized when products are delivered to the end customers or patients.

Cost of sales

Cost of sales represents costs directly related to manufacturing and distribution of the Company's products. Primary costs include raw materials, packaging, direct labor, overhead, shipping and handling and the depreciation of manufacturing equipment and production facilities. Manufacturing overhead and related expenses include salaries, wages, employee benefits, utilities, maintenance and property taxes. Cost of sales also includes inventory valuation adjustments. The Company recognizes the cost of sales as the associated revenues are recognized.

Stock-based compensation

The Company measures and recognizes compensation expense for stock options and RSUs to employees and non-employees on a straight-line basis over the vesting period based on their grant date fair values. Prior to the adoption of ASU 2018-07 on January 1, 2019, the fair value of stock options and RSUs to non-employees were re-measured at each reporting date until one of either of the counterparty's commitment to perform is established or until the performance is complete. The Company estimates the fair value of stock options on the date of grant using the Black-Scholes option pricing model. Determining the estimated fair value of at the grant date requires judgment in determining the appropriate valuation model and assumptions, including the fair value of common shares on the grant date, risk-free rate, volatility rate, annual dividend yield and the expected term. The volatility rate is based on historical volatilities of public companies operating in a similar industry to the Company.

The fair value of RSUs is based on the fair value of shares as at date of grant. For stock options and RSUs granted, the fair value of common stock at the date of grant was determined by the Board of Directors with assistance from third-party valuation specialists. The Company estimates forfeitures at the time of grant and revises these estimates in subsequent periods if actual forfeitures differ from those estimates.

For performance-based stock options and RSUs, the Company records compensation expense over the estimated service period adjusted for a probability factor of achieving the performance-based milestones. At each reporting date, the Company assesses the probability factor and records compensation expense accordingly, net of estimated forfeitures.

Fully vested, non-forfeitable equity instruments issued to parties other than employees are measured on the date they are issued where there is no specific performance required by the grantee to retain those equity instruments. Stock-based payment transactions with non-employees are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. Where fully vested, non-forfeitable equity instruments are granted to parties other than employees in exchange for notes or financing receivable, the note or receivable is presented in additional paid-in capital on the balance sheets.

Income taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Management assesses the likelihood that the resulting deferred tax assets will be realized. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized.

The Company recognizes uncertain income tax positions at the largest amount that is more likely than not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Changes in recognition or measurement are reflected in the period in which judgment occurs.

New accounting pronouncements not yet adopted

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 requires the measurement of current expected credit losses for financial assets held at the reporting date based on historical experience, current conditions and reasonable and supportable forecasts. Adoption of ASU 2016-13 will require financial institutions and other organizations to use forward-looking information to better formulate their credit loss estimates. In addition, the ASU amends the accounting for credit losses on available for sale debt securities and purchased financial assets with credit deterioration. This update will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company expects to implement the provisions of ASU 2016-13 as of January 1, 2020. The Company is currently evaluating the effect of adopting this ASU on the Company's financial statements. The Company does not expect that the adoption of ASU 2016-13 will have a material impact on its results of operations or cash flows.

In August 2018, the FASB issued ASU 2018-13, Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820). ASU 2018-13 adds, modifies, and removes certain fair value measurement disclosure requirements. ASU 2018-13 is effective for annual and interim periods beginning after December 15, 2019. Early adoption is permitted. The following are the changes that will have an immediate disclosure impact for the Company upon adoption of the guidance for fair value measurement: (i) disclosure of the valuation processes for Level 3 fair value measurements is no longer required, (ii) changes in unrealized gains and losses for the reporting period included in other comprehensive income (loss) for recurring Level 3 fair value measurements held at the end of the reporting period is a new disclosure requirement, and (iii) the range and weighted average (or reasonable and rational method) of significant unobservable inputs used to develop Level 3 fair value measurement is a new disclosure requirement. Other than updating the applicable disclosures, the adoption of this guidance will not have an impact on the Company's Consolidated Financial Statements.

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740) which is intended to simply the accounting for income taxes by eliminating certain exceptions and simplifying certain requirements under Topic 740. Updates are related to intraperiod tax allocation, deferred tax liabilities for equity method investments interim period tax calculations, tax laws or rate changes in interim periods, and income taxes related to employee stock ownership plans. The guidance for ASU No. 2019-12 becomes effective on January 2021. Management is currently evaluating the impact of these changes on the Consolidated Financial Statements.

In January 2020, the FASB issued ASU 2020-01, Investments - Equity Securities (Topic 321), Investments - Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) ("**ASU 2020-01**"), which is intended to clarify the interaction of the accounting for equity securities under Topic 321 and investments accounted for under the equity method of accounting in Topic 323 and the accounting for certain forward contracts and purchased options accounted for under Topic 815. ASU 2020-01 is effective for the Company beginning January 1, 2021. The Company is currently evaluating the effect of adopting this ASU on the Company's financial statements.

3. Business Combinations

Reverse Takeover

On March 18, 2019, Vireo U.S. completed the reverse take-over transaction of the Vireo Health International Inc. (formerly Darien Business Development Corp. or "**Darien**") (the "**Transaction**") whereby Darien acquired all of the issued and outstanding shares of Vireo U.S. Following the completion of the Transaction, the former shareholders of Vireo U.S. acquired control of the Company, as they own a majority of the outstanding shares of the Company upon completion of the Transaction.

The Transaction is being treated as a reverse recapitalization effected by a share exchange for financial accounting and reporting purposes since substantially all of Darien operations were disposed of as part of the consummation of the Transaction and therefore no goodwill or other intangible assets were recorded by the Company as a result of the Transaction. Vireo US is treated as the accounting acquirer as its stockholders control the Company after the Transaction, even though Darien. was the legal acquirer. As a result, the assets and liabilities and the historical operations that are reflected in these financial statements are those of Vireo US as if Vireo US had always been the reporting company. All reference to Vireo US shares of common stock, warrants and options have been presented on a post-transaction, post-reverse split basis.

The fair value of the shares issued in the transaction was $2,999,986 and was listed as a listing expense on the statement of loss and comprehensive income. Under ASC 805 any excess of the fair value of the shares issued by the private entity over the value of the net monetary assets of the public shell corporation is recognized as a reduction to equity. The additional transaction cost associated with the Transaction, $568,2477 would still be expensed as incurred and would require no adjustment but would not be listed as a Listing Expense rather a transaction expense.

Acquisition of Elephant Head Farm, LLC and retail Management Associates, LLC

On March 22, 2019, the Company acquired all of the equity interests of Elephant Head Farm, LLC and Retail Management Associates, LLC (collectively, the "**AZ entities**"). The purpose of this acquisition was to acquire the exclusive right to manage and control Arizona Natural Remedies, an Arizona nonprofit corporation with licenses to cultivate and distribute medical cannabis in the state of Arizona. As part of the transaction, the Company paid $10,500,000 in cash, issued $7,594,463 in multiple voting shares, and incurred total transaction costs related to the acquisition of $723,272, including a finders' fee of $620,000. The transaction costs are included in selling, general and administrative expenses in the consolidated statement of net loss and comprehensive loss.

The financial results of the AZ entities are included in the Company's financial statements since acquisition close. The statements of net loss and comprehensive loss include revenue of $4,631,052 and net loss of $5,413,373 for the year ended December 31, 2019, respectively.

The final allocations of the purchase price to assets acquired and liabilities assumed on the acquisition date is listed below. The goodwill of $7,792,605 is attributable to the benefit of expected revenue growth and future market development. Goodwill is not deductible for tax purposes.

	AZ Entities
Assets	
Cash and cash equivalents	$ 340,507
Inventory	2,028,000
Other current assets	277,340
Property and equipment	1,033,135
Right of Use Assets	81,603
Intangible Asset (License)	6,800,000
Goodwill	7,792,605
Total assets	18,353,190
Liabilities	
Accounts payable and accrued liabilities	177,124
Right of Use Liability	81,603
Total liabilities	258,727
Net assets acquired	$ 18,094,463

Acquisition of Red Barn Growers

On March 25, 2019, the Company acquired substantially all of the assets of Silver Fox Management Services, LLC ("**Silver Fox**") including all intellectual property, contracts, leases, license rights and inventory. The purpose of this acquisition was to acquire the exclusive right to manage and control Red Barn Growers, Inc. ("**Red Barn Growers**"), a New Mexico nonprofit corporation with licenses to cultivate and distribute medical cannabis in the state of New Mexico. As part of the transaction, the Company paid $2,000,000 in cash, issued $3,130,306 in multiple voting shares, and incurred total transaction costs related to the acquisition of $16,608.

The financial results of Red Barn Growers are included in the Company's financial statements since acquisition close. The statements of net loss and comprehensive loss include revenue of $1,085,332 and net loss of $4,010,077 for the year ended December 31, 2019, respectively.

The final allocations of the purchase price to assets acquired and liabilities assumed on the acquisition date is listed below. The goodwill of $3,878,300 is attributable to the benefit of expected revenue growth and future market development. Goodwill is not deductible for tax purposes.

	Red Barn Growers
Assets	
Cash and cash equivalents	75,695
Inventory	549,576
Other current assets	497
Property and equipment	73,290
Right of Use Assets	125,493
Intangible Asset (License)	569,400
Goodwill	3,878,300
Total assets	5,272,251
Liabilities	
Accounts payable and accrued liabilities	16,452
Right of Use Liability	125,493
Total liabilities	141,945
Net assets acquired	$ 5,130,306

Acquisition of MJ Distributing C201, LLC and MJ Distributing P132, LLC

On April 10, 2019, the Company entered into a definitive agreement to acquire 100% of the membership interests in MJ Distributing C201, LLC and MJ Distributing P132, LLC ("**MJ Distributing**") which hold provisional licenses to cultivate and distribute, respectively, medical cannabis in the state of Nevada. The purpose of this acquisition was to acquire a medical marijuana license in the state of Nevada. The acquisition was financed with cash on hand and borrowings.

As of December 31, 2019, the Company had made cash deposits with the sellers and in escrow of $1,592,500 and placed convertible promissory notes in the amount of $2,500,000 in escrow, as consideration for the equity.

Additionally, as of December 31, 2019, there were deferred acquisition costs of $28,136. The completion of the acquisition of MJ Distributing is conditional upon the Nevada Department of Taxation's approval of the change in ownership.

Asset Acquisitions

Acquisition of High Gardens, Inc.

On January 4, 2019, the Company acquired all of the issued and outstanding shares of High Gardens, Inc. The purpose of this acquisition was to acquire a medical marijuana license in the State of Rhode Island. As part of the asset acquisition, the Company paid $300,000 in cash, issued $700,000 in convertible debt, and incurred acquisition costs of $26,256 for the acquisition of High Gardens, Inc. Management determined the consideration paid was equal to the fair value of the intangible asset acquired, or $1,026,256. The related operating results are included in the accompanying consolidated statements of net loss, changes in stockholders' equity, and statement of cash flows commencing from the date of acquisition.

Acquisition of Mayflower Botanicals, Inc.

On March 29, 2019, the Company completed the 100% acquisition of Mayflower Botanicals, Inc. The purpose of this acquisition was to acquire a medical marijuana license in the State of Massachusetts. As part of the asset acquisition, the Company paid $1,001,165 in cash, issued $13,094,032 in multiple voting shares, and incurred acquisition costs of $2,962,392, of which $2,902,492 related to the issuance of multiple voting shares as a finder's fee, for the acquisition of Mayflower Botanicals, Inc. Management determined the consideration paid was equal to the fair value of the intangible asset acquired, or $17,057,589. The related operating results are included in the accompanying consolidated statements of operations, changes in shareholders' equity, and statement of cash flows commencing from the date of acquisition.

Acquisition of XAAS Agro, Inc.

On June 19, 2019, the Company completed the 100% acquisition of XAAS Agro, Inc. The purpose of this acquisition was to acquire a medical marijuana license in the territory of Puerto Rico. As part of the asset acquisition, the Company paid $900,000 in cash, issued $900,000 in convertible debt, and incurred acquisition costs of $91,863, for the acquisition of XAAS Agro, Inc. Management determined the consideration paid was equal to the fair value of the intangible asset acquired, or $1,891,863. The related operating results are included in the accompanying consolidated statements of net loss, changes in stockholder's equity, and statement of cash flows commencing from the date of acquisition.

Acquisition of Midwest Hemp Research, LLC

During the year ended December 31, 2019, the Company completed the 100% acquisition of Midwest Hemp Research, LLC. The purpose of this acquisition was to acquire an industrial hemp license in the state of Minnesota. As part of the asset acquisition, the Company issued $50,000 in convertible debt and incurred acquisition costs of $12,229, for the acquisition of Midwest Hemp Research, LLC. Management determined the consideration paid was equal to the fair value of the intangible asset acquired, or $62,229. The related operating results are included in the accompanying consolidated statements of net loss, changes in stockholders' equity, and statement of cash flows commencing from the date of acquisition.

4. Fair Value Measurements

The Company complies with ASC 820, Fair Value Measurements, for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and includes situations where there is little, if any, market activity for the asset or liability.

The following tables present information about the Company's assets that are measured at fair value on a recurring basis as of December 31, 2019 and 2018 indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value:

	Quoted prices in active markets for identical assets (Level 1)	Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
December 31, 2019				
Cash and Restricted Cash	$ 9,234,173	$ -	$ -	$ 9,234,173
Total recurring fair value measurements	9,234,173	-	-	9,234,173

	Quoted prices in active markets for identical assets (Level 1)	Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
December 31, 2018				
Cash equivalents	$ 9,624,110	$ -	$ -	$ 9,624,110
Total recurring fair value measurements	9,624,110	-	-	9,624,110

Items measured at fair value on a non-recurring basis

The Company's non-financial assets, such as prepayments and other current assets, long lived assets, including property and equipment and intangible assets, are measured at fair value when there is an indicator of impairment and are recorded at fair value only when an impairment charge is recognized. In connection with an evaluation of such non-financial assets during the year ended December 31, 2019, the carrying values of prepayments and intangible assets were concluded to exceed their fair values. As a result, the Company recorded impairment charges that incorporates fair value measurements based on Level 3 inputs (refer to Notes 11 & 12).

The estimated fair value of cash and cash equivalents, accounts receivable, net, accounts payable, and accrued expenses and other current liabilities at December 31, 2019 and 2018 approximate their carrying amount due to short term nature of these instruments.

5. Trade Receivables

Trade receivables are comprised of the following items:

	December 31,	
	2019	2018
Trade receivable	-	1,444,217
Tenant improvements receivable	1,025,963	152,040
Taxes receivable	-	628,000
Total	$ 1,025,963	$ 2,224,257

Included in the trade receivables, net balance at December 31, 2019 is an allowance for doubtful accounts of $278,309 (December 31, 2018 - $0).

6. Inventory

Inventory is comprised of the following items:

	December 31,	
	2019	2018
Work-in-process	$ 11,000,462	$ 4,175,594
Finished goods	3,324,920	1,650,569
Accessories	346,194	260,430
Total	$ 14,671,576	$ 6,086,593

Inventory is written down for any obsolescence, spoilage and excess inventory or when the net realizable value of inventory is less than the carrying value. Inventory valuation adjustments included in cost of sales on the statements of net loss and comprehensive loss is comprised of the following:

	December 31,	
	2019	2018
Raw materials	$ -	$ -
Work-in-process	865,405	-
Finished goods	-	-
Total	$ 865,405	$ -

During the year ended December 31, 2019, the Company's production costs at our Maryland, Pennsylvania and Ohio production facilities operated at partial capacity for our production of cannabis products. Based on the market sales price, these costs could not be recovered, and as a consequence net realizable value was less than carrying value of inventory. Accordingly, an inventory valuation adjustment of $865,405 was recorded.

7. Prepayments and other current assets

Prepayments and other current assets are comprised of the following items:

	December 31,	
	2019	2018
Prepaid Rent	$ 138,512	$ -
Prepaid Insurance	983,774	500,241
Other Prepaid Expenses	1,163,262	462,056
Total	$ 2,285,548	$ 962,297

8. Deferred Acquisition Costs

As of December 31, 2019, and 2018, the Company had a total of $28,136 and $1,885,653, respectively, for deferred acquisition costs relating to the acquisition of MJ Distributing, which is not yet closed.

9. Property and Equipment, Net

Property and equipment, net consisted of the following:

	December 31,	
	2019	2018
Land	$ 1,309,949	$ -
Buildings and leasehold improvements	5,523,380	3,586,255
Furniture and equipment	5,082,416	2,508,454
Software	105,968	105,968
Vehicles	399,302	171,517
Construction-in-progress	3,264,702	1,575,907
Right of use asset under finance lease	23,289,965	17,083,758
	38,975,682	25,031,859
Less: accumulated depreciation and amortization	(4,431,555)	(2,184,576)
Total	$ 34,544,127	$ 22,847,283

For the year ended December 31, 2019 and 2018, total depreciation and amortization on property and equipment was $2,246,979 and $274,319, respectively. For the year ended December 31, 2019 and 2018, accumulated amortization of the right of use asset amounted to $2,072,175 and $771,508, respectively. The right of use asset under finance lease of $23,289,965 consists of leased manufacturing and cultivation premises. The Company also capitalized into inventory $1,755,809 and $957,324 relating to depreciation associated with manufacturing equipment and production facilities as of December 31, 2019 and 2018, respectively. The capitalized depreciation costs associated are added to inventory and expensed through Cost of Sales - Product Cost on the consolidated statements of net loss.

10. Leases

Components of lease expenses are listed below:

	December 31,
	2019
Finance lease cost	
Amortization of ROU assets	$ 918,888
Interest on lease liabilities	4,236,170
Operating lease expense	1,708,920
Total lease expenses	$ 6,863,978

Future minimum lease payments (principal and interest) on the leases is as follows

	Operating Leases December 31, 2019	Finance Leases December 31, 2019	Total
2020	$ 1,782,678	$ 4,048,544	$ 5,831,222
2021	1,548,850	4,188,956	5,737,806
2022	1,557,269	4,334,240	5,891,509
2023	1,546,111	4,484,566	6,030,677
2024	1,560,512	4,640,109	6,200,621
Thereafter	12,271,948	58,194,015	70,465,963
Total minimum lease payments	$ 20,267,368	$ 79,890,430	$ 100,157,798
Less discount to net present value			(68,608,651)
			$ 31,549,147

During the year ended December 31, 2019, the Company entered into sale and leaseback transactions for Cultivation Facilities. As part of the transaction, the Company entered a lease agreement for the Cultivation Facilities as follows:

- The lease agreement for a processing and manufacturing facility in Ohio with a fair value of $1,018,123 is for 15 years with two consecutive options to extend for an additional 5 years each. The effective interest rate on the lease is 15% and requires regular monthly payments of $42,000, which increase by 3.5% each year. Principal repayments begin in 2028. The lease also provides for a Tenant Improvement ("**TI**") allowance up to $2,581,887.

During the year ended December 31, 2018, the Company entered into sale and leaseback transactions for Cultivation Facilities. As part of the transaction, the Company entered into three separate lease agreements for the Cultivation Facilities as follows:

- The lease agreement (as amended in December 2018) for a cultivation and manufacturing facility in Pennsylvania with a fair value of $5,763,330 is for 15 years with two consecutive options to extend for an additional 5 years each. The effective interest rate of the lease is 15% and requires regular monthly payments of $120,000 which increase by 3.5% each year. Principal repayments begin in 2025. Principal repayments begin in 2025. The lease also provides for a Tenant Improvement ("**TI**") allowance up to $3,500,000.

On December 7, 2018, the Company signed a first amendment to the existing lease agreements for the cultivation and manufacturing facilities in Minnesota, New York and Pennsylvania. Under the terms of the amendments, the term of leases was extended to December 7, 2033, for tenant improvements per the terms through December 7, 2033 and provides for additional tenant improvements of up to $5,000,000.

On September 25, 2019, the Company signed a second amendment to the existing lease agreements for the cultivation and manufacturing facilities in Minnesota. Under the terms of the second amendment, the term of the lease was extended to December 7, 2038 and provides for additional tenant improvements of up to $5,588,000. The amended agreement for the cultivation and manufacturing facility in Minnesota requires regular monthly payments of $111,263.

- The amended agreement cultivation and manufacturing facility in New York requires regular monthly payments of $82,800 which increases by 3.5% each year beginning in December 2018 over the remaining term of the agreement. Principal repayments begin in 2023. The agreement has two optional consecutive options to extend for an additional 5 years. Also, the amendment requires an additional deposit of $150,000 and provides for additional tenant improvement (TI) allowance up to $2,000,000.

- The amended agreement for the cultivation and manufacturing facility in Minnesota requires regular monthly payments of $111,263 which increases by 3.5% each year beginning in October 2019 over the remaining term of the agreement. Principal repayments begin in 2024. The agreement has two optional consecutive options to extend for an additional 5 years. Also, the amendment provides for additional tenant improvement (TI) allowance up to $5,588,000.

Supplemental cash flow information related to leases

	December 31, 2019
Cash paid for amounts included in the measurement of lease liabilities:	
Financing cash flows from finance leases	$ 581,830
Non-cash additions to ROU assets	6,206,226
Amortization of operating leases	877,514

Other information about lease amounts recognized in the financial statements

	December 31, 2019
Weighted-average remaining lease term (years) – operating leases	6.63
Weighted-average remaining lease term (years) – finance leases	13.05
Weighted-average discount rate – operating leases	15.00%
Weighted-average discount rate – finance leases	20.49%

11. Goodwill

The following table shows the change in carrying amount of goodwill:

Goodwill - January 1, 2019	$	-
Acquisition of Elephant Head Farm		7,792,605
Acquisition of Red Barn		3,878,300
Impairment		(8,538,414)
Goodwill - December 31, 2019	$	3,132,491

Goodwill is tested for impairment annually or more frequently if indicators of impairment exist or if a decision is made to dispose of business. The valuation date for the Company annual impairment testing is December 31. On this date, the Company performed a Step 1 goodwill impairment analysis.

The Company compared the current fair value of each reporting unit to the net book value, including goodwill. The Company utilized a discounted cash flow model ("**DCF model**") to estimate the current fair value of reporting units, as management believes forecasted operating cash flows are the best indicator of current fair value. A number of significant assumptions and estimates were involved in the preparation of DCF models including future revenues and operating margin growth, the weighted-average cost of capital of approximately 20% ("WACC"), tax rates, capital spending, impact of business initiatives and working capital projections. DCF models are based on approved long-range plans for the early years and historical relationships and projections for later years. WACC rates are derived from internal and external factors including, but not limited to, the average market price of the Company's stock, book value of the Company's debt, the long-term risk-free interest rate, and both market and size-specific risk premiums.

The net book value of the Red Barn and Elephant Head Farms reporting units exceeded their current fair values. Accordingly, the second step of the goodwill impairment test ("**Step 2**") was performed to determine if an impairment existed and the amount of goodwill impairment to record, if any.

Step 2 compared the net book value of the reporting unit's goodwill with the implied fair value of that goodwill. The implied fair value of goodwill represents the excess of fair value of the reporting units over the fair value amounts assigned to all of the assets and liabilities of the reporting unit if it were to be acquired in a hypothetical business combination and the current fair value of the reporting unit represented the purchase price. The result was that the net book value of two reporting units' goodwill exceeded the implied fair values. Accordingly, an impairment charge of $8,538,414 was recorded (Elephant Head Farm: $4,844,270), (Red Barn: $3,694,144).

As a result of the impairment, the difference between the carrying value of the reporting unit and its fair value (typically referred to as "headroom") is smaller at the time of acquisition for Elephant Head Farm. Accordingly, a relatively small decrease in reporting unit fair value can trigger impairment test which could potentially result in an additional impairment charge.

12. Intangibles

During the years ended December 31, 2019 and 2018, the Company acquired cannabis licenses in Arizona, Maryland, Massachusetts, New Mexico, Puerto Rico, and Rhode Island. The fair value allocated to a license is depreciated over its expected useful life, which is estimated between 4-20 years.

Intangible assets are comprised of the following items:

	December 31,						
	2019				2018		
Definite-Lived Intangible Assets	Cost	Accumulated Amortization	Impairment	Net	Cost	Accumulated Amortization	Net
Licenses	29,612,319	(884,646)	(19,726,436)	9,001,237	2,204,982	(20,417)	2,184,565
Total	29,612,319	(884,646)	(19,726,436)	9,001,237	2,204,982	(20,417)	2,184,565

Amortization expense for intangibles was $864,230 and $20,417 during the years ending December 31, 2019 and 2018, respectively and is recorded in selling, general, and administrative expenses on the Consolidated Statements of Net Loss and Comprehensive Loss. During 2019, the Company decided not to pursue cannabis productions in Puerto Rico, Massachusetts, and Rhode Island. As a result, the licenses acquired from XAAS, Mayflower, and High Gardens were impaired by their entire values, totaling $19,726,436.

The Company estimates that amortization expense will be $617,940 per year, for the next five fiscal years.

13. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following items:

	December 31,	
	2019	**2018**
Accounts payable – trade	$ 1,364,899	$ 1,971,151
Accrued payroll	681,281	320,004
Taxes payable	328,566	25,644
Insurance payable	241,006	-
Contract liability	210,263	-
Accrued taxes	115,745	66,418
Other	195,326	129,172
Total accounts payable and accrued liabilities	$ 3,137,086	$ 2,512,389

14. Long-Term Debt

During the year ended December 31, 2018, the Company issued a promissory note payable in the amount of $1,000,000. The note bears interest at a rate of 15% per annum with interest payments required on a monthly basis and matured on January 31, 2020. The loan was paid in full during the year ended December 31, 2018.

During the year ended December 31, 2017, the Company signed a promissory note payable in the amount of $1,010,000. The note bears interest at a rate of 15% per annum with interest payments required on a monthly basis. Effective November 13, 2019, the Company's promissory note payable in the amount of $1,010,000 was modified to increase the amount payable to $1,110,000 and extend the maturity date to December 31, 2021.

The following table shows a summary of the Company's long-term debt:

	December 31,	
	2019	2018
Beginning of year	$ 1,010,000	$ 1,010,000
Proceeds	100,000	1,000,000
Payments	-	(1,000,000)
End of year	1,110,000	1,010,000
Less: Current portion	-	(1,010,000)
Total long-term debt	$ 1,110,000	$ -

15. Convertible notes

3% Convertible Note

On January 3, 2019, the Company issued a convertible note with a face value of $700,000 in connection with the High Gardens acquisition (refer to Note 3).

The convertible note bears interest at a rate of 3.0% per annum, payable monthly commencing January 3, 2019 and continuing on the first of each month, beginning on February 1, 2019. Additional interest may accrue on the convertible note in specified circumstances. The convertible note will mature on January 2, 2024, unless earlier repurchased, redeemed or converted. There are no principal payments required over the five-year term of the convertible note, except in the case of redemption or events of defaults.

The convertible note is the Company's general unsecured obligation and ranks senior in right of payment to all of the Company's indebtedness that is expressly subordinated in right of payment to the note; equal in right of payment with any of the Company's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables but excluding intercompany obligations) of the Company's current or future subsidiaries.

The note includes customary covenants and sets forth certain events of default after which the convertible note may be declared immediately due and payable, including certain types of bankruptcy or insolvency involving the Company.

To the extent the Company or the holder so elects, the convertible note will be convertible only in the event of a reverse merger. The conversion rate for the convertible note shall be equal to the price per share of the Company's capital stock as valued in the RTO. On March 28, 2019, the RTO Conversion price was established at $425.00 per Multiple Voting Share (refer to Note 3).

On June 4, 2019, the Company converted the outstanding principle and accrued interest into 1,665 Multiple Voting Shares pursuant to the original contractual terms.

2.76% Convertible Note

On January 1, 2019, the Company issued a convertible note with a face value of $50,000 in connection with the Midwest Hep Research, LLC acquisition (refer to Note 3).

The convertible note bears interest at a rate of 2.76% per annum, payable monthly commencing January 1, 2019 and continuing on the first of each month, beginning on July 1, 2019. Additional interest may accrue on the convertible note in specified circumstances. The convertible note will mature on December 10, 2021, unless earlier repurchased, redeemed or converted. There are no principal payments required over the two-year term of the convertible note, except in the case of redemption or events of defaults.

The convertible note is the Company's general unsecured obligation and ranks senior in right of payment to all of the Company's indebtedness that is expressly subordinated in right of payment to the note; equal in right of payment with any of the Company's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables but excluding intercompany obligations) of the Company's current or future subsidiaries.

The note includes customary covenants and sets forth certain events of default after which the convertible note may be declared immediately due and payable, including certain types of bankruptcy or insolvency involving the Company.

To the extent the Company or the Holder so elects, the convertible note will be convertible at the conversion rate equal to the price per share of the Company's capital stock as valued at in the RTO at $4.25 per share. The initial conversion rate for the convertible note is 211.7547 per one-thousand-dollar principle amount of the note which represents 10,578 shares of common stock, based on the $50,000 aggregate principle amount of convertible notes outstanding as of December 31, 2019. As of December 31, 2019, the shares to be issued to settle the convertible note have an aggregate fair value of $44,996.

5% Convertible Note

On June 17, 2019, the Company issued a convertible note with a face value of $900,000 in connection with the XAAS Argo, Inc. acquisition (refer to Note 3).

The convertible note bears interest at a rate of 5.0% per annum, payable monthly commencing June 17, 2019 and continuing on the first of each month, beginning on July 1, 2019. Additional interest may accrue on the convertible note in specified circumstances. The convertible note will mature on June 17, 2021, unless earlier repurchased, redeemed or converted. There are no principal payments required over the two year term of the convertible note, except in the case of redemption or events of defaults.

The convertible note is the Company's general unsecured obligation and ranks senior in right of payment to all of the Company's indebtedness that is expressly subordinated in right of payment to the note; equal in right of payment with any of the Company's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables but excluding intercompany obligations) of the Company's current or future subsidiaries.

The note includes customary covenants and sets forth certain events of default after which the convertible note may be declared immediately due and payable, including certain types of bankruptcy or insolvency involving the Company.

To the extent the Company or the Holder so elects, the convertible note will be convertible at the conversion rate equal to the price per share of the Company's capital stock as valued at in the RTO at $4.25 per share. The initial conversion rate for the convertible note is 211.7547 per one-thousand-dollar principle amount of the note which represents 190,588 shares of common stock, based on the $900,000 aggregate principle amount of convertible notes outstanding as of December 31, 2019. As of December 31, 2019, the shares to be issued to settle the convertible note have an aggregate fair value of $809,961.

The following table sets forth the net carrying amount of the convertible notes:

	December 31, 2019	December 31, 2018
5.00% convertible notes	$ 900,001	$ -
2.76% convertible notes	50,000	-
3.00% convertible notes costs	-	-
Net carrying amount	$ 950,001	$ -

The following table sets forth total interest expenses recognized related to the convertible notes:

16. Stockholders' Equity

Shares

The Company's certificate of incorporation authorized the Company to issue the following classes of shares with the following par value and voting rights as of December 31, 2019. The liquidation and dividend rights are identical among Shares equally in our earnings and losses on an as converted basis.

	Par Value	Authorized	Voting Rights
Subordinate Voting Share "SVS"	$ -	Unlimited	1 vote for each share
Multiple Voting Share "MVS"	$ -	Unlimited	100 votes for each share
Super Voting Share	$ -	Unlimited	10 votes for each share

Subordinate Voting Shares

Holders of Subordinate Voting Shares are entitled to one vote in respect of each Subordinate Voting Share held.

Multiple Voting Shares

Holders of Multiple Voting Shares will be entitled to one hundred votes for each Multiple Voting Share held.

Multiple Voting Shares each have the restricted right to convert to one hundred Subordinate Voting Shares subject to adjustments for certain customary corporate changes.

Super Voting Shares

Holders of Super Voting Shares will be entitled to ten votes in respect of each Subordinate Voting Share into which such Super Voting Share could ultimately then be converted, which for greater certainty, shall initially equal one thousand votes per Super Voting Share. Each Super Voting share shall be convertible into one Multiple Voting Share

On March 18, 2019, the Company issued 12,090,937 SVS of the Company at $4.25 per share for gross proceeds of $51,386,482. In connection with the financing, the Company paid a cash fee to the agents equal to $2,826,739 and the agents were granted a combined 763,111 in compensation warrants with a value of $1,723,741. The agent's compensation warrants will be exercisable at a price of $4.25 per share for a period of two years. In addition, the Company paid a financial advisory fee of $415,000 and had costs in the amount of $379,785. Of total costs, $448,840 was incurred during the year ended December 31, 2018.

On March 18, 2019, the Company issued 705,879 SVSs as part of the RTO Transaction (refer to Note 3) in exchange for all outstanding shares of Vireo US at a price of $4.25. In addition, the Company incurred $2,994,606 of transaction related fees, representing the excess fair value of shares issued by Vireo US over the value of the net monetary assets of Vireo Health International. This was recognized as a recapitalization cost within Stockholders' equity.

On March 22, 2019, the Company issued 16,806 MVS shares at a value of $451.89 per share in connection with the closing of the Arizona Natural Remedies acquisition (refer to Note 3).

On March 26, 2019, the Company issued 6,721 MVS shares at a deemed issuance price of $465.75 per share in connection with the closing of the Silver Fox Management Services, LLC acquisition (refer to Note 3).

On March 29, 2019, the Company issued 30,325 MVS shares at a deemed issuance price of $431.79 per share in connection with the closing of the Mayflowers Botanicals acquisition (refer to Note 3). In addition, the Company issued 6,722 MVS shares at a deemed issuance price of $431.79 per share as a finders fee for the acquisition.

On June 4, 2019, the Company issued 1,665 MVS in connection with the conversion of the 3.0% convertible note.

Throughout the year, the Company converted 26,299 MVS Shares into SVS shares at the conversion ratio of 100 to 1.

Preferred Shares

On January 1, 2018, the Vireo U.S. converted from an LLC to a C Corporation and, as a result, became subject to corporate federal and state income taxes. On conversion to a C corporation, Vireo was authorized to issue 300,048,397 shares, including 225,036,298 common shares, and 75,012,099 preferred stock both of which have a par value of $0.0001 per share.

From Vireo U.S.'s inception to December 31, 2017, the Company was not subject to corporate federal and state income taxes since it was operating as a Limited Liability Company (LLC). On January 1, 2018, the Company converted from an LLC to a C Corporation and, as a result, became subject to corporate federal and state income taxes. Vireo U.S.'s accumulated retained earnings of $4,225,000 was adjusted.

	Par Value	Authorized	Voting Rights
Series A Preferred Stock	$ 0.001	Unlimited	
Series B Preferred Stock	$ 0.001	Unlimited	
Series C Preferred Stock	$ 0.001	Unlimited	
Series D Preferred Stock	$ 0.001	Unlimited	

Prior to the RTO, all the Series A, B,C,D Preferred Stock were converted into common shares. Concurrently, the shareholders of Vireo exchanged their common shares of Vireo, will receive, Super Voting Shares, Subordinate Voting Shares or Multiple Voting Shares of the Corporation, as applicable and received, based on a ratio of 0.300048 Multiple Voting Shares or Super Voting Shares or 30.0048 Subordinate Voting Shares for every common share of Vireo.

The Company issued 11,500,855 Class D Preferred shares for gross proceeds of $17,248,500. In connection with the issuance, the Company incurred share issuance costs of $1,458,108 and issued 867,198 warrants, which are exercisable into Series D-1 preferred shares of the Company at a price of $45 for a period of 24 months.

Vireo U.S. acquired all the issued and outstanding membership units of a Maryland company related to Vireo, which has applied for a cannabis cultivation, manufacturing and dispensary license in Maryland. As consideration for the membership units, Vireo U.S. issued 2,422,531 Series C preferred shares with fair value of $3,600,000

17. Stock-Based Compensation

Stock Options

In January 2019, the Company adopted the 2019 Equity Incentive Plan under which the Company may grant incentive stock option, restricted shares, restricted share units, or other awards. Under the terms of the plan, a total of ten percent of the number of shares outstanding assuming conversion of all super voting and multiple voting shares to subordinate voting shares are permitted to be issued. The exercise price for incentive stock options issued under the plan will be set by the committee but will not be less 100% of the fair market value of the Company's shares on the date of grant. Incentive stock options have a maximum term of 10 years from the date of grant. The incentive stock options vest at the discretion of the Board.

Options granted under the equity incentive plan were valued using the Black-Scholes option pricing model with the following assumptions:

	For the Years Ended December 31,	
	2019	**2018**
Risk-Free Interest Rate	1.48%	2.56%
Expected Life of Options (years)	8.01	8.74
Expected Annualized Volatility	100%	100%
Expected Forfeiture Rate	-	-
Expected Dividend Yield	-	-

Stock option activity for the Company for the years ended December 31, 2019 and 2018 is presented below:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Life
Options outstanding at January 1, 2018	-	$ -	-
Granted	22,215,547	0.29	-
Options outstanding at December 31, 2018	22,215,547	0.29	8.25
Forfeitures	(225,040)	0.33	-
Granted	1,672,093	1.13	-
Options outstanding at December 31, 2019	23,662,600	$ 0.35	7.54
Options exercisable at December 31, 2019	14,146,823	$ 0.27	6.58

During the years ended December 31, 2019 and 2018, the Company recognized $789,537 and $2,072,706 in share-based compensation relating to stock options, respectively. As of December 31, 2019, the total unrecognized compensation costs related to unvested stock options awards granted was $2,095,129. In addition, the weighted average period over which the unrecognized compensation expense is expected to be recognized is 9.6 years. The total intrinsic value of stock options exercisable and outstanding as of December 31, 2019 was $17,205,946 and $11,282,703, respectively.

The Company does not estimate forfeiture rates when calculating compensation expense. The Company records forfeitures as they occur.

Warrants

Subordinate Voting Share (SVS) warrants entitle the holder to purchase one subordinate voting share of the Company. Multiple Voting Share (MVS) warrants entitle the holder to purchase one multiple voting share of the Company.

During the year ended December 31, 2019, the Company issued 763,111 SVS finders' warrants with a value of $1,723,741. The Company also issued 15,000,000 SVS compensation warrants. During the year ended December 31, 2019, the Company issued 13,583 MVS warrants and recorded $1,121,132 in share-based compensation in connection with the MVS warrants.

During the year ended December 31, 2018, the Company issued 867,198 warrants valued at $693,344, in connection with a share issuance.

Warrants issued were valued using the Black-Scholes option pricing model with the following assumptions:

	December 31,	
SVS Warrants	**2019**	**2018**
Risk-Free Interest Rate	1.74% – 2.31 %	2.86%
Expected Life of Options (years)	2.00 – 5.00	2.00
Expected Annualized Volatility	100%	100%
Expected Forfeiture Rate	-	-
Expected Dividend Yield	-	-

	December 31,	
MVS Warrants	**2019**	**2018**
Risk-Free Interest Rate	1.67% – 2.31 %	-
Expected Life of Options (years)	2.00 – 5.00	-
Expected Annualized Volatility	60% - 100%	-
Expected Forfeiture Rate	-	-
Expected Dividend Yield	-	-

A summary of the warrants outstanding is as follows:

SVS Warrants	**Number of Warrants**	**Weighted Average Exercise Price**	**Weighted Average Remaining Life**
Warrants outstanding at January 1, 2018	-	$ -	-
Issued	867,198	1.50	-
Warrants outstanding at December 31, 2018	867,198	1.50	2.09
Issued	15,763,111	2.39	-
Warrants outstanding at December 31, 2019	16,630,309	$ 2.34	4.49
	-	-	-
Warrants exercisable at December 31, 2019	1,642,762	$ 2.79	1.15

MVS Warrants	**Number of Warrants**	**Weighted Average Exercise Price**	**Weighted Average Remaining Life**
Warrants outstanding at January 1, 2018	-	$ -	-
Issued	-	-	-
Warrants outstanding at December 31, 2018	-	-	-
Issued	13,583	194.66	-
Warrants outstanding at December 31, 2019	13,583	$ 194.66	2.73
	-	-	-
Warrants exercisable at December 31, 2019	12,453	$ 185.33	2.63

During the year ended December 31, 2019, $1,392,628 in share-based compensation expense was recorded in connection with the SVS compensation warrants and $1,121,132 in share-based compensation was recorded in connection with the MVS warrants. As of December 31, 2019, the total unrecognized compensation costs related to unvested awards granted was $11,102,668. In addition, the weighted average period over which the unrecognized compensation expense is expected to be recognized is 4.8 years.

18. Commitments and Contingencies

Legal proceedings

In the normal course of business, the Company may become involved in legal disputes regarding various litigation matters. In the opinion of management, any potential liabilities resulting from such claims would not have a material effect on the financial statements.

Lease commitments

The Company leases various facilities, under non-cancelable finance and operating leases, which expire at various dates through September 2027.

19. General and Administrative Expenses

General and administrative expenses are comprised of the following items:

	Years Ended December 31,	
	2019	**2018**
Salaries and benefits	$ 10,339,741	$ 4,144,540
Professional fees	4,036,348	1,862,317
Insurance expenses	3,036,962	542,548
Other expenses	8,496.408	3,289,086
Total	$ 25,909,459	$ 9,838,491

20. Income Taxes

For financial reporting purposes, loss before income taxes includes the following components

	Years Ended December 31,	
	2019	**2018**
United States	$ (56,893,312)	$ (5,720,965)
Total	$ (56,893,312)	$ (5,720,965)

The (recoveries) expenses for income taxes consists of:

	Year ended December 31,	
	2019	2018
Current:		
United States	$ 2,231,000	$ 2,365,000
Total	2,231,000	2,365,000
Deferred:		
United States	$ (1,645,000)	$ 125,000
Total	(1,645,000)	125,000
Total	$ 586,000	$ 2,490,000

	Year ended December 31,	
	2019	2018
Loss before income taxes:	$ (56,893,312)	$ (5,720,965)
Income tax benefits at statutory rate	(11,947,596)	(1,201,403)
State Taxes	(5,689,331)	(503,782)
Non-deductible expenses	17,198,905	3,577,397
Stock based and other compensation	1,024,022	617,788
Income tax expense, net	$ 586,000	$ 2,490,000

The following table summarizes the components of deferred tax:

	2019	2018
Deferred assets		
Operating loss carryforwards - United States	$ 590,000	$ -
Allowance for doubtful accounts	75,000	-
Accrued loyalty expense	65,000	-
Inventory reserve	240,000	90,000
Financing leases	220,000	260,000
Intangible assets	950,000	5,000
Share based compensation	150,000	60,000
Total Deferred tax assets	2,290,000	415,000
Less valuation allowance	-	-
Net deferred tax assets	2,290.000	415,000
Deferred tax liabilities		
Property and equipment	670,000	530,000
Related party management fee receivables	90,000	-
Deferred loss sale leaseback	10,000	10,000
Total deferred tax liabilities	770,000	-
Net deferred asset/(tax liabilities)	$ 1,520,000	$ (125,000)

Effective January 1, 2018, the United States tax law provides a deduction for the foreign-source portion of dividends received from specified foreign corporations. As such, the Company does not maintain an indefinite reinvestment assertion on unremitted foreign earnings and has recorded a deferred tax liability, as necessary, for any estimated foreign, federal, or state tax liabilities associated with a future repatriation of foreign earnings.

At December 31, 2019, the Company had United States federal net operating loss carryforwards of approximately $280,000 and state net operating loss carryforwards of approximately $6,670,000 that can be carried forward indefinitely and limited in annual use to 80% of the current year taxable income.

The Company recognizes the financial statement impact of a tax position only after determining that the relevant tax authority would more-likely-than-not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest impact that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

The Company recognizes the financial statement impact of a tax position only after determining that the relevant tax authority would more-likely-than-not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest impact that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

The total amount of gross unrecognized tax benefits (liabilities) was $1,520,000, ($125,000), as of December 31, 2019, 2018 , respectively. There is a reasonable possibility that the Company’s unrecognized tax benefits will change within twelve months due to audit settlements or the expiration of statute of limitations, but the Company does not expect the change to be material to the financial statements.

The Company recognizes interest and, if applicable, penalties (not included in the “unrecognized tax benefits” table above) for any uncertain tax positions. Interest and penalties are recorded as a component of income tax expenses. In the years ended December 31, 2019 and 2018, the Company recorded approximately $9,919 and $12,731 and, respectively, of interest and penalty expenses related to uncertain tax positions. As of December 31, 2019 and 2018, the Company had a cumulative balance of accrued interest and penalties on unrecognized tax positions of $0 and $0, respectively.

The Company and its subsidiaries are subject to United States federal income tax as well as the income tax of multiple state and foreign jurisdictions. The Company is not currently under audit in any jurisdiction for any period. Major jurisdictions where there are wholly owned subsidiaries of Vireo, Inc. Within the next four fiscal quarters, the statute of limitations will begin to close on fiscal year 2016 Canadian income tax returns.

21. Supplemental Cash Flow Information[(1)]

	2019	2018
Cash paid for interest	$ 3,934,362	$ 2,314,467
Cash paid for income taxes	1,404,845	2,993,000
Non-cash financing activities		
Conversion of 3% Convertible Note to MVS	$ 725,090	-
Non-cash investing		
Acquisition of AZ Entities through issuance of MVS	$ 7,594,463	-
Acquisition of Mayflower through issuance of MVS	15,996,524	-
Acquisition of Silverfox through issuance of MVS	3,303,297	-
Acquisition of Midwest Hemp through issuance of 2.76% Convertible Note	50,000	-
Acquisition of Midwest Hemp through issuance of 5.0% Convertible Note	900,000	-
Acquisition of Marymed through issuance of Series C	-	3,600,000

(1) For supplemental cash flow information related to leases, refer to Note 10.

22. Financial Instruments

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. A small portion of cash is held on hand, from which management believes the risk of loss is remote. Receivables relate primarily to wholesale sales. The Company does not have significant credit risk with respect to customers. The Company's maximum credit risk exposure is equivalent to the carrying value of these instruments. The Company has been granted licenses pursuant to the laws of the states of Arizona, Massachusetts, Maryland, Minnesota, New Mexico, New York, Ohio, Pennsylvania, Puerto Rico and Rhode Island with respect to cultivating, processing, and/or distributing marijuana. Presently, this industry is illegal under United States federal law. The Company has, and intends, to adhere strictly to the state statutes in its operations.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of December 31, 2019, the Company's financial liabilities consist of accounts payable and accrued liabilities, debt, and lease liabilities. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. Historically, the Company's main source of funding has been additional funding from shareholders. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity financing.

Legal Risk

Vireo U.S. operates in the United States. The United States federal government regulates drugs through the Controlled Substances Act (21 U.S.C. § 811), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. The United States Food and Drug Administration has not approved marijuana as a safe and effective drug for any indication. In the United States marijuana is largely regulated at the state level. State laws regulating cannabis are in direct conflict with the federal Controlled Substances Act, which makes cannabis use and possession federally illegal.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Company is not exposed to currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently does not carry variable interest-bearing debt. It is management's opinion that the Company is not exposed to significant interest rate risk

23. Related Parties Transactions

As of December 31, 2019, $106,113 owing to related parties (members of the Board of Directors) was included in accounts payable and accrued liabilities. There were no such amounts in 2018.

As of December 31, 2019, and 2018, there were no amounts due from related parties.

During the year ended December 31, 2019 the Company acquired Midwest Hemp Research, LLC which was 50% owned by the Kyle Kingsley Chief Executive Officer of the Company. As consideration for the acquisition, the Company issued a $25,000 convertible note to the CEO.

For the year ending December 31, 2019, the Company paid a related party (Salo LLC owned by Amy Langer member of the Board of Directors) for contract staffing expenses in the amount of $295,463.

As of December 31, 2019, certain directors and officers of the Company (Kyle Kingsley, Amber Shimpa, Ari Hoffnung, and Stephen Dahmer) own Ohio Medical Solutions, Inc. The Company has executed a management agreement and option to purchase Ohio Medical Solutions, Inc.

24. Subsequent Events

Subsequent to December 31, 2019, there was a global outbreak of a new strain of coronavirus, COVID-19. The global and domestic response to the COVID-19 pandemic continues to rapidly evolve. Thus far, certain responses to the COVID-19 outbreak have included mandates from federal, state and/or local authorities that required temporary closure of many businesses and cessation of public events. While the Company's medical cannabis business has been deemed "essential" in each of the states in which we currently operate, substantial job losses resulting in millions of people filing new applications for unemployment benefits as of the date of these financial statements, many of whom are likely our customers. A reduction in the income or financial security of our customers could result in a material impact to the Company's future results of operations, cash flows and financial condition.

During the six months ended June 30, 2020, vesting of SVS compensation warrants held by the former executive chairman was accelerated in connection with his termination. $10,981,157 in share-based compensation expense affiliated with the vesting of these SVS compensation warrants was recognized in the statement of loss and comprehensive loss for the six-month period ended June 30, 2020.

On March 9, 2020, the Company closed the first tranche of a non-brokered private placement and issued 13,651,574 Units at a price of CAD $0.77 per Unit. Each Unit is comprised of one subordinate voting share of the Company and one subordinate voting share purchase warrant. Each warrant entitles the holder to purchase one subordinate voting share for a period of three years from the date of issuance at an exercise price of CAD $0.96 per subordinate voting share. The company has the right to force the holders of the Warrants to exercise the Warrants into Shares if, prior to the maturity date, the five-trading-day volume weighted-average price of the Shares equals or exceeds CAD $1.44. Total proceeds from this transaction were $7,613,480 net of share issuance costs of $104,173.

On August 11, 2020, the Company completed the sale of its equity in Pennsylvania Medical Solutions, LLC ("**PAMS**") to Jushi Inc, a subsidiary of Jushi Holdings, Inc. ("**Jushi**"), for consideration of $16.8 million in cash, and $3.8 million in the form of a four-year note with an 8 percent coupon rate payable quarterly. The transaction also includes an 18-month option for Jushi to purchase all the equity in another Vireo Health subsidiary, Pennsylvania Dispensary Solutions, LLC, for an additional $5 million in cash.

On October 1, 2020, the Company reached a definitive agreement, to sell all of the assets and liabilities of the affiliated company, Ohio Medical Solutions, LLC ("**OMS**") to Ayr Strategies Inc. ("**Ayr**") for $1.15 million in cash.

VIREO HEALTH INTERNATIONAL, INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Three and Nine Months Ended September 30, 2020 and 2019

(unaudited)

(Expressed in United States dollars)

INDEX TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

VIREO HEALTH INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS (In U.S Dollars)

	September 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash	$ 16,281,768	$ 7,641,673
Restricted cash	1,592,500	1,592,500
Note Receivable	3,750,000	—
Accounts receivable, net of allowance for doubtful accounts of $437,698 and $278,309, respectively	619,491	1,025,963
Inventory	11,964,010	14,671,576
Prepayments and other current assets	2,365,580	2,285,548
Deferred acquisition costs	28,136	28,136
Assets held for sale	4,787,026	—
Total current assets	41,388,511	27,245,396
Property and equipment, net	26,145,118	34,544,127
Operating lease, right-of-use assets	8,839,581	7,306,820
Intangible assets, net	8,562,776	9,001,237
Goodwill	3,132,491	3,132,491
Deposits	1,648,423	2,651,366
Deferred Loss on Sale Leaseback	—	30,481
Deferred tax assets	—	1,520,000
Total assets	$ 89,716,900	$ 85,431,918
Liabilities		
Current liabilities		
Accounts payable	7,722,246	3,137,086
Right of use liability	776,541	619,827
Derivative liability	8,587,565	—
Liabilities held for sale	3,637,026	—
Total current liabilities	20,723,378	3,756,913
Right of use liability	21,730,226	30,929,230
Deferred tax liability	940,000	—
Convertible notes, net of issuance costs	900,001	950,001
Long-Term debt	1,110,000	1,110,000
Total liabilities	$ 45,403,605	$ 36,746,144
Commitments and contingencies (refer to Note 19)		
Stockholders' equity		
Subordinate Voting Shares ($- par value, unlimited shares authorized; 37,335,985 shares issued and outstanding)	—	—
Multiple Voting Shares ($- par value, unlimited shares authorized; 549,928 shares issued and outstanding)	—	—
Super Voting Shares ($- par value; unlimited shares authorized; 65,411 shares issued and outstanding, respectively)	—	—
Additional Paid in Capital	143,780,496	127,476,624
Accumulated deficit	(99,467,201)	(78,790,850)
Total stockholders' equity	$ 44,313,295	$ 48,685,774
Total liabilities and stockholders' equity	$ 89,716,900	$ 85,431,918

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

VIREO HEALTH INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS (In U.S. Dollars)

	For the Three Months ended September 30,		For the Nine Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
Revenue	$ 12,475,782	$ 7,992,159	$ 36,809,714	$ 20,964,263
Cost of sales				
Product costs	7,360,671	6,692,030	24,492,831	14,418,530
Inventory valuation adjustments	151,328	(230,470)	484,570	522,226
Gross profit	4,963,783	1,530,599	11,832,313	6,023,507
Operating expenses:				
Selling, general and administrative	6,517,464	7,105,230	19,677,932	15,852,253
Stock-based compensation expenses	524,052	229,916	12,245,412	686,868
Depreciation	38,097	252,968	260,725	410,177
Amortization	153,356	1,209,909	461,737	1,512,775
Total operating expenses	7,232,969	8,798,023	32,645,806	18,462,073
Loss from operations	(2,269,186)	(7,267,424)	(20,813,493)	(12,438,566)
Other expenses:				
Loss on sale of PP&E	—	—	13,800	—
Gain on disposal of assets	(16,884,173)	—	(16,884,173)	—
Loss on assets held for sale	446,544	—	446,544	—
Loss on derivative	4,066,335	—	5,032,537	—
Interest expenses, net	1,255,656	1,045,638	4,249,090	2,831,464
Other (income) expenses	(108,552)	102,052	205,061	1,536,968
Other (income) expenses, net	(11,224,190)	1,147,690	(6,937,141)	4,368,432
Income (loss) before income taxes	8,955,004	(8,415,114)	(13,876,352)	(16,806,998)
Current income tax (expense) benefit	(3,723,000)	593,000	(4,575,000)	(930,000)
Deferred income tax recoveries	(2,280,000)	(348,000)	(2,225,000)	(248,000)
Net (loss) income and comprehensive (loss) income	2,952,004	(8,170,114)	(20,676,352)	(17,984,998)
Net (loss) income per share - Basic	$ 0.03	$ (0.10)	$ (0.22)	$ (0.23)
Net (loss) income per share - Diluted	$ 0.03	$ (0.10)	$ (0.22)	$ (0.23)
Weighted average shares used in computation of net loss per share - basic	98,871,038	85,252,511	95,433,233	79,331,273
Weighted average shares used in computation of net loss per share - diluted	112,517,113	85,252,511	95,433,233	79,331,273

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

VIREO HEALTH INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(in U.S. Dollars)

	Preferred Stock								Common Stock							
	Series A		Series B		Series C		Series D		SVS		MVS		Super Voting Shares		Additional Paid-in Capital	Accumulated Deficit Stockholders'	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance,January 1, 2020	—	$ —	—	$ —	—	$ —	—	$ —	23,684,411	$ —	549,928	$ —	65,411	$ —	$127,476,624	$ (78,790,850)	$ 48,685,774
Shares issued in private placement	—	—	—	—	—	—	—	—	13,651,574	—	—	—	—	—	4,058,460	—	4,058,460
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,735,938	—	2,735,938
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(7,513,021)	(7,513,021)
Balance, March 31, 2020	—	$ —	—	$ —	—	$ —	—	$ —	37,335,985	$ —	549,928	$ —	65,411	$ —	$134,271,022	$ (86,303,871)	$ 47,967,151
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	8,985,422	—	8,985,422
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(16,115,334)	(16,115,334)
Balance, June 30, 2020	—	$ —	—	$ —	—	$ —	—	$ —	37,335,985	$ —	549,928	$ —	65,411	$ —	$143,256,444	$(102,419,205)	$ 40,837,239
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	524,052	—	524,052
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,952,004	2,952,004
Balance at September 30, 2020	—	$ —	—	$ —	—	—	—	$ —	37,335,985	$ —	549,928	$ —	65,411	$ —	$143,780,496	$ (99,467,201)	$ 44,313,295

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

VIREO HEALTH INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(in U.S. Dollars)

	Preferred Stock								Common Stock							
	Series A		Series B		Series C		Series D		SVS		MVS		Super Voting Shares		Additional Paid-in Capital	Accumulated Deficit Stockholders'	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, January 1, 2019	21,663,494	—	10,261,655	—	22,772,744	—	11,500,855	—	—	—	—	—	—	—	48,956,606	(21,626,632)	27,329,974
Exchange of shares on RTO transaction	(21,663,494)	—	(10,261,655)	—	(22,772,744)	—	(11,500,855)	—	8,217,695	—	514,388	—	65,411	—	—	—	—
Shares issued on RTO transaction	—	—	—	—	—	—	—	—	705,879	—	—	—	—	—	2,999,986	—	2,999,986
Equity transaction costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,994,606)	—	(2,994,606)
Shares issued in private placement	—	—	—	—	—	—	—	—	12,090,937	—	—	—	—	—	47,764,958	—	47,764,958
Conversion of MVS shares to SVS shares	—	—	—	—	—	—	—	—	2,669,900	—	(26,699)	—	—	—	—	—	—
Acquisition of Mayflower Botanicals	—	—	—	—	—	—	—	—	—	—	37,047	—	—	—	15,996,524	—	15,996,524
Acquisition of AZ entities	—	—	—	—	—	—	—	—	—	—	16,806	—	—	—	7,594,463	—	7,594,463
Acquisition of Silver Fox assets	—	—	—	—	—	—	—	—	—	—	7,063	—	—	—	3,130,306	—	3,130,306
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	255,765	—	255,765
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(3,416,144)	(3,416,144)
Balance March 31, 2019	—	$ —	—	$ —	—	$ —	—	$ —	23,684,411	$ —	548,605	$ —	65,411	$ —	$123,704,002	$ (25,042,776)	$98,661,226
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	201,187	—	201,187
Shares issued on conversion of debt	—	—	—	—	—	—	—	—	—	—	1,665	—	—	—	469,325	—	469,325
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(6,398,741)	(6,398,741)
Balance, June 30, 2019	—	$ —	—	$ —	—	$ —	—	$ —	23,684,411	$ —	550,270	$ —	65,411	$ —	$124,374,514	$ (31,441,517)	$92,932,997
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	229,916	—	229,916
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(8,170,114)	(8,170,114)
Balance, September 30, 2019	—	$ —	—	$ —	—	—	—	$ —	23,684,411	$ —	550,270	$ —	$65,411	$ —	$124,604,430	$ (39,611,631)	$84,992,799

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

VIREO HEALTH INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in U.S. dollars, except for per share data)

	For the Nine Months Ended September 30,	
	2020	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (20,676,352)	$ (17,984,998)
Adjustments to reconcile net loss to net cash used in operating activities:		
Inventory valuation adjustments	484,570	522,226
Depreciation	195,418	410,177
Depreciation capitalized to inventory	1,757,281	1,258,304
Amortization of operating leases	943,905	639,431
Amortization of intangible assets	461,737	1,512,775
Share-based payments	12,245,412	686,868
Loss on assets held for sale	446,554	—
Gain/loss	65,930	19,835
Deferred income tax	710,301	(1,319,934)
Deferred financing cost	—	448,480
Deferred acquisition cost	—	1,659,361
Loss from fair value of warrants	5,032,537	—
Gain on disposal of business	(16,884,173)	—
Accretion	573,573	—
Change in operating assets and liabilities:		
Accounts Receivable	(302)	638,356
Prepaid expenses	(239,174)	(2,291,137)
Inventory	(1,025,982)	(7,873,741)
Accounts payable and accrued liabilities	4,759,842	1,329,940
Held for sale assets and liabilities	153,146	—
Net cash used in operating activities	(10,995,777)	(20,344,057)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sale of PPE	—	974,162
PP&E Additions	(3,581,289)	(6,444,813)
Proceeds from sale of PAMS	16,637,489	—
Acquisition of High Gardens	—	(326,256)
Acquisition of Silver Fox	—	(1,924,305)
Acquisition of Mayflower	—	(1,061,065)
Acquisition of XAAS Agro	—	(991,863)
Acquisition of Midwest Hemp	—	(12,229)
Acquisition of Elephant Head	—	(10,159,493)
Deposits	282,943	(514,361)
Net cash used in investing activities	13,339,143	(20,460,223)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	7,613,490	47,542,878
Share issue costs	—	—
Proceeds from long-term debt	—	—
Debt interest payments	(65,962)	—
Lease payments	(1,250,799)	—
Net cash provided by financing activities	6,296,729	47,542,878
Net change in cash and restricted cash	8,640,095	6,738,598
Cash and restricted cash, beginning of year	9,234,173	9,624,110
Cash and restricted cash, end of year	$ 17,874,268	$ 16,362,708

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

VIREO HEALTH INTERNATIONAL, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business and Summary

Vireo Health International Inc. ("**Vireo International**" or the "**Company**") (formerly, Darien Business Development Corp.) was incorporated under the Alberta Business Corporations Act on November 23, 2004. On March 18, 2019, the Company completed a Reverse Takeover Transaction ("**RTO**") with Vireo Health Inc. ("**Vireo U.S.**"), whereby the Company acquired Vireo U.S. and the shareholders of Vireo U.S. became the controlling shareholders of the Company. Following the RTO, the Company's shares are listed on the Canadian Securities Exchange (the "**CSE**") under ticker symbol "VREO" and quoted on the OTCQX under the symbol "VREOF."

Vireo U.S. is a physician-led, science-focused organization that cultivates and manufactures pharmaceutical-grade cannabis products. As of September 30, 2020, Vireo U.S. operates medical cannabis cultivation, production, and dispensary facilities in Arizona, Maryland, Minnesota, New Mexico, New York, and Pennsylvania through its subsidiaries.

While marijuana and CBD-infused products are legal under the laws of several U.S. states (with vastly differing restrictions), the United States Federal Controlled Substances Act classifies all "marijuana" as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. Recently some federal officials have attempted to distinguish between medical cannabis use as necessary, but recreational use as "still a violation of federal law." At the present time, the distinction between "medical marijuana" and "recreational marijuana" does not exist under U.S. federal law.

2. Summary of Significant Accounting Policies

Basis of presentation and going concern

The accompanying unaudited consolidated financial statements reflect the accounts of the Company. The information included in these statements should be read in conjunction with the audited consolidated financial statements included in the Company's Form 10 for the year ended December 31, 2019 (the "**Annual Financial Statements**"). These financial statements reflect all adjustments, which, in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. Interim results are not necessarily indicative of results for a full year. The financial statements were prepared in accordance with generally accepted accounting principles in the United States of America ("**U.S. GAAP**") and pursuant to the rules and regulations of the United States Securities and Exchange Commission ("**SEC**").

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company's ability to continue as a going concern is dependent upon obtaining additional financing to meet anticipated cash needs for working capital and capital expenditures through the next twelve months.

For the three and nine months ended September 30, 2020 the Company reported a consolidated net income (loss) of $2,952,004 and $(20,676,352), respectively.

For the nine months ended September 30, 2020, the Company had cash flows used in operating activities of $10,995,777. The Company had net cash inflows for the nine months ended September 30, 2020 of $8,640,095.

As of September 30, 2020, the Company had working capital of $20,665,133.

Current management forecasts and related assumptions support the view that the Company can adequately manage the operational needs of the business with the proceeds from the sale of PAMS that secured $16,755,923 on August 10, 2020 and as necessary, through equity financings. However, due to uncertainties the Company may face in raising additional equity financing in the future, an additional evaluation of management's plans and forecasts was conducted to assess the Company's ability to meet their contractual commitments and obligations over the next twelve months.

These management forecasts and assumptions support the Company's ability to meet its contractual obligations such as payment of interest on the 5% convertible notes of $45,000, payment of interest on the additional financing and the Company's lease commitments of $5,831,222.

Should there be constraints on access to capital under the at-the-market program, the Company can manage cash-outflows through reduced capital expenditures and managing the operational expenses of the business that pertain to future investments that are discretionary in nature. Accordingly, the Company has concluded that it is probable that it is able to implement plans that would effectively mitigate the conditions and events that raise substantial doubt about the entity's ability to continue as a going concern for the next twelve months.

These financial statements do not include any adjustments to the carrying amount and classification of reported assets, liabilities, revenues, or expenses that might be necessary should the Company not be successful with the aforementioned initiatives. Any such adjustments could be material.

These financial statements reflect all adjustments, which, in the opinion of management, are necessary for a fair presentation of the Company's financial position and results of operations.

Basis of consolidation

These financial statements include the accounts of the following entities wholly owned by the Company as of September 30, 2020:

Name of entity	Place of incorporation
Vireo Health International, Inc.	British Columbia, CAN
Vireo Health, Inc.	Delaware, USA
Vireo Health of New York, LLC	New York, USA
Minnesota Medical Solutions, LLC	Minnesota, USA
Ohio Medical Solutions, Inc.	Delaware, USA
MaryMed, LLC	Maryland, USA
1776 Hemp, LLC	Delaware, USA
Pennsylvania Dispensary Solutions, LLC	Delaware, USA
Vireo Health of Massachusetts, LLC	Delaware, USA
Mayflower Botanicals, Inc.	Massachusetts, USA
Elephant Head Farm, LLC	Arizona, USA
Retail Management Associates, LLC	Arizona, USA
Arizona Natural Remedies, Inc.	Arizona, USA
Vireo Health of New Mexico, LLC	Delaware, USA
Red Barn Growers, Inc.	New Mexico, USA
Resurgent Biosciences, Inc.	Delaware, USA
Vireo Health of Puerto Rico, LLC	Delaware, USA
Vireo Health de Puerto Rico, Inc.	Puerto Rico
XAAS Agro, Inc.	Puerto Rico
Vireo Health of Nevada 1, LLC	Nevada, USA
Verdant Grove, Inc.	Massachusetts, USA

The Company either wholly owns or exerts control over the entities listed above and they have been formed or acquired to support the intended operations of the Company and all intercompany transactions and balances have been eliminated in the financial statements of the Company.

Use of estimates and significant judgments

The preparation of the Company's financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of revenue, expenses, assets, liabilities, accompanying disclosures and the disclosure of contingent liabilities. These estimates and judgments are subject to change based on experience and new information which could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affecting future periods. Estimates and judgments are assessed on an ongoing basis. Revisions to estimates are recognized prospectively.

The Company has several lease contracts that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company also applies judgment in allocating the consideration in a contract between lease and non-lease components. It considers whether the Company can benefit from the right-of-use asset either on its own or together with other resources and whether the asset is highly dependent on or highly interrelated with another right-of-use asset.

Foreign currency

These financial statements are presented in the United States dollar ("**USD**"), which is the Company's reporting currency. The functional currency of the Company and its subsidiaries, as determined by management, is the United States ("**US**") dollar. These consolidated financial statements are presented in United States dollars.

Net loss per share

Basic net loss per share is computed by dividing reported net loss by the weighted average number of common shares outstanding for the reported period. Diluted net loss per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock of the Company during the reporting period. Diluted net loss per share is computed by dividing net loss by the sum of the weighted average number of common shares and the number of potential dilutive common share equivalents outstanding during the period. Potential dilutive common share equivalents consist of the incremental common shares issuable upon the exercise of vested share options and the incremental shares issuable upon conversion of the convertible notes. Potential dilutive common share equivalents consist of stock options, restricted stock units ("**RSUs**") and restricted stock awards. In computing diluted earnings per share, common share equivalents are not considered in periods in which a net loss is reported, as the inclusion of the common share equivalents would be anti-dilutive.

The following is the computation of diluted earnings per share applicable to common shareholders for the period indicated:

VIREO HEALTH INTERNATIONAL, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the Three Months ended September 30,		For the Nine Months ended September 30,	
	2020	**2019**	**2020**	**2019**
Numerator				
Net income attributable to common shareholders - basic	$ 2,952,004	$ (8,170,114)	$ (20,676,352)	$ (17,984,998)
Effect of dilutive instrument on net income	164,032	—	—	—
Net loss attributable to common shareholders - diluted	$ 3,116,036	$ (8,170,114)	$ (20,676,352)	$ (17,984,998)
Denominator				
Weighted average shares outstanding - basic	98,871,038	85,252,511	95,433,233	79,331,273
Dilutive effect of stock options, warrants and convertible securities	13,646,075	—	—	—
Weighted average shares outstanding - diluted	112,517,113	85,252,511	95,433,233	79,331,273
Net income per share attributable to common shareholders				
Basic	$ 0.03	$ (0.10)	$ (0.22)	$ (0.23)
Diluted	$ 0.03	$ (0.10)	$ (0.22)	$ (0.23)

The anti-dilutive shares outstanding for the three and nine month periods ending September 30, 2020 and 2019 were as follows:

	For the Three Months ended September 30,		For the Nine Months ended September 30,	
	2020	**2019**	**2020**	**2019**
Stock options	3,887,323	20,764,068	24,651,391	20,764,068
Warrants	29,629,192	2,988,609	30,817,992	2,988,609
Convertible notes	—	223,529	211,765	223,529
Total	33,516,515	23,976,206	55,681,148	23,976,206

Segment Information

Accounting Standards Codification ("**ASC**") 280, Segment Reporting, establishes disclosure requirements relating to operating segments in annual and interim financial statements. Operating segments are defined as components of an enterprise about which separate financial information is available that is regularly evaluated by the chief operating decision maker in deciding how to allocate resources to the segment and assess its performance. The Company operates in one business segment, namely as the Cannabis segment cultivates, processes, and distributes medical and adult-use cannabis products in a variety of formats, as well as related accessories. The Company's Chief Executive Officer is the Company's chief operating decision maker.

Cash and cash equivalents

Cash is comprised of cash and highly liquid investments that are readily convertible into known amounts of cash with original maturities of three months or less.

The Company has no cash equivalents as of September 30, 2020 and September 30, 2019.

Business combinations and goodwill

The Company accounts for business combinations using the acquisition method in accordance with ASC 805, Business Combinations, which requires recognition of assets acquired and liabilities assumed, including contingent assets and liabilities, at their respective fair values on the date of acquisition. Any excess of the purchase consideration over the net fair value of tangible and identified intangible assets acquired less liabilities assumed is recorded as goodwill. The costs of business acquisitions, including fees for accounting, legal, professional consulting and valuation specialists, are expensed as incurred within acquisition-related (income) expenses, net. Purchase price allocations may be preliminary and, during the measurement period not to exceed one year from the date of acquisition, changes in assumptions and estimates that result in adjustments to the fair value of assets acquired and liabilities assumed are recorded in the period the adjustments are determined.

The estimated fair value of acquired assets and assumed liabilities are determined primarily using a discounted cash flow approach, with estimated cash flows discounted at a rate that the Company believes a market participant would determine to be commensurate with the inherent risks associated with the asset and related estimated cash flow streams.

Fair value measurements

The carrying value of the Company's accounts receivable, accounts payable, accrued expenses and other current liabilities approximate their fair value due to their short-term nature.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Inventory

Inventory is comprised of raw materials, finished goods and work-in-progress. Cost includes harvested finished goods, harvested cannabis (bud and trim) in progress, cannabis oil in progress, accessories, and packaging materials.

Inventory cost includes pre-harvest, post-harvest and shipment and fulfillment, as well as related accessories. Pre-harvest costs include labor and direct materials to grow cannabis, which includes water, electricity, nutrients, integrated pest management, growing supplies and allocated overhead. Post-harvest costs include costs associated with drying, trimming, blending, extraction, purification, quality testing and allocated overhead. Shipment and fulfillment costs include the costs of packaging, labelling, courier services and allocated overhead.

Inventory is stated at the lower of cost or net realizable value, determined using weighted average cost. Net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. At the end of each reporting period, the Company performs an assessment of inventory and records write-downs for excess and obsolete inventories based on the Company's estimated forecast of product demand, production requirements, market conditions, regulatory environment, and spoilage. Actual inventory losses may differ from management's estimates and such differences could be material to the Company's balance sheets, statements of net loss and comprehensive loss and statements of cash flows.

Property and equipment

Property and equipment are recorded at cost net of accumulated depreciation and impairment, if any. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful life of buildings ranges from three to thirty-nine years and the estimated useful life of property and equipment, other than buildings, ranges from three to ten years. Land is not depreciated. Leasehold improvements are depreciated over the lesser of the asset's estimated useful life or the remaining lease term.

When assets are retired or disposed of, the cost and accumulated depreciation are removed from the respective accounts and any related gain or loss is recognized. Maintenance and repairs are charged to expenses as incurred. Significant expenditures, which extend the useful lives of assets or increase productivity, are capitalized. When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items or components of property and equipment.

Construction-in-process includes construction progress payments, deposits, engineering costs, interest expense on long-term construction projects and other costs directly related to the construction of the facilities. Expenditures are capitalized during the construction period and construction in progress is transferred to the relevant class of property and equipment when the assets are available for use, at which point the depreciation of the asset commences.

The estimated useful lives are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Capitalization of interest

Interest incurred relating to the construction or expansion of facilities is capitalized to the construction in progress. The Company ceases the capitalization of interest when construction activities are substantially completed, and the facility is available for commercial use.

Intangible assets

Intangible assets include intangible assets acquired as part of business combinations, asset acquisitions and other business transactions. The Company records intangible assets at cost, net of accumulated amortization and accumulated impairment losses, if any. Cost is measured based on the fair values of cash consideration paid and equity interests issued. The cost of an intangible asset acquired is its acquisition date fair value.

Amortization of definite life intangible assets is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Licenses	4-20 years

When there is no foreseeable limit on the period of time over which an intangible asset is expected to contribute to the cash flows of the Company, an intangible asset is determined to have an indefinite life. Indefinite life intangible assets are not amortized but tested for impairment annually or more frequently when indicators of impairment exist. If the carrying value of an individual indefinite-lived intangible asset exceeds its fair value, such individual indefinite-life intangible asset is impaired by the amount of the excess.

The estimated useful lives are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment of long-lived assets

The Company reviews long-lived assets, including property and equipment and definite life intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. In order to determine if assets have been impaired, assets are grouped and tested at the lowest level for which identifiable independent cash flows are available ("**asset group**"). An impairment loss is recognized when the sum of projected undiscounted cash flows is less than the carrying value of the asset group. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying value of the asset group. Fair value can be determined using a market approach, income approach or cost approach. The reversal of impairment losses is prohibited.

Impairment of goodwill and indefinite life intangible assets

Goodwill and indefinite life intangible assets are tested for impairment annually, or more frequently when events or circumstances indicate that impairment may have occurred. As part of the impairment evaluation, the Company may elect to perform an assessment of qualitative factors. If this qualitative assessment indicates that it is more likely than not that the fair value of the indefinite-lived intangible asset or the reporting unit (for goodwill) is less than its carrying value, a quantitative impairment test to compare the fair value to the carrying value. An impairment charge is recorded if the carrying value exceeds the fair value.

Leases

As a result of the adoption of ASC 842 on January 1, 2019, the Company has changed its accounting policy for leases. The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("**ROU**") assets and accrued obligations under operating lease (current and non-current) in the balance sheets. Finance lease ROU assets are included in property and equipment, net, and accrued obligations under finance lease (current and non-current) in the balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets are classified as a finance lease or an operating lease. A finance lease is a lease in which 1) ownership of the property transfers to the lessee by the end of the lease term; 2) the lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise; 3) the lease is for a major part of the remaining economic life of the underlying asset; 4) The present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already included in the lease payments equals or exceeds substantially all of the fair value; or 5) the underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. The Company classifies a lease as an operating lease when it does not meet any one of these criteria.

ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the incremental borrowing rate is used based on the information available at commencement date in determining the present value of lease payments. The Company uses the implicit rate when readily determinable. The ROU assets also include any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

For finance leases, lease expenses are the sum of interest on the lease obligations and amortization of the ROU assets, resulting in a front-loaded expense pattern. The expenses form part of facility costs which are included in product costs within cost of sales within the statements of net loss and comprehensive loss. ROU assets are amortized based on the lesser of the lease term and the useful life of the leased asset according to the property and equipment accounting policy. If ownership of the ROU assets transfers to the Company at the end of the lease term or if the Company is reasonably certain to exercise a purchase option, amortization is calculated using the estimated useful life of the leased asset, according to the property and equipment accounting policy.

For operating leases, the lease expenses are generally recognized on a straight-line basis over the lease term and recorded to general and administrative expenses in the statements of net loss and comprehensive loss.

The Company has elected to apply the practical expedient, for each class of underlying asset, except real estate leases, to not separate non-lease components from the associated lease components of the lessee's contract and account for both components as a single lease component. Additionally, for certain equipment leases, the Company applies a portfolio approach to effectively account for the operating lease ROU assets and liabilities.

The Company has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less that do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. Short-term leases include real estate and vehicles and are not significant in comparison to the Company's overall lease portfolio. The Company continues to recognize the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

Convertible notes

The Company accounts for its convertible notes with a cash conversion feature in accordance with ASC 470-20, Debt with Conversion and Other Options ("**ASC 470-20**"), which requires the liability and equity components of convertible debt instruments that may be settled in cash upon conversion, including partial cash settlement, to be separately accounted for in a manner that reflects the issuer's nonconvertible debt borrowing rate. The initial proceeds from the sale of convertible notes are allocated between a liability component and an equity component in a manner that reflects interest expense at the rate of similar nonconvertible debt that could have been issued at such time. The equity component represents the excess initial proceeds received over the fair value of the liability component of the notes as of the date of issuance. The resulting debt discount is amortized over the period during which the convertible notes are expected to be outstanding as additional non-cash interest expenses.

Upon repurchase of convertible debt instruments, ASC 470-20 requires the issuer to allocate total settlement consideration, inclusive of transaction costs, amongst the liability and equity components of the instrument based on the fair value of the liability component immediately prior to repurchase. The difference between the settlement consideration allocated to the liability component and the net carrying value of the liability component, including unamortized debt issuance costs, would be recognized as gain (loss) on extinguishment of debt in the statements of net loss and comprehensive loss. The remaining settlement consideration allocated to the equity component would be recognized as a reduction of additional paid-in capital in the balance sheets.

Revenue recognition

As a result of the adoption of ASC 606 on January 1, 2019, the Company has changed its accounting policy for revenue recognition. Revenue is recognized when control of the promised goods or services, through performance obligations by the Company, is transferred to the customer in an amount that reflects the consideration it expects to be entitled to in exchange for the performance obligations.

The Company generates substantially all of its revenue from the direct sale of cannabis products through contracts with medical customers. Cannabis products are sold through various distribution channels. Revenue is recognized when the control of the goods is transferred to the customer, which occurs at a point in time, typically upon delivery to or receipt by the customer, depending on shipping terms.

Sales taxes collected from customers are remitted to the appropriate taxing jurisdictions and are excluded from sales revenue as the Company considers itself a pass-through conduit for collecting and remitting sales taxes. Excise duties that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer are included in revenue. Freight revenues on all product sales, when applicable, are also recognized, on a consistent manner, at a point in time. The term between invoicing and when payment is due is not significant and the period between when the entity transfers the promised good or service to the customer and when the customer pays for that good or service is one year or less.

The Company considers whether there are other promises in the contracts that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration and the existence of significant financing components (if any).

(i) Variable consideration

Some contracts for the sale of goods may provide customers with a right of return, volume discount, bonuses for volume/quality achievement, or sales allowance. In addition, the Company may provide in certain circumstances, a retrospective price reduction to a customer based primarily on inventory movement. These items give rise to variable consideration. The Company uses the expected value method to estimate the variable consideration because this method best predicts the amount of variable consideration to which the Company will be entitled. The Company uses historical evidence, current information, and forecasts to estimate the variable consideration. The requirements in ASC 606 on constraining estimates of variable consideration are applied to determine the amount of variable consideration that can be included in the transaction price. The Company reduces revenue and recognizes a contract liability equal to the amount expected to be refunded to the customer in the form of a future rebate or credit for a retrospective price reduction, representing its obligation to return the customer’s consideration. The estimate is updated at each reporting period.

(ii) Significant financing component

The Company may receive short-term advances from its customers. Using the practical expedient in ASC 606, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good to a customer and when the customer pays for that good or service will be one year or less. The Company has not, nor expects to receive long-term advances from customers.

(iii) Contract balance

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration.

Accounts receivable

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

Cost of sales

Cost of sales represents costs directly related to manufacturing and distribution of the Company's products. Primary costs include raw materials, packaging, direct labor, overhead, shipping and handling and the depreciation of manufacturing equipment and production facilities. Manufacturing overhead and related expenses include salaries, wages, employee benefits, utilities, maintenance, and property taxes. Cost of sales also includes inventory valuation adjustments. The Company recognizes the cost of sales as the associated revenues are recognized.

Stock-based compensation

The Company measures and recognizes compensation expense for stock options and RSUs to employees and non-employees on a straight-line basis over the vesting period based on their grant date fair values. Prior to the adoption of ASU 2018-07 on January 1, 2019, the fair value of stock options and RSUs to non-employees were re-measured at each reporting date until one of either of the counterparty's commitment to perform is established or until the performance is complete. The Company estimates the fair value of stock options on the date of grant using the Black-Scholes option pricing model. Determining the estimated fair value of at the grant date requires judgment in determining the appropriate valuation model and assumptions, including the fair value of common shares on the grant date, risk-free rate, volatility rate, annual dividend yield and the expected term. The volatility rate is based on historical volatilities of public companies operating in a similar industry to the Company.

The fair value of RSUs is based on the fair value of shares as at date of grant. For stock options and RSUs granted, the fair value of common stock at the date of grant was determined by the Board of Directors with assistance from third-party valuation specialists. The Company estimates forfeitures at the time of grant and revises these estimates in subsequent periods if actual forfeitures differ from those estimates.

For performance-based stock options and RSUs, the Company records compensation expense over the estimated service period adjusted for a probability factor of achieving the performance-based milestones. At each reporting date, the Company assesses the probability factor and records compensation expense accordingly, net of estimated forfeitures.

Fully vested, non-forfeitable equity instruments issued to parties other than employees are measured on the date they are issued where there is no specific performance required by the grantee to retain those equity instruments. Stock-based payment transactions with non-employees are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. Where fully vested, non-forfeitable equity instruments are granted to parties other than employees in exchange for notes or financing receivable, the note or receivable is presented in additional paid-in capital on the balance sheets.

Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Management assesses the likelihood that the resulting deferred tax assets will be realized. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized.

The Company recognizes uncertain income tax positions at the largest amount that is more likely than not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Changes in recognition or measurement are reflected in the period in which judgment occurs.

Recently adopted accounting pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 requires the measurement of current expected credit losses for financial assets held at the reporting date based on historical experience, current conditions and reasonable and supportable forecasts. Adoption of ASU 2016-13 will require financial institutions and other organizations to use forward-looking information to better formulate their credit loss estimates. In addition, the ASU amends the accounting for credit losses on available for sale debt securities and purchased financial assets with credit deterioration. This update will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company implemented the provisions of ASU 2016-13 on January 1, 2020. The adoption of the standard did not have a material impact on the Company's results of operations or cash flows.

In August 2018, the FASB issued ASU 2018-13, Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820). ASU 2018-13 adds, modifies, and removes certain fair value measurement disclosure requirements. ASU 2018-13 is effective for annual and interim periods beginning after December 15, 2019. Early adoption is permitted. The following are the changes that will have an immediate disclosure impact for the Company upon adoption of the guidance for fair value measurement: (i) disclosure of the valuation processes for Level 3 fair value measurements is no longer required, (ii) changes in unrealized gains and losses for the reporting period included in other comprehensive income (loss) for recurring Level 3 fair value measurements held at the end of the reporting period is a new disclosure requirement, and (iii) the range and weighted average (or reasonable and rational method) of significant unobservable inputs used to develop Level 3 fair value measurement is a new disclosure requirement. The Company implemented the provisions of ASU 2018-13 on January 1, 2020. The adoption of the standard did not have a material impact on the Company's results of operations or cash flows.

New accounting pronouncements not yet adopted

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740) which is intended to simply the accounting for income taxes by eliminating certain exceptions and simplifying certain requirements under Topic 740. Updates are related to intraperiod tax allocation, deferred tax liabilities for equity method investments interim period tax calculations, tax laws or rate changes in interim periods, and income taxes related to employee stock ownership plans. The guidance for ASU No. 2019-12 becomes effective on January 2021. Management is currently evaluating the impact of these changes on the Consolidated Financial Statements.

In January 2020, the FASB issued ASU 2020-01, Investments - Equity Securities (Topic 321), Investments - Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) ("**ASU 2020-01**"), which is intended to clarify the interaction of the accounting for equity securities under Topic 321 and investments accounted for under the equity method of accounting in Topic 323 and the accounting for certain forward contracts and purchased options accounted for under Topic 815. ASU 2020-01 is effective for the Company beginning January 1, 2021. The Company is currently evaluating the effect of adopting this ASU on the Company's financial statements.

3. Business Combinations and Dispositions

Dispositions

On June 22, 2020, the Company reached a definitive agreement with Jushi Inc, a subsidiary of Jushi Holdings, Inc. ("**Jushi**"), to divest all the equity in its subsidiary company, Pennsylvania Medical Solutions, LLC ("**PAMS**"). On August 11, 2020, the Company completed the sale of its equity in PAMS to Jushi, for consideration of $20.45 million consisting of $16.7 million in cash, and $3.75 million in the form of a four-year note with an 8 percent coupon rate payable quarterly. As part of this transaction, the Company was relieved of $13.3 million of Right of Use Liabilities. Consideration received exceeded PAMS net assets at the time of sale, resulting in a gain of $16,884,173 which was recorded in the statement of loss and comprehensive loss for the nine months ended September 30, 2020.

In July of 2020, the Company divested all the equity in its subsidiary company, Midwest Hemp Research, LLC, to the CEO of the Company. Prior to the disposition, the Company had $50,000 in outstanding convertible notes associated with the initial acquisition of Midwest Hemp, and had recorded an intangible asset of $50,000 on the balance sheet. Upon divestiture these outstanding convertible notes were cancelled, and the intangible asset was disposed of, resulting in no gain or loss. Per the terms of the agreement, all remaining assets and liabilities associated with Midwest Hemp Research reverted back to the Company prior to the exchange of ownership.

On September 11, 2020, the Company divested all the equity in its subsidiary company, High Gardens, Inc., in exchange for a 10% royalty on all future net revenues generated by High Gardens, Inc. The fair value of this royalty consideration was $68,276 and is classified as an intangible asset with an indefinite life on the balance sheet. This consideration received was less than High Gardens, Inc. net assets at the time of sale, resulting in a loss of $293,030 which was recorded in the statement of loss and comprehensive loss for the nine months ended September 30, 2020.

Assets held for sale

On October 1, 2020, the Company reached a definitive agreement with Ayr Strategies Inc. ("**Ayr**") to sell all of the assets and liabilities of its affiliated company, Ohio Medical Solutions, LLC ("**OMS**") for $1.15 million in cash.

Assets and liabilities relating to OMS have been classified as "held for sale." A loss on assets held for sale of $446,544 related to OMS is included in the statement of loss and comprehensive loss given net assets as of September 30, 2020, exceeded the agreed upon purchase price of $1.15 million. Assets and liabilities held for sale relating to OMS are as follows:

		OMS
Assets held for sale		
Cash and cash equivalents	$	153,146
Receivables		17,225
Inventories		430,550
Prepaids		63,926
Right of use asset		3,241,911
Property and equipment		628,268
Deposits		252,000
Total assets held for sale	$	4,787,026
Liabilities held for sale		
Accounts payable and accrued liabilities		19,593
Right of Use Liability		3,617,433
Total liabilities held for sale	$	3,637,026

Reverse Takeover

On March 18, 2019, Vireo U.S. completed the reverse take-over transaction of the Vireo Health International Inc. (formerly Darien Business Development Corp. or "**Darien**") (the "**Transaction**") whereby Vireo U.S. acquired all of the issued and outstanding shares of Darien. Following the completion of the Transaction, the former shareholders of Vireo U.S. acquired control of the Company, as they own a majority of the outstanding shares of the Company upon completion of the Transaction.

The Transaction is being treated as a reverse recapitalization effected by a share exchange for financial accounting and reporting purposes since substantially all of Darien operations were disposed of as part of the consummation of the Transaction and therefore no goodwill or other intangible assets were recorded by the Company as a result of the Transaction. Vireo US is treated as the accounting acquirer as its stockholders control the Company after the Transaction, even though Darien. was the legal acquirer. As a result, the assets and liabilities and the historical operations that are reflected in these financial statements are those of Vireo US as if Vireo US had always been the reporting company. All reference to Vireo US shares of common stock, warrants and options have been presented on a post-transaction, post-reverse split basis.

Acquisition of Elephant Head Farm, LLC and retail Management Associates, LLC

On March 22, 2019, the Company acquired all of the equity interests of Elephant Head Farm, LLC and Retail Management Associates, LLC (collectively, the "**AZ entities**"). The purpose of this acquisition was to acquire the exclusive right to manage and control Arizona Natural Remedies, an Arizona nonprofit corporation with licenses to cultivate and distribute medical cannabis in the state of Arizona. As part of the transaction, the Company paid $10,500,000 in cash, issued $7,594,463 in multiple voting shares, and incurred total transaction costs related to the acquisition of $723,272, including a finders' fee of $620,000. The transaction costs are included in selling, general and administrative expenses in the consolidated statement of net loss and comprehensive loss.

The financial results of the AZ entities are included in the Company's financial statements since acquisition close. The statements of net loss and comprehensive loss include revenue of $4,233,219 and net loss of $207,210 for the nine months ended September 30, 2020.

The final allocations of the purchase price to assets acquired and liabilities assumed on the acquisition date is listed below. The goodwill of $7,792,605 is attributable to the benefit of expected revenue growth and future market development. Goodwill is not deductible for tax purposes.

	AZ Entities
Assets	
Cash and cash equivalents	$ 340,507
Inventory	2,028,000
Other current assets	277,340
Property and equipment	1,033,135
Right of Use Assets	81,603
Intangible Asset (License)	6,800,000
Goodwill	7,792,605
Total assets	18,353,190
Liabilities	
Accounts payable and accrued liabilities	177,124
Right of Use Liability	81,603
Total liabilities	258,727
Net assets acquired	$ 18,094,463

Acquisition of Red Barn Growers

On March 25, 2019, the Company acquired substantially all of the assets of Silver Fox Management Services, LLC ("**Silver Fox**") including all intellectual property, contracts, leases, license rights and inventory. The purpose of this acquisition was to acquire the exclusive right to manage and control Red Barn Growers, Inc. ("**Red Barn Growers**"), a New Mexico nonprofit corporation with licenses to cultivate and distribute medical cannabis in the state of New Mexico. As part of the transaction, the Company paid $2,000,000 in cash, issued $3,130,306 in multiple voting shares, and incurred total transaction costs related to the acquisition of $16,608.

The financial results of Red Barn Growers are included in the Company's financial statements since acquisition close. The statements of net loss and comprehensive loss include revenue of $1,658,096 and net loss of $221,529 for the nine months ended September 30, 2020.

The final allocations of the purchase price to assets acquired and liabilities assumed on the acquisition date is listed below. The goodwill of $3,878,300 is attributable to the benefit of expected revenue growth and future market development. Goodwill is not deductible for tax purposes.

	Red Barn Growers
Assets	
Cash and cash equivalents	$ 75,695
Inventory	549,576
Other current assets	497
Property and equipment	73,290
Right of Use Assets	125,493
Intangible Asset (License)	569,400
Goodwill	3,878,300
Total assets	5,272,251
Liabilities	
Accounts payable and accrued liabilities	16,452
Right of Use Liability	125,493
Total liabilities	141,945
Net assets acquired	$ 5,130,306

Acquisition of MJ Distributing C201, LLC and MJ Distributing P132, LLC

On April 10, 2019, the Company entered into a definitive agreement to acquire 100% of the membership interests in MJ Distributing C201, LLC and MJ Distributing P132, LLC ("**MJ Distributing**") which hold provisional licenses to cultivate and distribute, respectively, medical cannabis in the state of Nevada. The purpose of this acquisition was to acquire a medical marijuana license in the state of Nevada. The acquisition was financed with cash on hand and borrowings.

As of September 30, 2020, the Company had made cash deposits with the sellers and in escrow of $1,592,500 and placed convertible promissory notes in the amount of $2,500,000 in escrow, as consideration for the equity.

Additionally, as of September 30, 2020, there were deferred acquisition costs of $28,136. The completion of the acquisition of MJ Distributing is conditional upon the Nevada Department of Taxation's approval of the change in ownership.

Asset Acquisitions

Acquisition of High Gardens, Inc.

On January 4, 2019, the Company acquired all of the issued and outstanding shares of High Gardens, Inc. The purpose of this acquisition was to acquire a medical marijuana license in the State of Rhode Island. As part of the asset acquisition, the Company paid $300,000 in cash, issued $700,000 in convertible debt, and incurred acquisition costs of $26,256 for the acquisition of High Gardens, Inc. Management determined the consideration paid was equal to the fair value of the intangible asset acquired, or $1,026,256. The related operating results are included in the accompanying consolidated statements of net loss, changes in stockholders' equity, and statement of cash flows commencing from the date of acquisition.

Mayflower Botanicals, Inc. On March 29, 2019, the Company completed the 100% acquisition of Mayflower Botanicals, Inc. The purpose of this acquisition was to acquire a medical marijuana license in the State of Massachusetts. As part of the asset acquisition, the Company paid $1,001,165 in cash, issued $13,094,032 in multiple voting shares, and incurred acquisition costs of $2,962,392, of which $2,902,492 related to the issuance of multiple voting shares as a finder's fee, for the acquisition of Mayflower Botanicals, Inc. Management determined the consideration paid was equal to the fair value of the intangible asset acquired, or $17,057,589. The related operating results are included in the accompanying consolidated statements of operations, changes in shareholders' equity, and statement of cash flows commencing from the date of acquisition.

XAAS Agro, Inc. On June 19, 2019, the Company completed the 100% acquisition of XAAS Agro, Inc. The purpose of this acquisition was to acquire a medical marijuana license in the territory of Puerto Rico. As part of the asset acquisition, the Company paid $900,000 in cash, issued $900,000 in convertible debt, and incurred acquisition costs of $91,863, for the acquisition of XAAS Agro, Inc. Management determined the consideration paid was equal to the fair value of the intangible asset acquired, or $1,891,863. The related operating results are included in the accompanying consolidated statements of operations, changes in shareholders' equity, and statement of cash flows commencing from the date of acquisition.

Midwest Hemp Research, LLC. During the period ended June 30, 2019, the Company completed the 100% acquisition of Midwest Hemp Research, LLC. The purpose of this acquisition was to acquire an industrial hemp license in the state of Minnesota. As part of the asset acquisition, the Company issued $50,000 in convertible debt and incurred acquisition costs of $12,229, for the acquisition of Midwest Hemp Research, LLC. Management determined the consideration paid was equal to the fair value of the intangible asset acquired, or $62,229. The related operating results are included in the accompanying consolidated statements of operations, changes in shareholders' equity, and statement of cash flows commencing from the date of acquisition. Midwest Hemp Research, LLC was sold during July 2020.

4. Fair Value Measurements

The Company complies with ASC 820, Fair Value Measurements, for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and includes situations where there is little, if any, market activity for the asset or liability.

The following tables present information about the Company's assets that are measured at fair value on a recurring basis as of September 30, 2020 and December 31, 2019 indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value:

	Quoted prices in active markets for identical assets (Level 1)	Other Observable Inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
September 30, 2020				
Assets:				
Cash and restricted cash	$ 17,874,268	$ —	$ —	$ 17,874,268
Total assets	$ 17,874,268	$ —	$ —	$ 17,874,268
Derivative liability	$ —	$ —	$ 8,587,565	$ 8,587,565
Total liabilities	$ —	$ —	$ 8,587,565	$ 8,587,565

The following table reflects the activity for the Company's warrant derivative liability for the private placement measured at fair value using Level 3 inputs:

	Warrant Liability
Balance as of December 31, 2019	$ —
Issuance	3,555,028
Adjustments to estimated fair value	5,032,537
Balance as September 30, 2020	$ 8,587,565

The resulting loss upon revaluation of $5,032,537 and $4,066,335 for the nine and three month periods ended September 30, 2020, respectively, is reflected in the statement of loss and comprehensive loss.

	Quoted prices in active markets for identical assets (Level 1)	Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
December 31, 2019				
Cash and restricted cash	$ 9,234,173	$ —	$ —	$ 9,234,173
Total recurring fair value measurements	$ 9,234,173	$ —	$ —	$ 9,234,173

Items measured at fair value on a non-recurring basis

The Company's non-financial assets, such as prepayments and other current assets, long lived assets, including property and equipment and intangible assets, are measured at fair value when there is an indicator of impairment and are recorded at fair value only when an impairment charge is recognized. In connection with an evaluation of such non-financial assets during nine months ended September 30, 2020, no indications of impairment were identified. As a result, no impairment charges were recorded as of September 30, 2020 (refer to Notes 7 and 12).

The estimated fair value of cash and restricted cash, accounts receivable, net, accounts payable, and accrued expenses and other current liabilities at September 30, 2020 and December 31, 2019 approximate their carrying amount due to short term nature of these instruments.

5. Trade Receivables

Trade receivables are comprised of the following items:

	September 30, 2020	December 31, 2019
Trade receivables	$ 619,491	$ —
Tenant improvements receivable	—	1,025,963
Total	$ 619,491	$ 1,025,963

Included in the trade receivables, net balance at September 30, 2020 is an allowance for doubtful accounts of $437,698 and $278,309 at December 31, 2019.

6. Inventory

Inventory is comprised of the following items:

	September 30, 2020	December 31, 2019
Work-in-process	$ 7,249,411	$ 11,000,462
Finished goods	4,443,690	3,324,920
Accessories	270,909	346,194
Total	$ 11,964,010	$ 14,671,576

Inventory is written down for any obsolescence, spoilage, and excess inventory or when the net realizable value of inventory is less than the carrying value. Inventory valuation adjustments included in cost of sales on the statements of net loss and comprehensive loss is comprised of the following:

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Raw materials	$ —	$ —	$ —	$ —
Work-in-process	151,328	(230,470)	484,570	522,226
Finished goods	—	—	—	—
Total inventory valuation adjustment	$ 151,328	$ (230,470)	$ 484,570	$ 522,226

During the three and nine months ended September 30, 2020, cannabis products were written down by $151,328 and $484,570, respectively. During the three and nine months ended September 30, 2019, cannabis products were written up by $230,470 and written down by $522,226, respectively. All write-downs are primarily as a result of operational inefficiencies in the Company's wholesale market.

7. Prepayments and other current assets

Prepayments and other current assets are comprised of the following items:

	September 30, 2020	December 31, 2019
Prepaid Rent	$ —	$ 138,512
Prepaid Insurance	1,295,187	983,774
Other Prepaid Expenses	1,070,393	1,163,262
Total	$ 2,365,580	$ 2,285,548

8. Deferred Acquisition Costs

As of September 30, 2020, and December 31, 2019, the Company had a total of $28,136 for deferred acquisition costs relating to the acquisition of MJ Distributing, which is not yet closed.

9. Property and Equipment, Net

Property and equipment, net consisted of the following:

	September 30, 2020	December 31, 2019
Land	$ 1,309,949	$ 1,309,949
Buildings and leasehold improvements	5,993,256	5,523,380
Furniture and equipment	4,311,133	5,082,416
Software	221,540	105,968
Vehicles	374,852	399,302
Construction-in-progress	6,040,093	3,264,702
Right of use asset under finance lease	10,989,879	23,289,965
	29,240,702	38,975,682
Less: accumulated depreciation and amortization	(3,095,584)	(4,431,555)
Total	$ 26,145,118	$ 34,544,127

For the nine months ended September 30, 2020 and 2019, total depreciation and amortization on property and equipment was $940,415 and $1,497,128, respectively. For nine months ended September 30, 2020 and September 30, 2019, accumulated amortization of the right of use asset amounted to $2,786,418 and $1,598,128, respectively. The right of use asset under finance lease of $10,989,879 consists of leased manufacturing and cultivation premises. The Company also capitalized into inventory $1,763,868 and $1,247,373 relating to depreciation associated with manufacturing equipment and production facilities as of September 30, 2020 and 2019, respectively. The capitalized depreciation costs associated are added to inventory and expensed through Cost of Sales Product Cost on the consolidated statements of net loss.

10. Leases

Components of lease expenses are listed below:

	September 30, 2020
Finance lease cost	
Amortization of ROU assets	$ 1,108,235
Interest on lease liabilities	4,103,908
Operating lease expense	1,553,158
Total lease expenses	$ 6,765,301

Future minimum lease payments (principal and interest) on the leases is as follows:

	Operating Leases September 30, 2020	Finance Leases September 30, 2020	Total
2020	$ 594,393	$ 805,093	$ 1,399,486
2021	2,114,161	3,278,354	5,392,515
2022	2,104,260	3,391,772	5,496,032
2023	2,039,149	3,509,111	5,548,260
2024	2,009,380	3,630,509	5,639,889
Thereafter	19,407,877	55,150,231	74,558,108
Total minimum lease payments	$ 28,269,220	69,765,070	98,034,290
Less discount to net present value			(75,246,086)
			$ 22,788,204

The Company has entered into various lease agreements for the use of buildings used in production and retail sales of cannabis products.

On April 10, 2020, the Company signed a fourth amendment to the existing lease agreements for the cultivation and manufacturing facilities in Minnesota. Under the terms of the amendment, the term of the lease was extended to April 9, 2040, and provides for additional tenant improvements up to $6,698,183. The amended agreement for the cultivation and manufacturing facility in Minnesota requires regular monthly payments of $129,350.

On April 10, 2020, the Company signed a second amendment to the existing lease agreements for the cultivation and manufacturing facilities in New York. Under the terms of the amendment, the term of the lease was extended to April 9, 2035, and provides for additional tenant improvements up to $3,360,000. The amended agreement for the cultivation and manufacturing facility in New York requires regular monthly payments of $90,519.

On April 10, 2020, the Company signed a third amendment to the existing lease agreements for the cultivation and manufacturing facilities in Pennsylvania. Under the terms of the amendment, tenant improvements were reduced to $8,036,670. The amended agreement for the cultivation and manufacturing facility in Pennsylvania requires regular monthly payments of $184,786.

On January 14, 2020, the Company signed a second amendment to the existing lease agreements for the cultivation and manufacturing facilities in Pennsylvania. Under the terms of the second amendment, the term of the lease was extended to December 7, 2038 and provides for additional tenant improvements of up to $8,336,670. The amended agreement for the cultivation and manufacturing facility in Minnesota requires regular monthly payments of $182,419.

During the year ended December 31, 2019, the Company entered into sale and leaseback transactions for cultivation facilities. As part of the transaction, the Company entered a lease agreement for the Cultivation Facilities as follows:

- The lease agreement for a processing and manufacturing facility in Ohio with a fair value of $1,018,123 is for 15 years with two consecutive options to extend for an additional 5 years each. The effective interest rate on the lease is 15% and requires regular monthly payments of $42,000, which increase by 3.5% each year. Principal repayments begin in 2028. The lease also provides for a Tenant Improvement ("**TI**") allowance up to $2,581,887.

- On September 25, 2019, the Company signed a second amendment to the existing lease agreements for the cultivation and manufacturing facilities in Minnesota. Under the terms of the second amendment, the term of the lease was extended to December 7, 2038 and provides for additional tenant improvements of up to $5,588,000. The amended agreement for the cultivation and manufacturing facility in Minnesota requires regular monthly payments of $111,263.

- The amended agreement for the cultivation and manufacturing facility in Minnesota requires regular monthly payments of $111,263 which increases by 3.5% each year beginning in October 2019 over the remaining term of the agreement. Principal repayments begin in 2024. The agreement has two optional consecutive options to extend for an additional 5 years. Also, the amendment provides for additional tenant improvement (TI) allowance up to $5,588,000.

11. Goodwill

The following table shows the change in carrying amount of goodwill:

Goodwill - December 31, 2019	$	11,670,905
Impairment		(8,538,414)
Goodwill - January 1, 2020		3,132,491
Goodwill - September 30, 2020	$	3,132,491

Goodwill is tested for impairment annually or more frequently if indicators of impairment exist or if a decision is made to dispose of business. The valuation date for the Company annual impairment testing is December 31. On this date the Company performed a Step 1 goodwill impairment analysis.

12. Intangibles

Intangible assets are comprised of licenses and a royalty asset. During the years ended December 31, 2019 and 2018, the Company acquired cannabis licenses in Arizona, Maryland, Massachusetts, New Mexico, Puerto Rico, and Rhode Island. The fair value allocated to the license is depreciated over its expected useful life, which is estimated between 4-20 years. On September 11, 2020, the Company divested all the equity in its subsidiary company, High Gardens, Inc., in exchange for a 10% royalty on all future net revenues generated by High Gardens, Inc. The fair value of this royalty consideration was $68,276 and is classified as an intangible asset with an indefinite life on the balance sheet.

Balance, December 31, 2018	$ 2,184,565
Acquisition *(Annual financial statements ref. Note 12)*	27,407,337
Amortization	(864,229)
Impairment	(19,726,436)
Balance, December 31, 2019	9,001,237
Additions	68,276
Dispositions	(45,000)
Amortization	(461,737)
Balance, September 30, 2020	$ 8,562,776

Amortization expense for intangibles was $153,356 and $461,737 during the three and nine months ended September 30, 2020, respectively, and $1,209,909 and $1,512,775 during the three and nine months ended September 30, 2019, respectively.

13. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following items:

	September 30, 2020	December 31, 2019
Accounts payable – trade	$ 669,601	$ 1,364,899
Accrued payroll	1,251,577	681,281
Taxes payable	4,301,122	328,566
Insurance payable	635,647	241,006
Contract liability	216,197	210,263
Accrued taxes	69,481	115,745
Other	578,621	195,326
Total accounts payable and accrued liabilities	$ 7,722,246	$ 3,137,086

14. Long-Term Debt

During the year ended December 31, 2017, the Company signed a promissory note payable in the amount of $1,010,000. The note bears interest at a rate of 15% per annum with interest payments required on a monthly basis. Effective November 13, 2019, the Company's promissory note payable in the amount of $1,010,000 was modified to increase the amount payable to $1,110,000 and extended the maturity date to December 31, 2021.

The following table shows a summary of the Company's long-term debt:

	September 30, 2020	December 31, 2019
Beginning of year	1,110,000	1,010,000
Proceeds	—	100,000
Payments	—	—
End of year	1,110,000	1,110,000
Less: Current portion	—	—
Long-term debt	1,110,000	1,110,000

15. Derivative Liability

On March 9, 2020, the Company closed the first tranche of a non-brokered private placement and issued 13,651,574 Units at a price of C$ 0.77 per Unit. Each Unit is comprised of one subordinate voting share of the Company and one subordinate voting share purchase warrant.

Because of the Canadian denominated exercise price, these warrants do not qualify to be classified within equity and are therefore classified as derivative liabilities at fair value through profit or loss. On March 9, 2020, the warrants were valued using the Black Scholes option pricing model at $3,555,030 using the following assumptions: Share Price: 0.52; Exercise Price: 0.70; Expected Life: 3 years; Annualized Volatility: 90%; Dividend yield: 0%; Discount Rate: 0.38%; C$ Exchange Rate: 1.37.

On September 30, 2020, the warrants were subsequently revalued using the Black Scholes option pricing model at $8,587,565 using the following assumptions: Share Price: 1.04; Exercise Price: 0.72; Expected Life: 2.44 years; Annualized Volatility: 90%; Dividend yield: 0%; Discount Rate: 0.13%; C$ Exchange Rate: 1.33. The resulting loss upon revaluation of $4,066,335 and $5,032,537 for the three, and nine-month periods ended September 30, 2020, respectively, is reflected in the statement of loss and comprehensive loss.

16. Convertible Notes

3% Convertible Note

On January 3, 2019, the Company issued a convertible note with a face value of $700,000 in connection with the High Gardens acquisition (refer to Note 3).

The convertible notes bear interest at a rate of 3.0% per annum, payable monthly commencing January 3, 2019 and continuing on the first of each month, beginning on February 1, 2019. Additional interest may accrue on the convertible notes in specified circumstances. The convertible notes will mature on January 2, 2024, unless earlier repurchased, redeemed or converted. There are no principal payments required over the five-year term of the convertible notes, except in the case of redemption or events of defaults.

The convertible note are the Company's general unsecured obligations and rank senior in right of payment to all of the Company's indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment with any of the Company's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables but excluding intercompany obligations) of the Company's current or future subsidiaries.

The note includes customary covenants and sets forth certain events of default after which the convertible notes may be declared immediately due and payable, including certain types of bankruptcy or insolvency involving the Company.

To the extent the Company or the Holder so elects, the convertible note will be convertible only in the event of a Reverse Merger. The conversion rate for the convertible note shall be equal to the price per share of the Company's capital stock is valued at in the Reverse Merger. On March 28, 2019, the Reverse Merger Conversion price was established at $425.00 per Multiple Voting Share (refer to Note 3).

On June 4, 2019, the Company converted the outstanding principle and accrued interest into 1,665 Multiple Voting Shares pursuant to the original contractual terms.

2.76% Convertible Note

On January 1, 2019, the Company issued a convertible note with a face value of $50,000 in connection with the Midwest Hemp Research, LLC acquisition (refer to Note 3).

The convertible notes bear interest at a rate of 2.76% per annum, payable monthly commencing January 1, 2019 and continuing on the first of each month, beginning on July 1, 2019. Additional interest may accrue on the convertible notes in specified circumstances. The convertible notes will mature on December 10, 2021, unless earlier repurchased, redeemed or converted. There are no principal payments required over the two-year term of the convertible notes, except in the case of redemption or events of defaults.

The convertible note are the Company's general unsecured obligations and rank senior in right of payment to all of the Company's indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment with any of the Company's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables but excluding intercompany obligations) of the Company's current or future subsidiaries.

The note includes customary covenants and sets forth certain events of default after which the convertible notes may be declared immediately due and payable, including certain types of bankruptcy or insolvency involving the Company.

To the extent the Company or the Holder so elects, the convertible note will be convertible at the conversion rate equal to the price per share of the Company's capital stock is valued at in the Reverse Merger at $4.25 per share. These notes were cancelled in July of 2020.

5% Convertible Note

On June 17, 2019, the Company issued a convertible note with a face value of $900,000 in connection with the XAAS Argo, Inc. acquisition (refer to Note 3).

The convertible notes bear interest at a rate of 5.0% per annum, payable monthly commencing June 17, 2019 and continuing on the first of each month, beginning on July 1, 2019. Additional interest may accrue on the convertible notes in specified circumstances. The convertible notes will mature on June 17, 2021, unless earlier repurchased, redeemed or converted. There are no principal payments required over the two-year term of the convertible notes, except in the case of redemption or events of defaults.

The convertible note are the Company's general unsecured obligations and rank senior in right of payment to all of the Company's indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment with any of the Company's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables but excluding intercompany obligations) of the Company's current or future subsidiaries.

The note includes customary covenants and sets forth certain events of default after which the convertible notes may be declared immediately due and payable, including certain types of bankruptcy or insolvency involving the Company.

To the extent the Company or the Holder so elects, the convertible note will be convertible at the conversion rate equal to the price per share of the Company's capital stock is valued at in the Reverse Merger at $4.25 per share. The initial conversion rate for the convertible note is 211.7547 per one-thousand-dollar principle amount of the note which represents 190,588 shares of common stock, based on the $900,000 aggregate principle amount of convertible notes outstanding as of September 30, 2020.

As of September 30, 2020, the Company was in compliance with all the covenants set forth under the convertible note.

The following table sets forth the net carrying amount of the convertible notes:

	September 30, 2020	December 31, 2019
5.00% convertible notes	900,001	900,001
2.76% convertible notes	—	50,000
3.00% convertible notes costs	—	—
Net carrying amount	900,001	950,001

17. Stockholders' Equity

Shares

The Company's certificate of incorporation authorized the Company to issue the following classes of shares with the following par value and voting rights as of September 30, 2020. The liquidation and dividend rights are identical among Shares equally in our earnings and losses on an as converted basis.

	Par Value	Authorized	Voting Rights
Subordinate Voting Share "SVS"	—	Unlimited	1 vote for each share
Multiple Voting Share "MVS"	—	Unlimited	100 votes for each share
Super Voting Share	—	Unlimited	1,000 votes for each share

Subordinate Voting Shares

Holders of Subordinate Voting Shares are entitled to one vote in respect of each Subordinate Voting Share held.

Multiple Voting Shares

Holders of Multiple Voting Shares are entitled to one hundred votes for each Multiple Voting Share held.

Multiple Voting Shares each have the restricted right to convert to one hundred Subordinate Voting Shares subject to adjustments for certain customary corporate changes.

Super Voting Shares

Holders of Super Voting Shares are entitled to one thousand votes per Super Voting Share. Each Super Voting share is convertible into one hundred Subordinate Voting Shares.

On March 9, 2020, the Company closed the first tranche of a non-brokered private placement and issued 13,651,574 Units at a price of C$ 0.77 per Unit. Each Unit is comprised of one Subordinate Voting Share of the Company and one subordinate voting share purchase warrant. Each warrant entitles the holder to purchase one Subordinate Voting Share for a period of three years from the date of issuance at an exercise price of C$ 0.96 per Subordinate Voting Share. The Company has the right to force the holders of the Warrants to exercise the Warrants into Shares if, prior to the maturity date, the five-trading-day volume weighted-average price of the Shares equals or exceeds C$ 1.44. Proceeds from this transaction were $7,613,490 net of share issuance costs of $104,173.

On March 18, 2019, the Company issued 12,090,937 Subordinate Voting Shares at $4.25 per share for gross proceeds of $51,386,482. In connection with the financing, the Company paid a cash fee to the agents equal to $2,826,739 and the agents were granted a combined 763,111 in compensation warrants. The agent's compensation warrants will be exercisable at a price of $4.25 per share for a period of two years. In addition, the Company paid a financial advisory fee of $415,000 and had costs in the amount of $379,785. Of total costs, $448,840 was incurred during the year ended December 31, 2018.

On March 18, 2019, the Company issued 705,879 Subordinate Voting Shares as part of the RTO Transaction (refer to Note 3) in exchange for all outstanding shares of Vireo US at a price of $4.25.

On March 22, 2019, the Company issued 16,806 Multiple Voting Shares at a deemed issuance price of $451.89 per share in connection with the closing of the Arizona Natural Remedies acquisition (refer to Note 3).

On March 26, 2019, the Company issued 6,721 Multiple Voting Shares at a deemed issuance price of $465.75 per share in connection with the closing of the Silver Fox Management Services, LLC acquisition (refer to Note 3).

On March 29, 2019, the Company issued 30,325 Multiple Voting Shares at a deemed issuance price of $431.79 per share in connection with the closing of the Mayflowers Botanicals acquisition (refer to Note 3). In addition, the Company issued 6,722 MVS shares at a deemed issuance price of $431.79 per share as a finder's fee for the acquisition.

On June 4, 2019, the Company issued 1,665 Multiple Voting Shares in connection with the conversion of the 3.0% convertible note. During the six months ended June 30, 2020, the Company converted 26,299 Multiple Voting Shares into Subordinate Voting Shares at the conversion ratio of 100 to 1.

Preferred Shares

	Par Value	Authorized	Voting Rights
Series A Preferred Stock	$ 0.001	Unlimited	
Series B Preferred Stock	$ 0.001	Unlimited	
Series C Preferred Stock	$ 0.001	Unlimited	
Series D Preferred Stock	$ 0.001	Unlimited	

Prior to the RTO, all the Series A, B, C, and D Preferred Stock were converted into common shares. Concurrently, the shareholders of Vireo exchanged their common shares of Vireo, will receive, Super Voting Shares, Subordinate Voting Shares or Multiple Voting Shares of the Corporation, as applicable, based on a ratio of 0.300048 Multiple Voting Shares or Super Voting Shares or 30.0048 Subordinate Voting Shares for every common share of Vireo.

The Company issued 11,500,855 Class D Preferred shares for gross proceeds of $17,248,500. In connection with the issuance, the Company incurred share issuance costs of $1,458,108 and issued 867,198 warrants, which are exercisable into Series D-1 preferred shares of the Company at a price of $45 for a period of 24 months.

Vireo U.S. acquired all the issued and outstanding membership units of a Maryland company related to Vireo, which has applied for a cannabis cultivation, manufacturing and dispensary license in Maryland. As consideration for the membership units, Vireo U.S. issued 2,422,531 Series C preferred shares with fair value of $3,600,000.

18. Stock-Based Compensation

Stock Options

In January 2019, the Company adopted the 2019 Equity Incentive Plan under which the Company may grant incentive stock option, restricted shares, restricted share units, or other awards. Under the terms of the plan, a total of ten percent of the number of shares outstanding assuming conversion of all Super Voting and Multiple Voting Shares to Subordinate Voting Shares are permitted to be issued. The exercise price for incentive stock options issued under the plan will be set by the committee (as defined under the plan) but will not be less 100% of the fair market value of the Company's shares on the date of grant. Incentive stock options have a maximum term of 10 years from the date of grant. The incentive stock options vest at the discretion of the Board.

Options granted under the equity incentive plan were valued using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2020	September 30, 2019
Risk-Free Interest Rate	0.45% - 1.48%	1.35% - 1.97%
Expected Life of Options (years)	7.00 - 10.00	8.00
Expected Annualized Volatility	100.00%	100.00%
Expected Forfeiture Rate	-	-
Expected Dividend Yield	-	-

Stock option activity for the three and nine months ended September 30, 2020 and for the year ended December 31, 2019 are presented below:

	Number of Shares	Weighted Avg. Exercise Price	Weighted Avg. Remaining Life
Balance, December 31, 2018	22,215,547	$ 0.29	8.25
Forfeitures	(225,040)	0.33	—
Granted	1,672,093	1.13	—
Balance, December 31, 2019	23,662,600	0.35	7.54
Forfeitures	(2,152,117)	0.67	—
Granted	3,142,783	0.81	—
Options Outstanding at September 30, 2020	24,653,266	$ 0.38	6.97
Options Exercisable at September 30, 2020	17,748,457	$ 0.29	7.03

During the nine months ended September 30, 2020 and 2019, the Company recognized $1,152,052 and $686,868 in stock-based compensation relating to stock options, respectively. During the three months ended September 30, 2020 and 2019, the Company recognized $502,266 and $229,916 in stock-based compensation relating to stock options, respectively.

The Company does not estimate forfeiture rates when calculating compensation expense. The Company records forfeitures as they occur.

Warrants

Subordinate Voting Share (SVS) warrants entitle the holder to purchase one Subordinate Voting Share of the Company. Multiple Voting Share (MVS) warrants entitle the holder to purchase one Multiple Voting Share of the Company.

During the year ended December 31, 2019, the Company issued 15,000,000 SVS compensation warrants. During the nine months ended September 30, 2020 and 2019, $10,981,157 and $0 in stock-based compensation expense was recorded in connection with the SVS compensation warrants, respectively. During the three months ended September 30, 2020 and 2019, no stock-based compensation expense was recorded in connection with the SVS compensation warrants.

During the year ended December 31, 2019, the Company issued 13,583 MVS warrants. During the nine months ended September 30, 2020 and 2019, $112,203 and $0 in stock-based compensation was recorded in connection with the MVS warrants, respectively. During the three months ended September 30, 2020 and 2019, $21,786 and $0 in stock-based compensation was recorded in connection with the MVS warrants, respectively.

Warrants issued were valued using the Black-Scholes option pricing model with the following assumptions:

SVS Warrants	September 30, 2020	September 30, 2019
Risk-Free Interest Rate	N/A	2.31%
Expected Life of Options (years)	N/A	2.00
Expected Annualized Volatility	N/A	100%
Expected Forfeiture Rate	N/A	-
Expected Dividend Yield	N/A	-

SVS Warrants Denominated in C$	September 30, 2020	September 30, 2019
Risk-Free Interest Rate	0.16%	N/A
Expected Life of Options (years)	2.69	N/A
Expected Annualized Volatility	90%	N/A
Expected Forfeiture Rate	-	N/A
Expected Dividend Yield	-	N/A

MVS Warrants	September 30, 2020	September 30, 2019
Risk-Free Interest Rate	N/A	
Expected Life of Options (years)	N/A	2.00
Expected Annualized Volatility	N/A	60% - 100%
Expected Forfeiture Rate	N/A	-
Expected Dividend Yield	N/A	

A summary of the warrants outstanding is as follows:

SVS Warrants	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life
Warrants outstanding at December 31, 2018	867,198	$ 1.50	2.09
Issued	15,763,111	2.39	—
Warrants outstanding at December 31, 2019	16,630,309	2.34	4.49
Issued	—	—	—
Warrants outstanding at September 30, 2020	16,630,309	$ 2.34	3.96
Warrants exercisable at September 30, 2020	16,630,219	$ 2.34	3.59

MVS Warrants	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life
Warrants outstanding at December 31, 2018	—	$ —	—
Issued	13,583	194.66	—
Warrants outstanding at December 31, 2019	13,583	194.66	2.73
Issued	—	—	—
Warrants outstanding at September 30, 2020	13,583	$ 194.66	2.73
Warrants exercisable at September 30, 2020	13,018	$ 185.33	2.63

During the nine months ended September 30, 2020, $10,981,157 in stock-based compensation expense was recorded in connection with the SVS compensation warrants and $8,671,561 in stock-based compensation was recorded in connection with the MVS warrants.

SVS Warrants denominated in C$	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life
Warrants outstanding at December 31, 2019	-	-	-
Issued	13,651,574	0.70	-
Warrants outstanding at September 30, 2020	13,651,574	0.70	2.69
Warrants exercisable at September 30, 2020	13,651,574	0.70	2.69

19. Commitments and Contingencies

Legal proceedings

In the normal course of business, the Company may become involved in legal disputes regarding various litigation matters. In the opinion of management, any potential liabilities resulting from such claims would not have a material effect on the financial statements.

Lease commitments

The Company leases various facilities, under non-cancelable finance and operating leases, which expire at various dates through September 2027.

20. General and Administrative Expenses

General and administrative expenses are comprised of the following items:

	Nine months ended September 30, 2020	Nine months ended September 30, 2019	Three months ended September 30, 2020	Three months ended September 30, 2019
Salaries and benefits	$ 9,695,111	$ 5,077,615	$ 3,262,025	$ 2,196,158
Professional fees	2,030,493	3,019,556	546,128	1,451,219
Other expenses	7,952,328	7,755,082	2,709,311	3,457,853
Total	$ 19,677,932	$ 15,852,253	$ 6,517,464	$ 7,105,230

21. Supplemental Cash Flow Information

	Nine months ended September 30,	
	2020	2019
Cash paid for interest	$ 3,423,454	$ 2,962,564
Cash paid for income taxes	—	1,551,000
Non-cash financing activities		
Conversion of 3% Convertible Note to MVS	—	725,090
Non-cash investing		
Acquisition of AZ Entities through issuance of MVS	—	7,594,463
Acquisition of Mayflower through issuance of MVS	—	15,996,524
Acquisition of Silverfox through issuance of MVS	—	3,303,297
Acquisition of Midwest Hemp through issuance of 2.76% Convertible Note	—	50,000
Acquisition of XAAS through issuance of 5.0% Convertible Note	—	900,000

22. Financial Instruments

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. A small portion of cash is held on hand, from which management believes the risk of loss is remote. Receivables relate primarily to wholesale sales. The Company does not have significant credit risk with respect to customers. The Company's maximum credit risk exposure is equivalent to the carrying value of these instruments. The Company has been granted licenses pursuant to the laws of the states of Arizona, Massachusetts, Maryland, Minnesota, New Mexico, New York, Ohio, Pennsylvania, Puerto Rico and Rhode Island with respect to cultivating, processing, and/or distributing marijuana. Presently, this industry is illegal under United States federal law. The Company has, and intends, to adhere strictly to the state statutes in its operations.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Company is not exposed to currency risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of September 30, 2020, the Company's financial liabilities consist of accounts payable and accrued liabilities, debt, and lease liabilities. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. Historically, the Company's main source of funding has been additional funding from shareholders. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity financing.

Legal Risk

Vireo U.S. operates in the United States. The United States federal government regulates drugs through the Controlled Substances Act (21 U.S.C. § 811), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. The United States Food and Drug Administration has not approved marijuana as a safe and effective drug for any indication. In the United States marijuana is largely regulated at the state level. State laws regulating cannabis are in direct conflict with the federal Controlled Substances Act, which makes cannabis use and possession federally illegal.

23. Subsequent Events

On November 5, 2020, the Company entered into a non-binding term sheet with Green Ivy Capital and its affiliates (the "**Lenders**") on a senior secured, delayed draw term loan (the "**Credit Facility**") with an aggregate principal amount of up to $46,000,000. The Lenders are not obligated to fund unless and until definitive loan documents are executed, which is anticipated in December.

On November 16, 2020, the Company announced that a subsidiary of Jushi Holdings, Inc. ("**Jushi**") has exercised its option to purchase Vireo's equity in Pennsylvania Dispensary Solutions, LLC ("**PDS**") for total consideration of $5.0 million cash.

On November 16, 2020, the Company announced that it has exercised its right to force the redemption of all subordinate voting share purchase warrants (the "**Warrants**") issued to participants in the Company's previously announced March 10, 2020, private placement offering (the "**Offering**"). Each Warrant issued in conjunction with the Offering entitles the holder to purchase one subordinate voting share in the capital of Vireo for a period of three years from the date of issuance at an exercise price of C$ 0.96 per share, subject to adjustment in certain events. Vireo retained the right to require the redemption of these Warrants if the Company's five-day volume-weighted-average-price ("**VWAP**") on the Canadian Securities Exchange (CSE) exceeded C$ 1.44. This milestone was achieved during the trading period from November 3, 2020 through November 9, 2020. Management expects these redemptions to result in the issuance of 13,651,574 additional subordinate voting shares and cash proceeds of approximately C$ 13.1 million prior to December 31, 2020.

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial information presents the unaudited pro forma combined balance sheet and statement of operations based upon the combined historical financial statements of Vireo Health International Inc. (the "**Company**" or "**Vireo**") after giving effect to the disposal of Pennsylvania Medical Solutions, LLC ("**PAMS**") by Vireo as described in the accompanying notes.

The unaudited pro forma consolidated statements of operations of the Company for the three and nine months ended September 30, 2020 and year ended December 31, 2019 remove the historical results and operations of PAMS and the Company giving effect to the transaction as if it occurred on January 1, 2019.

The unaudited pro forma combined financial information should be read in conjunction with the audited and unaudited historical financial statements of Vireo and the notes thereto. Additional information about the basis of presentation of this information is provided in Note 2 hereto.

The unaudited pro forma financial information was prepared in accordance with Article 11 of Regulation S-X. The unaudited pro forma financial information is provided for informational purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the transaction had been completed as of the dates set forth above, nor is it indicative of the future results or financial position of the Company. The unaudited pro forma financial information also does not give effect to the potential impact of current financial conditions, any anticipated synergies, operating efficiencies, or cost savings that may result from the transaction or any integration costs. Furthermore, the unaudited pro forma statements of operations do not include certain nonrecurring charges and the related tax effects which result directly from the transaction as described in the notes to the unaudited pro forma combined financial information.

On December 18, the Company announced the closing of the sale of its equity in Pennsylvania Dispensary Solutions, LLC to a subsidiary of Jushi Holdings, Inc. for total consideration of $5.7 million cash before final post-closing adjustments.

VIREO HEALTH INTERNATIONAL INC.
UNAUDITED PROFORMA STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	For the Nine Months Ended September 30, 2020			
	Vireo Health International	Pro Forma Adjustments	Notes	Pro Forma Combined
Revenue	$ 36,809,714	$ (3,521,866)	(a)	$ 33,287,848
Cost of sales				
Product costs	24,492,831	(3,104,165)	(a)	21,388,666
Inventory valuation adjustments	484,570	(167,952)	(a)	316,618
Gross profit	11,832,313	(249,749)		11,582,564
Operating expenses:				
Selling, general and administrative	19,677,932	(617,201)	(a)	19,060,731
Stock-based compensation expenses	12,245,412	-		12,245,412
Depreciation	260,725	54,817	(a)	315,542
Amortization	461,737	-		461,737
Total operating expenses	32,645,806	(562,384)		32,083,422
Loss from operations	(20,813,493)	312,635		(20,500,858)
Other expenses:				
Loss on sale of PP&E	13,800	-		13,800
Gain on disposal of assets	(16,884,173)	-		(16,884,173)
Loss on assets held for sale	446,544	-		446,544
Loss on derivative	5,032,537	-		5,032,537
Interest expenses, net	4,249,090	(1,483,096)	(a)	2,765,994
Other (income) expenses	205,061	-		205,061
Other expenses, net	(6,937,141)	(1,483,096)		(8,420,237)
Loss before income taxes	(13,876,352)	1,795,731		(12,080,621)
Current income tax expenses	(4,575,000)	377,104	(b)	(4,197,896)
Deferred income tax expenses	(2,225,000)	-		(2,225,000)
Net loss and comprehensive loss	$ (20,676,352)	$ 2,172,835		$ (18,503,517)
Net loss per common share - basic and diluted	(0.22)	0.03		(0.19)
Weighted average common shares outstanding—basic and diluted	95,433,233			95,433,233

See accompanying notes to the unaudited pro forma condensed combined financial statements.

VIREO HEALTH INTERNATIONAL INC.
UNAUDITED PROFORMA STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	For the Three Months Ended September 30, 2020			
	Vireo Health International	Pro Forma Adjustments	Notes	Pro Forma Combined
Revenue	$ 12,475,782	$ (414,429)	(a)	$ 12,061,353
Cost of sales				
Product costs	7,360,671	(418,383)	(a)	6,942,288
Inventory valuation adjustments	151,328	(120,621)	(a)	30,707
Gross profit	4,963,783	124,575		5,088,358
Operating expenses:				
Selling, general and administrative	6,517,464	(149,685)	(a)	6,367,779
Stock-based compensation expenses	524,052	-		524,052
Depreciation	38,097	56,791	(a)	94,888
Amortization	153,356	-		153,356
Total operating expenses	7,232,969	(92,894)		7,140,075
Loss from operations	(2,269,186)	217,469		(2,051,717)
Other expenses:				
Gain on disposal of assets	(16,884,173)	-		(16,884,173)
Loss on assets held for sale	446,544	-		446,544
Loss on derivative	4,066,335	-		4,066,335
Interest expenses, net	1,255,656	(280,608)	(a)	975,048
Other (income) expenses	(108,552)	-		(108,552)
Other expenses, net	(11,224,190)	(280,608)		(11,504,798)
Income before income taxes	8,955,004	498,077		9,453,081
Current income tax expenses	(3,723,000)	104,596	(b)	(3,618,404)
Deferred income tax recoveries	(2,280,000)	-		(2,280,000)
Net income and comprehensive income	$ 2,952,004	$ 602,673		$ 3,554,677
Net loss per common share - basic and diluted	0.03	0.01		0.04
Weighted average common shares outstanding—basic and diluted	98,871,038			98,871,038

See accompanying notes to the unaudited pro forma condensed combined financial statement.

VIREO HEALTH INTERNATIONAL INC.
UNAUDITED PROFORMA STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	For the Year Ended December 31, 2019			
	Vireo Health International	Pro Forma Adjustments	Notes	Pro Forma Combined
Revenue	$ 29,956,172	$ (2,797,446)	(b)	$ 27,158,726
Cost of sales				
Product costs	21,754,487	(3,462,127)	(b)	18,292,360
Inventory valuation adjustments	865,405	(186,697)		678,708
Gross profit	7,336,280	851,378	(b)	8,187,658
Operating expenses:				
Selling, general and administrative	25,045,229	(3,779,545)	(b)	21,265,684
Stock-based compensation expenses	3,303,297	-		3,303,297
Depreciation	491,170	39,174	(b)	530,344
Amortization	864,230	-		864,230
Total operating expenses	29,703,926	(3,740,371)		25,963,555
Loss from operations	(22,367,646)	4,591,749		(17,775,897)
Other expenses:				
Impairment of intangible assets	28,264,850	-		28,264,850
Interest expenses, net	4,460,331	-		4,460,331
Other (income) expenses	1,800,485	(15,449)	(b)	1,785,036
Other expenses, net	34,525,666	(15,449)		34,510,217
Loss before income taxes	(56,893,312)	4,607,198		(52,286,114)
Current income tax expenses	(2,231,000)	967,512	(c)	(1,263,488)
Deferred income tax recoveries	1,645,000	-		1,645,000
Net loss and comprehensive loss	$ (57,479,312)	$ 5,574,710		$ (51,904,602)
Net loss per common share – basic and diluted	(0.71)	0.07		(0.64)
Weighted average common shares outstanding—basic and diluted	80,822,129			80,822,129

See accompanying notes to the unaudited pro forma condensed combined financial statements.

VIREO HEALTH INTERNATIONAL INC.
NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

1. Description of Transaction

On June 22, 2020, the Company reached a definitive agreement with Jushi Inc, a subsidiary of Jushi Holdings, Inc. ("**Jushi**"), to divest all the equity in its subsidiary company, Pennsylvania Medical Solutions, LLC ("**PAMS**"). PAMS manufactures cannabis-based products in a 90,000 square foot co-located cultivation and processing facility and holds a permit for such activities in the state of Pennsylvania.

On August 11, 2020, the Company completed the sale of its equity in PAMS to Jushi for a total consideration of $37 million. The transaction's total consideration of $37 million includes $16.3 million in cash, $3.8 million in the form of a four-year note with an 8 percent coupon rate payable quarterly. The transaction also includes an 18-month option for Jushi to purchase all the equity in another Vireo Health subsidiary, Pennsylvania Dispensary Solutions, LLC, for an additional $5 million in cash.

2. Basis of Presentation

The unaudited pro forma condensed combined financial statements are based on the Company's historical consolidated financial statements as adjusted to give effect to the disposal of PAMS. The unaudited pro forma combined statements of operations for the three and nine months ended September 30, 2020 and the year ended December 31, 2019 give effect to the PAMS disposal as if it had occurred on January 1, 2019.

3. Unaudited Pro Forma Consolidated Condensed Statements of Operations

The unaudited pro forma consolidated condensed statements of operations for the three and nine months ended September 30, 2020 and the year ended December 31, 2019 include adjustments made to historical financial information of the Company assuming that the sale of PAMS was consummated on January 1, 2019. These adjustments reflect the elimination of the results of operations of PAMS as a result of the transaction.

(a) To eliminate PAMS's results of operations for the period.

(b) This adjustment represents the estimated income tax effect of the pro-forma adjustments. The tax effect of the pro-forma adjustments was calculated using historical statutory rate of 21% in effect for the periods presented.

Appendix A

List of Licenses of Vireo Health International, Inc.

Licenses in the State of Arizona

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Arizona Natural Remedies, Inc.	00000028DCGV00174888	Phoenix, AZ	8/7/2022	Dispensary approved to cultivate
Arizona Natural Remedies, Inc.	00000028DCGV00174888	Phoenix, AZ	8/7/2022	Cultivation site approved to cultivate

Licenses in the State of Maryland

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
MaryMed, LLC	P-18-00004	Hurlock, MD	11/7/2024	Processor
MaryMed, LLC	G-18-00001	Hurlock, MD	11/7/2024	Grower

License in the State of Massachusetts

Holding Entity	Local License, Permit or Clearance	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Mayflower Botanicals, Inc.	TBD	Town of Holland, MA	N/A - Provisional, see column J	Provisional Cert. for Dispensary, Cultivation & Processing Facility

Licenses in the State of Minnesota

Holding Entity	Local License, Permit or Clearance	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Vireo Health Minnesota, LLC	N/A - Medical Manufacturer Registration Agreement Signed by MDH Commissioner of Health on 12/2/2019 and Amber Shimpa on 11/20/19	Otsego, MN (Manufacturing)	11/30/2021	Vertically Integrated – Medical (production, cultivation, processing and dispensing)
Vireo Health Minnesota, LLC	N/A - Medical Manufacturer Registration Agreement Signed by MDH Commissioner of Health on 12/2/19 and Amber Shimpa on 11/20/19	Minneapolis, MN (Dispensary) Bloomington, MN (Dispensary) Rochester, MN (Dispensary) Moorhead, MN (Dispensary) Blaine, MN (Dispensary) Hermantown, MN (Dispensary)	11/30/2021	Vertically Integrated - Medical (production, cultivation, processing, and dispensing)

Licenses in the State of New Mexico

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Red Barn Growers	Red Barn Growers	Santa Fe, NM	7/31/2021	Non-profit producer
Red Barn Growers	Red Barn Growers	Gallup, NM	7/31/2021	Non-profit producer
Red Barn Growers	Red Barn Growers	Gallup, NM	7/31/2021	Non-profit producer

Licenses in the State of Nevada

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
MJ Distributing P132, LLC	48365228256005962980	Caliente, NV	3/31/2021	Medical Processor
MJ Distributing C201, LLC	85088942249422976277	Caliente, NV	3/31/2021	Medical Cultivation Recreational
MJ Distributing P132, LLC	844925000962215939022	Caliente, NV	4/30/2021	Processor Recreational
MJ Distributing C201, LLC	19066445888733574338	Caliente, NV	4/30/2021	Cultivation

Licenses in the State of New York

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Vireo Health of New York, LLC	MM0201M	Perth, NY	7/31/2021	Manufacturing
Vireo Health of New York, LLC	MM0202D	Johnson City, NY	7/31/2021	Dispensing
Vireo Health of New York, LLC	MM0203D	Albany, NY	7/31/2021	Dispensing
Vireo Health of New York, LLC	MM0204D	White Plains, NY	7/31/2021	Dispensing
Vireo Health of New York, LLC	MM0205D	Elmhurst, NY	7/31/2021	Dispensing

License in the State of Ohio

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Ohio Medical Solutions, Inc.	MMCPP00102	Akron, OH	12/1/2021	Certificate of Operation - Process Medical Marijuana

License in the State of Puerto Rico

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Vireo Health de Puerto Rico		Puerto Rico - 6 locations anticipated		Provisional Cultivation and Provisional Dispensary

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

VIREO HEALTH INTERNATIONAL, INC.

/s/ Kyle E. Kingsley
By: Kyle E. Kingsley
Title: Chief Executive Officer

Date: January 19, 2021

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
3.1#	Articles of Vireo Health International, Inc.
4.1#	Coattail Agreement, dated March 18, 2019, by and among Kyle E. Kingsley, Vireo Health International, Inc. and Odyssey Trust Company
4.2#	Form of Warrant to Purchase Subordinate Voting Shares of Vireo Health International, Inc.
10.1#	Business Combination Agreement between Darien Business Development Corp., Vireo Health, Inc., Vireo Finco (Canada) Inc., 1197027 B.C. LTD. and Darien Merger Sub, LLC, dated February 13, 2019
10.2†#	Vireo Health, Inc. 2018 Equity Incentive Plan
10.3†#	Vireo Health International, Inc. 2019 Equity Incentive Plan
10.4†#	Form of Incentive Stock Option Agreement under the Vireo Health, Inc. 2018 Equity Incentive Plan
10.5†#	Form of Incentive Stock Option Agreement under the Vireo Health International, Inc. 2019 Equity Incentive Plan (Directors)
10.6†#	Form of Incentive Stock Option Agreement under the Vireo Health International, Inc. 2019 Equity Incentive Plan (Officers)
10.7†#	Incentive Stock Option Agreement by and between Vireo Health International, Inc. and Kyle Kingsley, as of March 18, 2019
10.8†#	Amended and Restated Executive Employment Agreement between Vireo Health International, Inc. and Bruce Linton, dated March 9, 2020
10.9†#	Confidential Separation and Transition Services Agreement, Waiver and Release between Vireo Health, Inc. and Aaron Hoffnung, effective March 4, 2020
10.10†#	Employment Agreement between Vireo Health International, Inc. and Shaun Nugent, dated November 12, 2019
10.11#	Master Purchase Agreement among Vireo Health, Inc., Harwich LLC, Mayflower Botanicals, Inc., the Owners (as defined therein), and Landing Rock LLC dated February 1, 2019
10.12#	Third Amended and Restated Membership Interest and Stock Purchase Agreement among Vireo Health of Arizona, LLC, Mark Wright, Shane Howell, Gordon Hamilton, and Robert Kivlighn, dated February 26, 2019
10.13#	Equity Purchase Agreement by and among Vireo Health, Inc., Pennsylvania Medical Solutions, LLC, PASPV Holdings, LLC and Jushi Inc., dated June 21, 2021
10.14#	Lease Agreement between IIP-NY 2 LLC and Vireo Health of New York, LLC, dated October 23, 2017
10.15#	First Amendment to Lease Agreement between IIP-NY 2 LLC and Vireo Health of New York, LLC, dated December 7, 2018
10.16#	Second Amendment to Lease Agreement between IIP-NY 2 LLC and Vireo Health of New York, LLC, dated April 10, 2020
10.17#	Commercial Lease Agreement by and between 100 Enterprise Drive, LLC and MaryMed, LLC, dated April 21, 2017
10.18#	Lease Amendment by and between 100 Enterprise Drive, LLC and MaryMed, LLC, effective as of May 8, 2020
10.19#	Lease Agreement between IIP-MN 1 LLC and Minnesota Medical Solutions, LLC, dated November 8, 2017
10.20#	First Amendment to Lease Agreement between IIP-MN 1 LLC and Minnesota Medical Solutions, LLC, dated December 7, 2018
10.21#	Second Amendment to Lease Agreement between IIP-MN 1 LLC and Minnesota Medical Solutions, LLC, dated September 25, 2019
10.22#	Third Amendment to Lease Agreement between IIP-MN 1 LLC and Minnesota Medical Solutions, LLC, dated February 18, 2020
10.23#	Fourth Amendment to Lease Agreement between IIP-MN 1 LLC and Minnesota Medical Solutions, LLC, dated April 10, 2020
10.24†	Employment Agreement between Vireo Health, Inc. and Amber Shimpa, dated December 1, 2020
10.25†	Employment Agreement between Vireo Health, Inc. and Kyle Kingsley, dated December 28, 2020
10.26†	Employment Agreement between Vireo Health, Inc. and Christian Gonzalez-Ocasio, effective as of December 1, 2020
10.27†	Employment Agreement between Vireo Health, Inc. and John Heller, effective as of December 1, 2020
21.1	List of Subsidiaries of Vireo Health International, Inc.

†	Indicates a management contract or compensatory plan or arrangement.

#	Previously filed.
*	Certain confidential information has been excluded from this exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

Exhibit 3.1

VIREO HEALTH INTERNATIONAL, INC.

(the "Company")

ARTICLES

- of -

VIREO HEALTH INTERNATIONAL, INC.

(Incorporation No. C0987761)

TABLE OF CONTENTS

BUSINESS CORPORATIONS ACT

ARTICLES

VIREO HEALTH INTERNATIONAL, INC.
(Incorporation No. C0987761)

PART 1
INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

(a) "Business Corporations Act" means the *Business Corporations Act* (British Columbia) or any re-enactment, replacement or amendment of such Act in force from time to time, and includes all regulations and amendments thereto made pursuant to that Act;

(b) "Company" means Vireo Health International, Inc.;

(c) "Directors", "Board of Directors" or "Board" means the Directors or, if the Company has only one Director, the Director of the Company for the time being;

(d) "legal personal representative" means the personal or other legal representative of the shareholder;

(e) "month" means calendar month;

(f) "registered address" of a Director means the address of the Director recorded in the register of directors of the Company;

(g) "registered address" of a shareholder means the address of the shareholder recorded in the central securities register of the Company;

(h) "registered owner" or "registered holder" or "holder" when used with respect to a share of the Company means the person registered in the central securities register of the Company in respect of such share;

(i) "regulations" means the regulations from time to time in force and made pursuant to the Business Corporations Act; and

(j) "seal" means the common seal of the Company, if any.

1.2 Expressions referring to writing shall be construed as including printing, lithography, typewriting, photography, photocopying, facsimile transmission, electronic media and all other modes of representing or reproducing words in a visible form.

1.3 Words importing the singular include the plural and *vice versa* and words importing a male person include a female person and a corporation.

1.4 The definitions in the Business Corporations Act and the definitions and rules of construction in the *Interpretation Act* (British Columbia) shall, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles. If there is a conflict between a definition in the Business Corporations Act and a definition or rule in the *Interpretation Act* (British Columbia), the definition in the Business Corporations Act shall prevail.

1.5 The provisions contained in Table 1 to the Business Corporations Regulation shall not apply to the Company.

PART 2
SHARES AND SHARE CERTIFICATES

2.1 The authorized share structure of the Company shall consist of shares of a class or classes, which may be divided into one or more series, as described in the Notice of Articles of the Company. Each class of issued shares shall be evidenced by a distinct form of certificate. Every share certificate issued by the Company shall be in such form as the Directors may approve from time to time and shall comply with, and be signed as required by, the Business Corporations Act.

2.2 Unless the shares of which the shareholder is registered owner are uncertificated shares, each shareholder is entitled, without charge, to (a) one certificate representing the share or shares of each class held by him; or (b) a non-transferable written acknowledgement of the shareholder's right to obtain such a certificate, provided that in respect of a share or shares held jointly by several shareholders, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint registered holders or to his duly authorized agent shall be sufficient delivery to all. The Company or the transfer agent and registrar of the Company must send to a holder of an uncertificated share a written notice containing the information required by the *Business Corporations Act* within a reasonable time after the issue or transfer of such share. The Company shall not be bound to issue certificates representing redeemable shares if such shares are to be redeemed within one month of the date on which they were allotted.

2.3 Any share certificate, non-transferable written acknowledgment of a shareholder's right to obtain a share certificate or written notice of the issue or transfer of an uncertificated share may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any transfer agent shall be liable for any loss occasioned to the shareholder resulting from the loss or theft of any such share certificate or acknowledgement so sent.

2.4 If a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate:

(a) is worn out or defaced, the Directors may, upon production to the Company of the certificate or the acknowledgment and upon such other terms, if any, as they may think fit, order the certificate or acknowledgment to be cancelled and issue a new certificate or acknowledgment in lieu thereof; or

(b) is lost, stolen or destroyed, the Directors may, upon proof thereof to their satisfaction and upon such indemnity, if any, being given as they consider adequate, issue a new share certificate or acknowledgment in lieu thereof to the person entitled to such lost, stolen or destroyed certificate or acknowledgment.

2.5 If a share certificate represents more than one share and the registered owner thereof surrenders it to the Company with a written request that the Company issue in his name two or more certificates each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Directors shall cancel the certificate so surrendered and issue in lieu thereof certificates in accordance with such request.

2.6 If a shareholder owns shares of a class or series represented by more than one share certificate and surrenders the certificates to the Company with a written request that the Company issue in his name one certificate representing in the aggregate the same number of shares as the certificates so surrendered, the Directors shall cancel the certificates so surrendered and issue in lieu thereof a certificate in accordance with such request.

2.7 The Directors may from time to time determine the amount of a charge, not exceeding an amount prescribed by the Business Corporations Act or the regulations, to be imposed for each certificate issued pursuant to Articles 2.4, 2.5 and 2.6.

2.8 Except as required by law, statute or these Articles, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or in any fractional part of a share or (except as provided by law, statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in its registered holder.

PART 3
ISSUE OF SHARES

3.1 Subject to the Business Corporations Act and the rights of the holders of issued shares of the Company, the shares of the Company shall be under the control of the Directors, who may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including Directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the Directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for shares of the Company, or procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any such shares. The Directors shall determine, in their sole discretion, what is reasonable in the circumstances.

3.3 The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Except as provided for by the Business Corporations Act, no share may be issued until it is fully paid and the Company shall have received the full consideration therefor in cash, property or past services actually performed for the Company. A document evidencing indebtedness of the allottee is not property for the purpose of this Article 3.4. The value of property or services for the purpose of this Article 3.4 shall be the value determined by the Directors by resolution to be, in all the circumstances of the transaction, no greater than the fair market value thereof The full consideration received for a share issued by way of dividend shall be the amount determined by the Directors to be the amount of the dividend.

3.5 Subject to the Business Corporations Act, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the Directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

PART 4
SHARE REGISTERS

4.1 The Company shall maintain at its records office or at another location in British Columbia designated by the Directors a central securities register as required by the Business Corporations Act. The Company may maintain branch securities registers at any locations inside or outside British Columbia designated by the Directors. The Directors may appoint one or more trust companies or other persons authorized by the Business Corporations Act (as the case may be, a "trust company") to maintain the aforesaid central securities register and branch securities registers. The Directors may also appoint one or more trust companies, including the trust company which keeps the central securities register, as transfer agent for its shares or any class or series thereof, as the case may be, and the same or another trust company or companies as registrar for its shares or any class or series thereof, as the case may be. The Directors may terminate the appointment of any such trust company at any time and may appoint another trust company in its place.

4.2 The Company shall not at any time close its central securities register.

PART 5
TRANSFER OF SHARES

5.1 A transfer of a share of the Company must not be registered unless:

(a) a duly signed instrument of transfer in respect of the share has been received by the Company;

(b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company;

(c) if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement has been surrendered to the Company;

(d) in the case of a share that is an uncertificated share, a written instrument of transfer that directs that the transfer of the share be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person has been received by the Company; and

(e) such other evidence, if any, as the Company may require to prove the title of the transferor or the transferor's right to transfer the share, the due signing of the instrument of transfer and the right of the transferee to have the transfer registered have been received by the Company.

For the purpose of this Article, delivery or surrender to the transfer agent or registrar which maintains the Company's central securities register or a branch securities register, if applicable, will constitute receipt by or surrender to the Company.

5.2 The instrument of transfer shall be in the form, if any, on the back of the Company's share certificates or in such other form as the Directors may from time to time approve. If the Directors so require, each instrument of transfer shall be in respect of only one class of shares. Except to the extent that the Business Corporations Act may otherwise provide, the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the central securities register or a branch securities register in respect thereof.

5.3 The signature of the registered owner of any shares, or of his duly authorized attorney, upon an authorized instrument of transfer shall constitute a complete and sufficient authority to the Company, its Directors, officers and agents to register in the name of the transferee as named in the instrument of transfer the number of shares specified therein or, if no number is specified, all the shares of the registered owner represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer. If no transferee is named in the instrument of transfer, the instrument of transfer shall constitute a complete and sufficient authority to the Company, its Directors, officers and agents to register, in the name of the person on whose behalf the instrument is deposited with the Company for the purpose of having the transfer registered, the number of shares specified in the instrument of transfer or, if no number is specified, all the shares represented by all share certificates or set out in all written acknowledgments deposited with the instrument of transfer.

5.4 The Company and its Directors, officers and agents shall not be bound to enquire into nor as to the title of the person named in the form of transfer as transferee or, if no person is named therein as transferee, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered, or be liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, or any interest in the shares, or any share certificate representing such shares or of any written acknowledgement of a right to obtain a share certificate for such shares.

5.5 There shall be paid to the Company in respect of the registration of any transfer such sum, if any, as the Directors may from time to time determine.

PART 6
TRANSMISSION OF SHARES

6.1 In the case of the death of a shareholder, the survivor or survivors where the deceased was a joint registered holder of shares, and the legal personal representative of the deceased shareholder where he was the sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares. Before recognizing any legal personal representative the Directors may require him to produce a Court certified copy of a grant of probate or letters of administration, or grant of representation, will, order or other instrument or other evidence of the death under which title to the shares is claimed to vest, and produce such documents and do such things as the Business Corporations Act requires.

6.2 Upon the death or bankruptcy of a shareholder, his personal representative or trustee in bankruptcy, as the case may be, although not a shareholder, shall have the same rights, privileges and obligations that attach to the shares formerly held by the deceased or bankrupt shareholder if the documents and steps required in that regard by the Business Corporations Act shall have been deposited with the Company.

6.3 Any person becoming entitled to a share in consequence of the death or bankruptcy of a shareholder shall, upon such documents and evidence being produced to the Company as the Business Corporations Act requires, or who becomes entitled to a share as a result of an order of a Court of competent jurisdiction or a statute, have the right either to be registered as a shareholder in his representative capacity in respect of such share or, if he is a personal representative or trustee in bankruptcy, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made. Notwithstanding the foregoing, the Directors shall, as regards a transfer by a personal representative or trustee in bankruptcy, have the same right, if any, to decline or suspend registration of a transferee as they would have in the case of a transfer of a share by the deceased or bankrupt person before the death or bankruptcy.

PART 7
ALTERATION OF AUTHORIZED SHARE STRUCTURE, ARTICLES AND NOTICE OF ARTICLES

7.1 Subject to Article 7.6 and the provisions of the Business Corporations Act, the Directors may by resolution change the authorized share structure of the Company by:

(a) creating one or more classes or series of shares;

(b) increasing, reducing or eliminating the maximum number of shares that the Company is authorized to issue out of any class or series of shares;

(c) establishing a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(d) subdividing all or any of the unissued, or fully paid issued, shares of the Company with par value into shares of smaller par value;

(e) subdividing all or any of the unissued, or fully paid issued, shares of the Company without par value;

(f) consolidating all or any of the unissued, or fully paid issued, shares of the Company with par value into shares of larger par value;

(g) consolidating all or any of the unissued, or fully paid issued, shares of the Company without par value;

(h) if the Company is authorized to issue shares of a class of shares with par value:

(i) decrease the par value of those shares; or

(ii) increase the par value of those shares if none of the shares of that class of shares are allotted or issued;

(i) eliminate any class or series of shares of the Company if none of the shares of that class or series of shares are allotted or issued;

(j) change all or any of the unissued, or fully paid issued, shares of the Company with par value into shares without par value;

(k) change all or any of the unissued shares without par value into shares of the Company with par value;

(l) alter the identifying name of any of the shares of the Company; and

(m) otherwise alter the authorized share structure of the Company when required or permitted to do so by the Business Corporations Act.

7.2 The Directors may, by resolution, authorize and cause the Company to alter its Notice of Articles to reflect any change in the authorized share structure of the Company pursuant to Article 7.1 or otherwise.

7.3 The Company may, by ordinary resolution:

(a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

7.4 The Company may, by ordinary resolution, alter these Articles to reflect any such creation and attachment, variation or deletion of special rights or restrictions pursuant to Article 7.3.

7.5 Notwithstanding anything else contained in this Part 7, no right or special right attached to issued shares may be prejudiced or interfered with unless the shareholders holding shares of the class or series of shares to which the right or special right is attached consent by a separate special resolution of those shareholders.

7.6 Notwithstanding Article 7.1, if any change in the authorized share structure of the Company would result in a right or special right attached to issued shares being prejudiced or interfered with, special rights or restrictions being created and attached to a class or series of shares or special rights and restrictions being varied or deleted from a class or series of shares, the change must be authorized as provided for in Articles 7.4 and 7.5.

7.7 Unless a different type of resolution is required by the Business Corporations Act or these Articles, the Directors may by resolution authorize and cause the Company to make any alterations to its Notice of Articles or these Articles. Without limiting the generality of the foregoing, the Directors may by resolution authorize and cause the Company to alter its Notice of Articles in order to change its name.

7.8 Unless these Articles otherwise provide, the provisions of these Articles relating to shareholder meetings shall apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting but the quorum at a class meeting or series meeting shall be one person holding or representing by proxy one-third of the shares affected.

PART 8
PURCHASE OF SHARES

8.1 Subject to the special rights and restrictions attached to the shares of any class or series and the Business Corporations Act, the Company may, by a resolution of the Directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution. The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that the Company is insolvent or that making the payment or providing the consideration would render the Company insolvent.

8.2 If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share but, while such share is held by the Company, the Company:

(a) is not entitled to vote the share at a meeting of its shareholders;

(b) must not pay a dividend in respect of the share; and

(c) must not make any other distribution in respect of the share.

PART 9
BORROWING POWERS

9.1 The Directors may from time to time in their discretion authorize and cause the Company to:

(a) borrow money in such amount, in such manner, on such security, from such sources and upon such terms and conditions as they think fit;

(b) guarantee the repayment of money borrowed by any person or the performance of any obligation of any person;

(c) issue bonds, debentures, notes and other debt obligations either outright or as continuing security for any indebtedness or liability, direct or indirect, or obligations of the Company or of any other person; and

(d) mortgage, charge (whether by way of a specific or floating charge), grant a security interest in or give other security on the undertaking or on the whole or any part of the property and assets of the Company, both present and future.

9.2 Any bonds, debentures, notes or other debt obligations of the Company may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at meetings of the shareholders of the Company, appointment of Directors or otherwise and may by their terms be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the Directors may determine.

PART 10
SHAREHOLDER MEETINGS

10.1 Unless an annual general meeting is deferred or waived in accordance with the Business Corporations Act, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the Directors.

10.2 If all the shareholders who are entitled to vote at an annual general meeting consent by unanimous resolution under the Business Corporations Act to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 The Directors may, whenever they think fit, convene a meeting of shareholders.

10.4 The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether or not previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(a) if and for so long as the Company is a public company, 21 days; and

(b) otherwise, 10 days.

10.5 The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.6 The Directors may set a date as the record date for the purpose of determining the shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Business Corporations Act, by more than four months. If no record date is set, the record date is 5:00 p.m. local time at the place of the Company's records office on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document shall be available for inspection by shareholders:

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(ii) during statutory business hours on any one or more specified days before the date set for the holding of the meeting.

PART 11
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 At a meeting of shareholders, the following business is special business:

(a) at an annual general meeting, all business is special business with the exception of the conduct of and voting at such meeting, consideration of the financial statements and any reports of the Directors or auditor, fixing or changing the number of Directors, the election or appointment of Directors, the appointment of an auditor, fixing of the remuneration of the auditor, business arising out of a report of the Directors not requiring the passing of a special resolution or an exceptional resolution and any other business which, under these Articles or the Business Corporations Act may be transacted at a meeting of shareholders without prior notice thereof being given to the shareholders; and

(b) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting.

11.2 The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but a quorum need not be present throughout the meeting.

11.4 Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one person present in person or by proxy.

11.5 The Directors, the senior officers of the Company, the solicitor of the Company, the auditor of the Company (if any) and any other persons invited by the directors are entitled to attend any meeting of shareholders, but no such person shall be counted in the quorum or be entitled to vote at any meeting of the shareholders unless that person is a shareholder or proxy holder entitled to vote at such meeting.

11.6 If within half an hour following the time appointed for a meeting of shareholders, a quorum is not present, the meeting, if convened upon the requisition of shareholders, shall be dissolved. In any other case the meeting shall stand adjourned to the same day 'in the next week, at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour following the time appointed for the meeting, the person or persons present and being, or representing by proxy, a shareholder or shareholders entitled to attend and vote at the meeting shall be a quorum.

11.7 The Chair of the Board or in his absence, or if there is no Chair of the Board, the President or in his absence, or if there is no President, a Vice-President, if any, shall be entitled to preside as chair at every meeting of the shareholders of the Company.

11.8 If at any general meeting neither the Chair of the Board nor the President nor a Vice-President is present within 15 minutes after the time appointed for holding the meeting or if any of them is present and none of them is willing to act as chair, or if they have advised the Secretary (if any) or any director present at the meeting that they shall not be present at the meeting, the Directors present shall choose one of their number or the solicitor of the Company to be chair, or if all the Directors present and the solicitor of the Company decline to take the chair or shall fail to so choose or if no Director or solicitor of the Company is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.9 The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

11.10 No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair may propose or second a motion.

11.11 Subject to the provisions of the Business Corporations Act, every motion or questions put to a vote at a meeting of shareholders shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy. The chair shall declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, and such decision shall be entered in the record of proceedings of the Company. A declaration by the chair that a motion or question has been carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under this Article 11.11, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against that motion or question.

11.12 The chair of the meeting shall be entitled to vote any shares carrying the right to vote held by him but in the case of an equality of votes, whether on a show of hands or on a poll, the chair shall not have a second or casting vote in addition to the vote or votes to which he may be entitled as a shareholder.

11.13 No poll may be demanded on the election of a chair. A poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken as soon as, in the opinion of the chair, is reasonably convenient, but in no event later than seven days after the meeting and at such time and place and in such manner as the chair of the meeting directs. The result of the poll shall be deemed to be the resolution of and passed at the meeting at which the poll was demanded. Any business other than that upon which the poll has been demanded may be proceeded with pending the taking of the poll. A demand for a poll may be withdrawn by the person who demanded it. In any dispute as to the admission or rejection of a vote the decision of the chair made in good faith shall be final and conclusive.

11.14 The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period the Company may destroy such ballots and proxies.

11.15 On a poll a person entitled to cast more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

11.16 Unless the Business Corporations Act or these Articles otherwise provide, any action to be taken by a resolution of the shareholders may be taken by an ordinary resolution.

PART 12
VOTES OF SHAREHOLDERS

12.1 Subject to any special rights or restrictions attached to any shares and the restrictions as to voting on joint registered holders of shares, on a show of hands every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote and on a poll every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Any person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the Directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Any corporation, not being a subsidiary of the Company, which is a shareholder of the Company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of shareholders of the Company, and:

(a) for that purpose, the instrument appointing a representative must:

(i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

(ii) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;

(b) if a representative is appointed under this Article 12.3:

(i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages in any medium.

12.4 In the case of joint shareholders registered in respect of any share:

(a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respebt of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share shall be counted.

Two or more legal personal representatives of a shareholder in whose sole name any share is registered in his sole name shall for the purpose of this Article 12.4, be deemed joint registered holders.

12.5 A shareholder of unsound mind entitled to attend and vote, in respect of whom an order has been made by any court having jurisdiction, may vote, whether on a show of hands or on a poll, by his committee, *curator bonis*, or other person in the nature of a committee or *curator bonis* appointed by that court, and any such committee, *curator bonis* or other person may appoint a proxy holder.

12.6 Articles 12.7 to 12.14 do not apply to the Company if and for so long as it is a public company.

12.7 Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy. A shareholder may also appoint one or more alternate proxy holders to act in the place and stead of an absent proxy holder.

12.8 A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

(a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.3;

(b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or

(c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

12.9 A proxy for a meeting of shareholders must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

(b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages in any medium.

12.10 A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(b) by the chair of the meeting, before the vote is taken.

12.11 A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the Directors or the chair of the meeting:

Vireo Health International, Inc.
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name],* as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder):

_____

Signed [month, day, year]

_____
[Signature of shareholder]

_____
[Name of shareholder—printed]

12.12 Subject to Article 12.13, every proxy may be revoked by an instrument in writing that is:

(a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(b) provided, at the meeting, to the chair of the meeting.

12.13 An instrument referred to in Article 12.12 must be signed as follows:

(a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his legal personal representative or trustee in bankruptcy; or

(b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.3.

12.14 The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

PART 13
DIRECTORS

13.1 The first Directors are the persons designated as Directors of the Company in the Notice of Articles that applies to the Company when the Company is recognized under the Business Corporations Act. The number of Directors, excluding additional Directors appointed under Article 14.12, is set at:

(a) subject to paragraphs (b) and (c), that number of Directors equal to the number of the Company's first Directors;

(b) if the Company is a public company, the greater of three and the most recently set of:

(i) the number of Directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(ii) the number of directors set under Article 14.5;

(c) if the Company is not a public company, the most recently set of:

(i) the number of Directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(ii) the number of Directors set under Article 14.5.

13.2 If the number of Directors is set under Articles 13.1(b)(i) or 13.1(c)(ii):

(a) the shareholders may elect or appoint the Directors needed to fill any vacancies in the board of Directors up to that number; or

(b) if the shareholders do not elect or appoint the Directors needed to fill any vacancies in the board of Directors up to that number contemporaneously with the setting of that number, then the Directors may appoint, or the shareholders may elect or appoint, Directors to fill those vacancies.

13.3 An act or proceeding of the Directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles are in office.

13.4 A Director is not required to hold a share in the capital of the Company as qualification for his office but must be qualified as required by the Business Corporations Act to become, act or continue to act as a director.

13.5 The Directors are entitled to the remuneration for acting as Directors, if any, as the Directors may from time to time determine. If and for so long as the Directors so decide from time to time, or as they may rescind such decisions from time to time, the remuneration of the Directors, if any, may be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a Director. The Company must reimburse each Director for the reasonable expenses that he may incur in and about the business of the Company. If a Director performs any professional or other services for the Company that in the opinion of the Directors are outside the ordinary duties of a Director or shall otherwise be specially occupied in or about the Company's business, he may be paid remuneration to be fixed by the Board, or, at the option of such Director, by ordinary resolution, and such remuneration may be either in addition to or in substitution for any other remuneration that he may be entitled to receive. Unless otherwise determined by ordinary resolution, the Directors on behalf of the Company may pay a gratuity, pension or retirement allowance to any Director who has held any salaried office or place of profit with the Company or to his spouse or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

PART 14
ELECTION AND REMOVAL OF DIRECTORS

14.1 At each annual general meeting and in every unanimous resolution contemplated by Article 10.2 of the Company, all the Directors shall retire and the shareholders entitled to vote at the meeting shall elect, or in the unanimous resolution appoint, a Board of Directors consisting of the number of Directors for the time being fixed pursuant to these Articles.

14.2 A retiring Director shall be eligible for re-election or re-appointment.

14.3 No election, appointment or designation of an individual as a Director is valid unless:

(a) that individual consents to be a Director in the manner provided for in the Business Corporations Act;

(b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a Director; or

(c) with respect to first Directors, the designation is otherwise valid under the Business Corporations Act.

14.4 Where the Company fails to hold an annual general meeting and the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, or where the shareholders fail at the annual general meeting or in the unanimous resolution contemplated by Article 10.2 to elect or appoint any Directors, then each Director then in office continues to hold office until the earlier of the date on which his successor is elected or appointed and the date on which he otherwise ceases to hold office under the Business Corporations Act or these Articles.

14.5 If at any meeting of shareholders at which there should be an election of Directors, the places of any of the retiring Directors are not filled by such election, such of the retiring Directors who are not re-elected as may be requested by the newly elected Directors shall, if willing to do so, continue in office to complete the number of Directors for the time being fixed pursuant to these Articles until further new Directors are elected at a meeting of shareholders convened for the purpose. If any such election or continuance of Directors does not result in the election or continuance of the number of Directors for the time being fixed pursuant to these Articles such number shall be fixed at the number of Directors actually elected or continued in office.

14.6 Any casual vacancy occurring in the Board of Directors may be filled by the remaining Directors or Director.

14.7 The Directors may act notwithstanding any vacancy in the Board, but if the Company has fewer Directors in office than the number set pursuant to these Articles as the quorum of Directors, the Directors may only act for the purpose of appointing Directors up to that number or summoning a meeting of shareholders for the purpose of filling any vacancies on the Board or, subject to the Business Corporations Act, for any other purpose.

14.8 If the Company has no Directors or fewer Directors in office than the number set pursuant to these Articles as the quorum of Directors, the shareholders may elect or appoint Directors to fill any vacancies on the Board.

14.9 A Director ceases to be a Director when:

(a) the term of office of the Director expires;

(b) the Director dies;

(c) the Director resigns his office by notice in writing provided to the Company or to a lawyer for the Company; or

(d) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 The Company may, by a consent resolution executed by the holders of a simple majority of the Company's common shares, remove any Director before the expiration of his term of office, and may, by the same resolution, elect or appoint another person in his stead. If the shareholders do not elect or appoint a Director to fill the resulting vacancy contemporaneously with the removal, then the Directors may appoint a Director to fill that vacancy.

14.11 The Directors may remove any Director before the expiration of his term of office if the Director is convicted of an indictable offence, or if the Director ceases to be qualified to act as a director of a company under the Business Corporations Act and does not promptly resign, and the Directors may appoint a Director to fill the resulting vacancy.

14.12 Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the Directors may appoint one or more additional Directors but the number of additional Directors shall not at any time exceed:

(a) 1/3 of the number of first Directors, if, at the time of the appointments, one or more of the first Directors have not yet completed their first term of office; or

(b) in any other case, 1/3 of the number of the current Directors who were elected or appointed as Directors other than under this Article 14.12.

Any Director so appointed ceases to hold office immediately before the next election or appointment of Directors under Article 14.1, but is eligible for re-election or re-appointment.

PART 15
ALTERNATE DIRECTORS

15.1 Any Director (an "appointor") may by notice in writing received by the Company appoint any person (an "appointee") who is qualified to act as a director to be his alternate to act in his place at meetings of the Directors or committees of the Directors at which the appointor is not present unless (in the case of an appointee who is not a Director) the Directors have reasonably disapproved the appointment of such person as an alternate Director and have given notice to that effect to his appointor within a reasonable time after the notice of appointment is received by the Company.

15.2 Every alternate Director so appointed is entitled to notice of meetings of the Directors and of committees of the Directors of which his appointor is a member and to attend and vote as a Director at any such meetings at which his appointor is not present.

15.3 A person may be appointed as an alternate Director by more than one Director, and an alternate Director:

(a) shall be counted in determining the quorum for a meeting of Directors once for each of his appointors and, in the case of an appointee who is also a Director, once more in that capacity;

(b) has a separate vote at a meeting of Directors for each of his appointors and, in the case of an appointee who is also a Director, an additional vote in that capacity;

(c) shall be counted in determining the quorum for a meeting of a committee of Directors once for each of his appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a Director, once more in that capacity; and

(d) has a separate vote at a meeting of a committee of Directors for each of his appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a Director, an additional vote in that capacity.

15.4 Every alternate Director, if authorized by the notice appointing him, may sign in place of his appointor any resolutions to be consented to in writing.

15.5 Every alternate Director is deemed not to be the agent of his appointor.

15.6 An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate Director appointed by him.

15.7 The appointment of an alternate Director ceases when:

(a) his appointor ceases to be a Director and is not promptly re-elected or re-appointed;

(b) the alternate Director dies;

(c) the alternate Director resigns as an alternate Director by notice in writing provided to the Company or a lawyer for the Company;

(d) the alternate Director ceases to be qualified to act as a director; or

(e) his appointor revokes the appointment of the alternate Director.

15.8 The Company may reimburse an alternate Director for the reasonable expenses that would be properly reimbursed if he were a Director, and the alternate Director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct, but payment of such remuneration in every case to the appointor by the Company is a good and sufficient discharge of the Company's obligations in that regard and the Company need not enquire into or be concerned with the state of account between appointor and appointee.

PART 16
POWERS AND DUTIES OF DIRECTORS

16.1 The Directors must, subject to the Business Corporations Act and these Articles, manage, or supervise the management of, the affairs and business of the Company and shall have authority to exercise all such powers of the Company as are not, by the Business Corporations Act or by these Articles, required to be exercised by the shareholders of the Company.

16.2 The Directors may from time to time by power of attorney or other instrument under the seal of the Company (if such seal is so required by law) appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles and excepting the powers of the Directors relating to the constitution of the Board and of any of its committees and the appointment or removal of officers and the power to declare dividends) and for such period, with such remuneration and subject to such conditions as the Directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Directors think fit. Any such attorney may be authorized by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

16.3 The Directors may by resolution set the remuneration of the Company's auditor, without the need to obtain an ordinary resolution of the shareholders enabling them to do so.

PART 17
DISCLOSURE OF INTEREST OF DIRECTORS AND SENIOR OFFICERS

17.1 A Director or senior officer who has, directly or indirectly, a material interest in an existing or proposed material contract or transaction of the Company or who holds any office or possesses any property whereby, directly or indirectly, a duty or interest might be created to conflict with his duty or interest as a Director or senior officer, shall declare the nature and extent of his interest in such contract or transaction or of the conflict or potential conflict with his duty and interest as a Director or senior officer, as the case may be, in accordance with the provisions of the Business Corporations Act. A Director shall not vote in respect of any such proposed material contract or transaction and if he shall do so his vote shall not be counted, but he shall be counted in the quorum present at the meeting at which such vote is taken. Notwithstanding the foregoing, if all of the Directors have a material interest in a proposed material contract or transaction, any or all of those Directors may vote on a resolution to approve the contract or transaction.

17.2 Subject to the provisions of the Business Corporations Act, a Director or senior officer need not disclose an interest in the following types of contracts and transactions, and a Director need not refrain from voting in respect of the following types of contracts and transactions:

(a) a contract or transaction where both the Company and the other party to the contract or transaction are wholly owned subsidiaries of the same corporation;

(b) a contract or transaction where the Company is a wholly owned subsidiary of the other party to the contract or transaction;

(c) a contract or transaction where the other party to the contract or transaction is a wholly owned subsidiary of the Company;

(d) a contract or transaction where the Director or senior officer is the sole shareholder of the Company or of a corporation of which the Company is a wholly owned subsidiary;

(e) an arrangement by way of security granted by the Company for money loaned to, or obligations undertaken by, the Director or senior officer, or a person in whom the director or senior officer has a material interest, for the benefit of the Company or an affiliate of the Company;

(f) a loan to the Company, which a Director or senior officer or a specified corporation or a specified firm in which he has a material interest has guaranteed or joined in guaranteeing the repayment of the loan or any part of the loan;

(g) any contract or transaction made or to be made with, or for the benefit of a corporation that is affiliated with the Company and the Director or senior officer is also a director or senior officer of that corporation or an affiliate of that corporation;

(h) any contract by a Director to subscribe for or underwrite shares or debentures to be issued by the Company or a subsidiary of the Company;

(i) determining the remuneration of the Director or senior officer in that person's capacity as Director, officer, employee or agent of the Company or an affiliate of the Company;

(j) purchasing and maintaining insurance to cover a Director or senior officer against liability incurred by them as a Director or senior officer; or

(k) the indemnification of any Director or senior officer by the Company.

The foregoing exceptions may from time to time be suspended or amended to any extent approved by the Company in general meeting and permitted by the Business Corporations Act, either generally or in respect of any particular contract or transaction or for any particular period.

17.3 A Director may hold any office or appointment with the Company (except as auditor of the Company) in conjunction with his office of Director for such period and on such terms (as to remuneration or otherwise) as the Directors may determine and no Director or intended Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or appointment or as vendor, purchaser or otherwise and no contract or transaction entered into by or on behalf of the Company in which a Director is in any way interested shall be liable to be voided by reason thereof.

17.4 Subject to the Business Corporations Act, a Director or officer, or any person in which a Director or officer has an interest, may act in a professional capacity for the Company (except as auditor of the Company) and the Director or officer or such person shall be entitled to remuneration for professional services as if he were not a Director or officer.

17.5 A Director or officer may be or become a director or officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the Business Corporations Act, such Director or officer shall not be accountable to the Company for any remuneration or other benefits received by him as director, officer or employee of, or from his interest in, such other corporation or firm.

PART 18
PROCEEDINGS OF DIRECTORS

18.1 The Chair of the Board or, in his absence or if there is no Chair of the Board, the President, if any and if the President is a Director, shall preside as chair at every meeting of the Directors.

18.2 If at any meeting of Directors neither the Chair of the Board nor the President, if a Director, is present within 15 minutes after the time appointed for holding the meeting or if neither the Chair of the Board nor the President, if a Director, is willing to act as chair or if the Chair of the Board and the President, if a Director, have advised the Secretary, if any, or any other Director, that they shall not be present at the meeting, then the Directors present shall choose one of their number to chair the meeting.

18.3 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the Directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the Directors may from time to time determine. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chair shall have a second or casting vote.

18.4 A Director may participate in a meeting of the Directors or of any committee of the Directors in person or by telephone if all Directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A Director may participate in a meeting of the Directors or of any committee of the Directors by a communications medium other than telephone if all Directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all Directors who wish to participate in the meeting agree to such participation. A Director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the Business Corporations Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 A Director may at any time, and the Secretary or an Assistant Secretary, if any, upon request of a Director shall, call a meeting of the Board.

18.6 Other than for meetings held at regular intervals as determined by the Directors pursuant to Article 18.3, reasonable notice of each meeting of the Directors, specifying the place, day and time of that meeting must be given to each of the Directors and the alternate Directors by any method set out in Article 24.1 or orally or by telephone.

18.7 It is not necessary to give notice of a meeting of the Directors to a Director or an alternate Director if:

(a) the meeting is to be held immediately following a meeting of shareholders at which that Director was elected or appointed, or is the meeting of the Directors at which that Director is appointed; or

(b) the Director or alternate Director, as the case may be, has waived notice of the meeting.

18.8 The accidental omission to give notice of any meeting of Directors to, or the non-receipt of any notice by, any Director or alternate Director, does not invalidate any proceeding at that meeting.

18.9 Any Director or alternate Director may send to the Company a document signed by him waiving notice of any past, present or future meeting or meetings of the Directors and may at any time withdraw the waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of meetings of Directors shall be sent to that Director and, unless the Director otherwise requires by notice in writing to the Company, to his alternate Director, and all meetings of the Directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such Director or alternate Director.

18.10 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and, if not so fixed, is deemed to be set at two Directors or, if the number of Directors is set at one, is deemed to be set at one Director, and that Director may constitute a meeting.

18.11 Subject to the provisions of the Business Corporations Act, an act of a Director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that Director or officer.

18.12 A resolution of the Directors or any committee of the Directors consented to in writing by all of the Directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages in any medium, is as valid and effective as if it had been passed at a meeting of the Directors or of the committee of the Directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the Directors or of any committee of the Directors passed in accordance with this Article 18.12 is deemed to be a proceeding at a meeting of Directors or of the committee of the Directors and to be as valid and effective as if it had been passed at a meeting of the Directors or of the committee of the Directors that satisfies all the requirements of the Business Corporations Act and all the requirements of these Articles relating to meetings of the Directors or of a committee of the Directors.

PART 19
EXECUTIVE AND OTHER COMMITTEES

19.1 The Directors may by resolution appoint an Executive Committee consisting of such member or members of the Board as they think fit, which Committee shall have, and may exercise during the intervals between the meetings of the Board, all the powers vested in the Board except the power to fill vacancies in the Board, the power to remove a Director, the power to change the membership of or fill vacancies in said Committee or any other committee of the Board and such other powers, if any, as may be specified in the resolution or any subsequent Directors' resolution. The said Committee shall keep regular minutes of its transactions and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board at such times as the Board may from time to time require. The Board shall have the power at any time to revoke or override the authority given to or acts done by the Executive Committee except as to acts done before such revocation or overriding and to terminate the appointment or change the membership of such Committee and to fill vacancies in it.

19.2 The Directors may by resolution appoint one or more other committees consisting of such member or members of the Board as they think fit and may delegate to any such committee between meetings of the Board such powers of the Board (except the power to fill vacancies in the Board, the power to remove a Director, the power to change the membership of or fill vacancies in any committee of the Board and the power to appoint or remove officers appointed by the Board) subject to such conditions as may be prescribed in such resolution or any subsequent Directors' resolution, and all committees so appointed shall keep regular minutes of their transactions and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board at such times as the Board may from time to time require. The Directors shall also have power at any time to revoke or override any authority given to or acts to be done by any such committee except as to acts done before such revocation or overriding and to terminate the appointment or change the membership of a committee and to fill vacancies in it.

19.3 Any committee appointed under this Part, in the exercise of the powers delegated to it, must conform to any rules that may from time to time be imposed on it by the Directors. Committees appointed under this Part may make rules for the conduct of their business and may appoint such assistants as they may deem necessary. A majority of the members of a committee shall constitute a quorum thereof.

19.4 Committees appointed under this Part may meet and adjourn as they think proper. The committee may elect a member of the committee to chair its meetings but, if no such member to chair the meeting is elected, or if at a meeting the member elected to chair the meeting is not present within 15 minutes after the time set for holding the meeting, the Directors present who are members of the committee may choose one of their number to chair the meeting. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members of the committee present, and in case of an equality of votes the chair shall not have a second or casting vote. The provisions of Article 18.12 shall apply *mutatis mutandis* to resolutions consented to in writing by the members of a committee appointed under this Part.

PART 20
OFFICERS

20.1 The Directors may, from time to time, appoint such officers, if any, as the Directors shall determine and the Directors may at any time terminate or vary any such appointment. No officer shall be appointed unless he is qualified in accordance with the provisions of the Business Corporations Act.

20.2 One person may hold more than one position as an officer of the Company. Any person appointed as the Chair of the Board or as the Managing Director must be a Director; save as aforesaid, no other officer need be a Director.

20.3 The remuneration of the officers of the Company as such and the terms and conditions of their tenure of office or employment shall from time to time be determined by the Directors. Such remuneration may be by way of salary, fees, wages, commission or participation in profits or any other means or all of these modes and an officer may in addition to such remuneration be entitled to receive after he ceases to hold such office or leaves the employment of the Company a gratuity, pension or retirement allowance.

20.4 The Directors may decide what functions and duties each officer shall perform and may entrust to and confer upon him any of the powers exercisable by the Directors upon such terms and conditions and with such restrictions as the Directors think fit and may from time to time revoke, withdraw, alter or vary all or any of such functions, duties and powers.

PART 21
INDEMNITY AND PROTECTION OF DIRECTORS, OFFICERS AND EMPLOYEES

21.1 Subject to the provisions of the Business Corporations Act, the Directors shall cause the Company to indemnify a Director, officer or alternate Director or a former Director, officer or alternate Director of the Company or a person who, at the request of the Company, is or was a director, alternate director or officer of another corporation, at a time when the corporation is or was an affiliate of the Company or a person who, at the request of the Company, is or was, or holds or held a position equivalent to that of, a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity (in each case, an "eligible party"), and the heirs and personal representatives of any such eligible party, against all judgments, penalties or fines awarded or imposed in, or an amount paid in settlement of, a legal proceeding or investigative action (whether current, threatened, pending or completed) in which such eligible party or any of the heirs and personal representatives of such eligible party, by reason of such eligible party being or having been a Director, alternate Director or officer or holding or having held a position equivalent to that of a Director, alternate Director or officer, is or may be joined as a party or is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to the proceeding. Provided the Company first receives a written undertaking from the eligible party to repay amounts advanced if so required under the Business Corporations Act, the Directors shall cause the Company to pay, as they are incurred in advance of the final disposition of the proceeding, the costs, charges and expenses, including legal and other fees actually and reasonably incurred by the eligible party in respect of the proceeding. After the final disposition of the proceeding, the Directors shall cause the Company to pay the expenses actually and reasonably incurred by the eligible party in respect of the proceeding, to the extent the eligible party has not already been reimbursed for such expenses, subject to the provisions of the Business Corporations Act. Each Director, alternate Director and officer of the Company on being elected or appointed shall be deemed to have contracted with the Company on the terms of the foregoing indemnity.

21.2 Subject to the provisions of the Business Corporations Act, the Company may indemnify any person.

21.3 The failure of a Director, alternate Director or officer of the Company to comply with the provisions of the Business Corporations Act or these Articles shall not invalidate any indemnity to which he is entitled under this Part.

21.4 The Directors may cause the Company to purchase and maintain insurance for the benefit of any person (or his heirs or legal personal representatives) who is or was a Director, officer, alternate Director, employee or agent of the Company or a person who, at the request of the Company, is or was a director, alternate director, officer, employee or agent of another corporation, at a time when the corporation is or was an affiliate of the Company or a person who, at the request of the Company, is or was or holds or held a position equivalent to that of a director, alternate director, officer, employee or agent of a partnership, trust, joint venture or other unincorporated entity and the person's heirs or personal representatives against any liability incurred by the person as such Director, alternate Director, director, alternate director, officer, employee, agent or person who holds or held such equivalent position.

PART 22
DIVIDENDS AND RESERVE

22.1 The provisions of this Part 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Subject to the Business Corporations Act, the Directors may from time to time and at any time declare and authorize payment of such dividends on such class or series of shares of the Company as they may deem advisable, to the exclusion of any other class or series of shares.

22.3 The Directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 The Directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. local time at the place of the registered office of the Company on the date on which the Directors pass the resolution declaring the dividend.

22.5 A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

22.6 If any difficulty arises in regard to a distribution under Article 22.5, the Directors may settle the difficulty as they deem appropriate, and, in particular, may:

(a) set the value for distribution of specific assets;

(b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(c) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 Any dividend may be made payable on such date as is fixed by the Directors.

22.8 All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 No dividend bears interest against the Company.

22.11 If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque shall, to the extent of the sum represented by the cheque (plus the amount of the tax or other amount required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of such tax or other amount so deducted is not paid to the appropriate taxing or other authority.

22.13 Notwithstanding anything contained in these Articles, the Directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

PART 23
DOCUMENTS, RECORDS AND REPORTS

23.1 The Directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the Business Corporations Act.

23.2 Unless the Directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

PART 24
NOTICES

24.1 Unless the Business Corporations Act or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the Business Corporations Act or these Articles to be sent by or to a person may be sent by any one of the following methods:

(a) mail addressed to the person at the applicable address for that person as follows:

(i) for a record mailed to a shareholder, the shareholder's registered address;

(ii) for a record mailed to a Director or officer, the prescribed address for mailing shown for the Director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class; and

(iii) in any other case, the mailing address of the intended recipient;

(b) delivery at the applicable address for that person as follows, addressed to the person:

(i) for a record delivered to a shareholder, the shareholder's registered address;

(ii) for a record delivered to a Director or officer, the prescribed address for delivery shown for the Director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class; and

(iii) in any other case, the delivery address of the intended recipient;

(c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class; or

(e) physical delivery to the intended recipient.

24.2 A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

24.3 A certificate signed by the Secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

24.4 A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

24.5 A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(a) mailing the record, addressed to them:

(i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(b) if an address referred to in paragraph (a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

PART 25
SEAL

25.1 Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed, affixed or otherwise reproduced on any record except when that impression is attested by the signatures of:

(a) any two Directors;

(b) any officer, together with any Director;

(c) if the Company only has one Director, that Director; or

(d) any one or more Directors or officers or persons as may be determined by the Directors.

25.2 For the purpose of certifying under seal a certificate of incumbency of the Directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any Director or officer.

25.3 The Directors may authorize the seal to be impressed or otherwise reproduced by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed or otherwise reproduced on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the Directors or officers of the Company are, in accordance with the Business Corporations Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies or images reproducing the seal and the Chair of the Board or any senior officer together with the Secretary, Treasurer, Secretary-Treasurer, an Assistant Secretary, an Assistant Treasurer or an Assistant Secretary-Treasurer may in writing authorize such person to cause the seal to be impressed or otherwise reproduced on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed or otherwise reproduced are for all purposes deemed to be under and to bear the seal impressed or otherwise reproduced on them.

PART 26
PROHIBITIONS

26.1 In this Part 26:

(a) "designated security" means:

(i) a voting security of the Company;

(ii) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or .

(iii) a security of the Company convertible, directly or indirectly, into a security described in paragraph (i) or (ii);

(b) "security" has the meaning assigned in the *Securities Act* (British Columbia);

(c) "voting security" means a security of the Company that:

(i) is not a debt security; and

(ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

26.2 Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

26.3 No share or designated security may be sold, transferred or otherwise disposed of without the consent of the Directors and the Directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

TERMS OF THE SUBORDINATE, SUPER VOTING AND MULTIPLE VOTING SHARES

APPENDIX 1
TO SCHEDULE C

Part 27:

1. An unlimited number of Subordinate Voting Shares, without nominal or par value, having attached thereto the special rights and restrictions as set forth below:

(a) **Voting Rights**. Holders of Subordinate Voting Shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting holders of Subordinate Voting Shares shall be entitled to one vote in respect of each Subordinate Voting Share held.

(b) **Alteration to Rights of Subordinate Voting Shares**. As long as any Subordinate Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Subordinate Voting Shares.

(c) **Dividends**. Holders of Subordinate Voting Shares shall be entitled to receive as and when declared by the directors, dividends in cash or property of the Company. No dividend will be declared or paid on the Subordinate Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Multiple Voting Shares and Super Voting Shares.

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

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

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

(g) **Conversion of Subordinate Voting Shares Upon an Offer**. In the event that an offer is made to purchase Multiple Voting Shares, and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange, if any, on which the Multiple Voting Shares are then listed, to be made to all or substantially all the holders of Multiple Voting Shares in a province or territory of Canada to which the requirement applies, each Subordinate Voting Share shall become convertible at the option of the holder into Multiple Voting Shares at the inverse of the Conversion Ratio (as defined in Part 29) then in effect, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Subordinate Voting Shares for the purpose of depositing the resulting Multiple Voting Shares under the offer, and for no other reason. In such event, the transfer agent for the Subordinated Voting Shares shall deposit under the offer the resulting Multiple Voting Shares, on behalf of the holder. To exercise such conversion right, the holder or his or its attorney duly authorized in writing shall:

(i) give written notice to the transfer agent of the exercise of such right, and of the number of Subordinate Voting Shares in respect of which the right is being exercised;

(ii) deliver to the transfer agent the share certificate or certificates representing the Subordinate Voting Shares in respect of which the right is being exercised, if applicable; and

(iii) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Multiple Voting Shares, resulting from the conversion of the Subordinate Voting Shares will be delivered to the holders on whose behalf such deposit is being made. If Multiple Voting Shares, resulting from the conversion and deposited pursuant to the offer, are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Multiple Voting Shares being taken up and paid for, the Multiple Voting Shares resulting from the conversion will be re-converted into Subordinate Voting Shares at the then Conversion Ratio and a share certificate representing the Subordinate Voting Shares will be sent to the holder by the transfer agent. In the event that the offeror takes up and pays for the Multiple Voting Shares resulting from conversion, the transfer agent shall deliver to the holders thereof the consideration paid for such shares by the offeror.

APPENDIX 2
TO SCHEDULE C

Part 28:

1. An unlimited number of Super Voting Shares, without nominal or par value, having attached thereto the special rights and restrictions as set forth below:

(a) **Issuance**. The Super Voting Shares are only issuable in connection with the closing of the Business Combination. For the purposes hereof, "Business Combination" means the business combination of the Company, Vireo, Vireo Finco (Canada) Inc. and certain subsidiaries of the Company to be formed under applicable Canadian and U.S. law, pursuant to a business combination agreement entered into prior to the filing of these articles.

(b) **Voting Rights**. Holders of Super Voting Shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting, holders of Super Voting Shares will be entitled to 10 votes in respect of each Subordinate Voting Share into which such Super Voting Share could ultimately then be converted, which for greater certainty, shall initially equal 1,000 votes per Super Voting Share.

(c) **Alteration to Rights of Super Voting Shares**. As long as any Super Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Super Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Super Voting Shares. Consent of the holders of a majority of the outstanding Super Voting Shares shall be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Super Voting Shares. In connection with the exercise of the voting rights contained in this paragraph (b) each holder of Super Voting Shares will have one vote in respect of each Super Voting Share held.

(d) **Dividends**. The holder of Super Voting Shares shall have the right to receive dividends, out of any cash or other assets legally available therefor, *pari passu* (on an as converted to Subordinated Voting Share basis) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares. No dividend will be declared or paid on the Super Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Subordinate Voting Shares and Multiple Voting Shares.

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

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

(g) **Conversion**. Holders of Super Voting Shares shall have conversion rights as follows (the "**Conversion Rights**"):

(i) **Right to Convert**. Each Super Voting Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Company or any transfer agent for such shares, into one fully paid and non-assessable Multiple Voting Share as is determined by multiplying the number of Super Voting Shares held by the Conversion Ratio applicable to such share, determined as hereafter provided, in effect on the date the Super Voting Share is surrendered for conversion. The initial "**Conversion Ratio**" for Super Voting Shares shall be one Multiple Voting Share for each Super Voting Share; provided, however, that the Conversion Ratio shall be subject to adjustment as set forth in subsections (iv) and (v).

(ii) **Automatic Conversion**. A Super Voting Share shall automatically be converted without further action by the holder thereof into one Multiple Voting Share upon the transfer by the holder thereof to anyone other than (i) another Initial Holder, an immediate family member of an Initial Holder or a transfer for purposes of estate or tax planning to a company or person that is wholly beneficially owned by an Initial Holder or immediate family members of an Initial Holder or which an Initial Holder or immediate family members of an Initial Holder are the sole beneficiaries thereof; or (ii) a party approved by the Company. Each Super Voting Share held by a particular Initial Holder shall automatically be converted without further action by the holder thereof into Multiple Voting Shares at the Conversion Ratio for each Super Voting Share held if at any time the aggregate number of issued and outstanding Super Voting Shares beneficially owned, directly or indirectly, by that Initial Holder and that Initial Holder's predecessor or transferor, permitted transferees and permitted successors, divided by the number of Super Voting Shares beneficially owned, directly or indirectly, by that Initial Holder (and the Initial Holder's predecessor or transferor, permitted transferees and permitted successors) as at the date of completion of the Business Combination is less than 50%. The holders of Super Voting Shares will, from time to time upon the request of the Company, provide to the Company evidence as to such holders' direct and indirect beneficial ownership (and that of its permitted transferees and permitted successors) of Super Voting Shares to enable the Company to determine if its right to convert has occurred. For purposes of these calculations, a holder of Super Voting Shares will be deemed to beneficially own Super Voting Shares held by an intermediate company or fund in proportion to their equity ownership of such company or fund, unless such company or fund holds such shares for the benefit of such holder, in which case they will be deemed to own 100% of such shares held for their benefit. For the purposes hereof, "Initial Holders" means Kyle Kingsley.

(iii) **Mechanics of Conversion**. Before any holder of Super Voting Shares shall be entitled to convert Super Voting Shares into Multiple Voting Shares, the holder thereof shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any transfer agent for Multiple Voting Shares, and shall give written notice to the Company at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for Multiple Voting Shares are to be issued (each, a "**Conversion Notice**"). The Company shall (or shall cause its transfer agent to), as soon as practicable thereafter, issue and deliver at such office to such holder, or to the nominee or nominees of such holder, a certificate or certificates for the number of Multiple Voting Shares to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Super Voting Shares to be converted, and the person or persons entitled to receive the Multiple Voting Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Multiple Voting Shares as of such date.

(iv) **Adjustments for Distributions**. In the event the Company shall declare a distribution to holders of Multiple Voting Shares payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not otherwise causing adjustment to the Conversion Ratio (a "**Distribution**"), then, in each such case for the purpose of this subsection (g)(iv), the holders of Super Voting Shares shall be entitled to a proportionate share of any such Distribution as though they were the holders of the number of Multiple Voting Shares into which their Super Voting Shares are convertible as of the record date fixed for the determination of the holders of Multiple Voting Shares entitled to receive such Distribution.

(v) **Recapitalizations; Stock Splits**. If at any time or from time-to-time, the Company shall (i) effect a recapitalization of the Multiple Voting Shares; (ii) issue Multiple Voting Shares as a dividend or other distribution on outstanding Multiple Voting Shares; (iii) subdivide the outstanding Multiple Voting Shares into a greater number of Multiple Voting Shares; (iv) consolidate the outstanding Multiple Voting Shares into a smaller number of Multiple Voting Shares; or (v) effect any similar transaction or action (each, a "**Recapitalization**"), provision shall be made so that the holders of Super Voting Shares shall thereafter be entitled to receive, upon conversion of Super Voting Shares, the number of Multiple Voting Shares or other securities or property of the Company or otherwise, to which a holder of Multiple Voting Shares deliverable upon conversion would have been entitled on such Recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section (g) with respect to the rights of the holders of Super Voting Shares after the Recapitalization to the end that the provisions of this Section (g) (including adjustment of the Conversion Ratio then in effect and the number of Multiple Voting Shares issuable upon conversion of Super Voting Shares) shall be applicable after that event as nearly equivalent as may be practicable.

(vi) **No Fractional Shares and Certificate as to Adjustments**. No fractional Multiple Voting Shares shall be issued upon the conversion of any share or shares of Super Voting Shares and the number of Multiple Voting Shares to be issued shall be rounded up to the nearest whole Multiple Voting Share. Whether or not fractional Multiple Voting Shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Super Voting Shares the holder is at the time converting into Multiple Voting Shares and the number of Multiple Voting Shares issuable upon such aggregate conversion.

(vii) **Adjustment Notice**. Upon the occurrence of each adjustment or readjustment of the Conversion Ratio pursuant to this Section (g), the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Ratio for Super Voting Shares at the time in effect, and (C) the number of Multiple Voting Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Super Voting Share.

(viii) **Effect of Conversion**. All Super Voting Shares which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of conversion (the "Conversion Time"), except only the right of the holders thereof to receive Multiple Voting Shares in exchange therefor and to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion.

(ix) **Notice**. On the date of a Mandatory Conversion, the Company will issue or cause its transfer agent to issue each holder of Super Voting Shares of record on the Mandatory Conversion Date certificates representing the number of Multiple Voting Shares into which the Super Voting Shares are so converted and each certificate representing the Super Voting Shares shall be null and void.

(x) **Retirement of Shares**. Any Super Voting Share converted shall be retired and cancelled and may not be reissued as shares of such series or any other class or series, and the Company may thereafter take such appropriate action (without the need for shareholder action) as may be necessary to reduce the authorized number of Super Voting Shares accordingly.

(xi) **Disputes**. Any holder of Super Voting Shares that beneficially owns more than 5% of the issued and outstanding Super Voting Shares may submit a written dispute as to the determination of the conversion ratio or the arithmetic calculation of the Conversion Ratio, the conversion ratio of Multiple Voting Shares to Subordinate Voting Shares (the "**Subordinate Conversion Ratio**") or of the 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation (each as defined in the terms of the Multiple Voting Shares) by the Company to the Board of Directors with the basis for the disputed determinations or arithmetic calculations. The Company shall respond to the holder within five (5) Business Days of receipt, or deemed receipt, of the dispute notice with a written calculation of the Conversion Ratio, Subordinate Conversion Ratio, 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable. If the holder and the Company are unable to agree upon such determination or calculation of the Conversion Ratio, Subordinate Conversion Ratio, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable, within five (5) Business Days of such response, then the Company and the holder shall, within one (1) Business Day thereafter submit the disputed arithmetic calculation of the Conversion Ratio, Subordinate Conversion Ratio, FPI Protective Restriction or the Beneficial Ownership Limitation to the Company's independent, outside accountant. The Company, at the Company's expense, shall cause the accountant to perform the determinations or calculations and notify the Company and the holder of the results no later than five (5) Business Days from the time it receives the disputed determinations or calculations. Such accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

(h) **Notices of Record Date**. Except as otherwise provided under applicable law, in the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of any class or any other securities or property, or to receive any other right, the Company shall mail to each holder of Super Voting Shares, at least 20 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

APPENDIX 3
TO SCHEDULE C

Part 29:

1. An unlimited number of Multiple Voting Shares, without nominal or par value, having attached thereto the special rights and restrictions as set forth below:

(a) **Voting Rights**. Holders of Multiple Voting Shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting, holders of Multiple Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share into which such Multiple Voting Share could ultimately then be converted, which for greater certainty, shall initially equal 100 votes per Multiple Voting Share.

(b) **Alteration to Rights of Multiple Voting Shares**. As long as any Multiple Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Multiple Voting Shares and Super Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Multiple Voting Shares. Consent of the holders of a majority of the outstanding Multiple Voting Shares and Super Voting Shares shall be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Multiple Voting Shares. In connection with the exercise of the voting rights contained in this paragraph (b) each holder of Multiple Voting Shares will have one vote in respect of each Multiple Voting Share held.

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

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

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

(f) **Conversion**. Subject to the Conversion Restrictions set forth in this section (f), holders of Multiple Voting Shares Holders shall have conversion rights as follows (the "**Conversion Rights**"):

(i) **Right to Convert**. Each Multiple Voting Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Company or any transfer agent for such shares, into fully paid and non-assessable Subordinate Voting Shares as is determined by multiplying the number of Multiple Voting Shares by the Conversion Ratio applicable to such share, determined as hereafter provided, in effect on the date the Multiple Voting Share is surrendered for conversion. The initial "**Conversion Ratio**" for shares of Multiple Voting Shares shall be 100 Subordinate Voting Shares for each Multiple Voting Share; provided, however, that the Conversion Ratio shall be subject to adjustment as set forth in subsections (f)(viii) and (ix).

(ii) **Conversion Limitations**. Before any holder of Multiple Voting Shares shall be entitled to convert the same into Subordinate Voting Shares, the Board of Directors (or a committee thereof) shall designate an officer of the Company to determine if any Conversion Limitation set forth in Section (f)(iii) or (v) shall apply to the conversion of Multiple Voting Shares.

(iii) **Foreign Private Issuer Protection Limitation**: The Company will use commercially reasonable efforts to maintain its status as a "foreign private issuer" (as determined in accordance with Rule 3b-4 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). Accordingly, the Company shall not effect any conversion of Multiple Voting Shares, and the holders of Multiple Voting Shares shall not have the right to convert any portion of the Multiple Voting Shares, pursuant to Section (f) or otherwise, to the extent that after giving effect to all permitted issuances after such conversions of Multiple Voting Shares, the aggregate number of Subordinate Voting Shares, Super Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Exchange Act ("**U.S. Residents**")) would exceed forty percent (40%) (the "**40% Threshold**") of the aggregate number of Subordinate Voting Shares, Super Voting Shares and Multiple Voting Shares issued and outstanding after giving effect to such conversions (the "**FPI Protective Restriction**"). The Board of Directors may by resolution increase the 40% Threshold to an amount not to exceed 50% and in the event of any such increase all references to the 40% Threshold herein, shall refer instead to the amended threshold set by such resolution.

Conversion Limitations. In order to effect the FPI Protection Restriction, each holder of Multiple Voting Shares will be subject to the 40% Threshold based on the number of Multiple Voting Shares held by such holder as of the date of the initial issuance of the Multiple Voting Shares and thereafter at the end of each of the Company's subsequent fiscal quarters (each, a "**Determination Date**"), calculated as follows:

$X = [(A \times 0.4) - B] \times (C/D)$

Where on the Determination Date:

X = Maximum Number of Subordinate Voting Shares Available For Issue upon Conversion of Multiple Voting Shares by a holder.

A = The Number of Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares issued and outstanding on the Determination Date.

B = Aggregate number of Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares held of record, directly or indirectly, by U.S. Residents on the Determination Date.

C = Aggregate number of Multiple Voting Shares held by holder on the Determination Date.

D = Aggregate number of all Multiple Voting Shares on the Determination Date.

For purposes of this subsection (f)(iii), the Board of Directors (or a committee thereof) shall designate an officer of the Company to determine as of each Determination Date: (A) the 40% Threshold and (B) the FPI Protective Restriction. Within thirty (30) days of the end of each Determination Date (a "**Notice of Conversion Limitation**"), the Company will provide each holder of record a notice of the FPI Protection Restriction and the impact the FPI Protective Provision has on the ability of each holder to exercise the right to convert Multiple Voting Shares held by the holder. To the extent that requests for conversion of Multiple Voting Shares subject to the FPI Protection Restriction would result in the 40% Threshold being exceeded, the number of such Multiple Voting Shares eligible for conversion held by a particular holder shall be prorated relative to the number of Multiple Voting Shares submitted for conversion. To the extent that the FPI Protective Restriction contained in this Section (f) applies, the determination of whether Multiple Voting Shares are convertible shall be in the sole discretion of the Company.

(iv) **Mandatory Conversion**. Notwithstanding subsection (f)(iii), the Company may require each holder of Multiple Voting Shares to convert all, and not less than all, the Multiple Voting Shares at the applicable Conversion Ratio (a "**Mandatory Conversion**") if at any time all the following conditions are satisfied (or otherwise waived by special resolution of holders of Multiple Voting Shares):

(A) the Subordinate Voting Shares issuable upon conversion of all the Multiple Voting Shares are registered for resale and may be sold by the holder thereof pursuant to an effective registration statement and/or prospectus covering the Subordinate Voting Shares under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**");

(B) the Company is subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act; and

(C) the Subordinate Voting Shares are listed or quoted (and are not suspended from trading) on a recognized North American stock exchange or by way of reverse takeover transaction on the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or Aequitas NEO Exchange (or any other stock exchange recognized as such by the Ontario Securities Commission).

The Company will issue or cause its transfer agent to issue each holder of Multiple Voting Shares of record a Mandatory Conversion Notice at least 20 days prior to the record date of the Mandatory Conversion, which shall specify therein, (i) the number of Subordinate Voting Shares into which the Multiple Voting Shares are convertible and (ii) the address of record for such older. On the record date of a Mandatory Conversion, the Company will issue or cause its transfer agent to issue each holder of record on the Mandatory Conversion Date certificates representing the number of Subordinate Voting Shares into which the Multiple Voting Shares are so converted and each certificate representing the Multiple Voting Shares shall be null and void.

(v) **Beneficial Ownership Restriction**: The Company shall not effect any conversion of Multiple Voting Shares, and a holder thereof shall not have the right to convert any portion of its Multiple Voting Shares, pursuant to section (f) or otherwise, to the extent that after giving effect to such issuance after conversion as set forth on the applicable Conversion Notice, the Holder (together with the Holder's Affiliates (each, an "**Affiliate**" as defined in Rule 12b-2 under the U.S. Exchange Act), and any other persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of 9.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares issuable upon conversion of the Multiple Voting Shares subject to the Conversion Notice (the "**Beneficial Ownership Limitation**").

For purposes of the foregoing sentence, the number of Subordinate Voting Shares beneficially owned by the holder and its Affiliates shall include the number of Subordinate Voting Shares issuable upon conversion of Multiple Voting Shares with respect to which such determination is being made, but shall exclude the number of Subordinate Voting Shares which would be issuable upon (i) conversion of the remaining, non-converted portion of Multiple Voting Shares beneficially owned by the holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the holder or any of its Affiliates. In any case, the number of outstanding Subordinate Voting Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including Multiple Voting Shares subject to the Conversion Notice, by the holder or its Affiliates since the date as of which such number of outstanding Subordinate Voting Shares was reported. Except as set forth in the preceding sentence, for purposes of this Section (f)(v), beneficial ownership shall be calculated in accordance with Section 13(d) of the U.S. Exchange Act and the rules and regulations promulgated thereunder based on information provided by the shareholder to the Company in the Conversion Notice.

To the extent that the limitation contained in this Section (f)(v) applies and the Company can convert some, but not all, of such Multiple Voting Shares submitted for conversion, the Company shall convert Multiple Voting Shares up to the Beneficial Ownership Limitation in effect, based on the number of Multiple Voting Shares submitted for conversion on such date. The determination of whether Multiple Voting Shares are convertible (in relation to other securities owned by the holder together with any Affiliates) and of which Multiple Voting Shares are convertible shall be in the sole discretion of the Company, and the submission of a Conversion Notice shall be deemed to be the holder's certification as to the holder's beneficial ownership of Subordinate Voting Shares of the Company, and the Company shall have the right, but not the obligation, to verify or confirm the accuracy of such beneficial ownership.

The holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section (f)(v), provided that the Beneficial Ownership Limitation in no event exceeds 19.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares upon conversion of Multiple Voting Shares subject to the Conversion Notice and the provisions of this Section (f)(v) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section (f)(v) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of Multiple Voting Shares.

(vi) **Disputes**. In the event of a dispute as to the number of Subordinate Voting Shares issuable to a Holder in connection with a conversion of Multiple Voting Shares, the Company shall issue to the Holder the number of Subordinate Voting Shares not in dispute and resolve such dispute in accordance with Section(f)(xiii).

(vii) **Mechanics of Conversion**. Before any holder of Multiple Voting Shares shall be entitled to convert Multiple Voting Shares into Subordinate Voting Shares, the holder thereof shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any transfer agent for Subordinate Voting Shares, and shall give written notice to the Company at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for Subordinate Voting Shares are to be issued (each, a "**Conversion Notice**"). The Company shall (or shall cause its transfer agent to), as soon as practicable thereafter, issue and deliver at such office to such holder, or to the nominee or nominees of such holder, a certificate or certificates for the number of Subordinate Voting Shares to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Multiple Voting Shares to be converted, and the person or persons entitled to receive the Subordinate Voting Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Subordinate Voting Shares as of such date.

(viii) **Adjustments for Distributions**. In the event the Company shall declare a distribution to holders of Subordinate Voting Shares payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not otherwise causing adjustment to the Conversion Ratio (a "**Distribution**"), then, in each such case for the purpose of this subsection (f)(viii), the holders of Multiple Voting Shares shall be entitled to a proportionate share of any such Distribution as though they were the holders of the number of Subordinate Voting Shares into which their Multiple Voting Shares are convertible as of the record date fixed for the determination of the holders of Subordinate Voting Shares entitled to receive such Distribution.

(ix) **Recapitalizations; Stock Splits**. If at any time or from time-to-time, the Company shall (i) effect a recapitalization of the Subordinate Voting Shares; (ii) issue Subordinate Voting Shares as a dividend or other distribution on outstanding Subordinate Voting Shares; (iii) subdivide the outstanding Subordinate Voting Shares into a greater number of Subordinate Voting Shares; (iv) consolidate the outstanding Subordinate Voting Shares into a smaller number of Subordinate Voting Shares; or (v) effect any similar transaction or action (each, a "**Recapitalization**"), provision shall be made so that the holders of Multiple Voting Shares shall thereafter be entitled to receive, upon conversion of Multiple Voting Shares, the number of Subordinate Voting Shares or other securities or property of the Company or otherwise, to which a holder of Subordinate Voting Shares deliverable upon conversion would have been entitled on such Recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section (f) with respect to the rights of the holders of Multiple Voting Shares after the Recapitalization to the end that the provisions of this Section (f) (including adjustment of the Conversion Ratio then in effect and the number of Multiple Voting Shares issuable upon conversion of Multiple Voting Shares) shall be applicable after that event as nearly equivalent as may be practicable.

(x) **No Fractional Shares and Certificate as to Adjustments**. No fractional Subordinate Voting Shares shall be issued upon the conversion of any Multiple Voting Shares and the number of Subordinate Voting Shares to be issued shall be rounded up to the nearest whole Subordinate Voting Share. Whether or not fractional Subordinate Voting Shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Multiple Voting Shares the holder is at the time converting into Subordinate Voting Shares and the number of Subordinate Voting Shares issuable upon such aggregate conversion.

(xi) **Adjustment Notice**. Upon the occurrence of each adjustment or readjustment of the Conversion Ratio pursuant to this Section (f), the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Multiple Voting Shares a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Multiple Voting Shares, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Ratio for Multiple Voting Shares at the time in effect, and (C) the number of Subordinate Voting Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Multiple Voting Share.

(xii) **Effect of Conversion**. All Multiple Voting Shares which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of conversion (the "**Conversion Time**"), except only the right of the holders thereof to receive Subordinate Voting Shares in exchange therefor and to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion.

(xiii) **Disputes**. Any holder of Multiple Voting Shares that beneficially owns more than 5% of the issued and outstanding Multiple Voting Shares may submit a written dispute as to the determination of the conversion ratio or the arithmetic calculation of the conversion ratio of Multiple Voting Shares to Subordinate Voting Shares, the Conversion Ratio, 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation by the Company to the Board of Directors with the basis for the disputed determinations or arithmetic calculations. The Company shall respond to the holder within five (5) Business Days of receipt, or deemed receipt, of the dispute notice with a written calculation of the conversion ratio, the Conversion Ratio, 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable. If the holder and the Company are unable to agree upon such determination or calculation of the Conversion Ratio, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable, within five (5) Business Days of such response, then the Company and the holder shall, within one (1) Business Day thereafter submit the disputed arithmetic calculation of the conversion ratio, Conversion Ratio, FPI Protective Restriction or the Beneficial Ownership Limitation to the Company's independent, outside accountant. The Company, at the Company's expense, shall cause the accountant to perform the determinations or calculations and notify the Company and the holder of the results no later than five (5) Business Days from the time it receives the disputed determinations or calculations. Such accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

(g) **Conversion Upon an Offer**. In addition to the conversion rights set out in Section (f), in the event that an offer is made to purchase Subordinate Voting Shares, and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange, if any, on which the Subordinate Voting Shares are then listed, to be made to all or substantially all the holders of Subordinate Voting Shares in a province or territory of Canada to which the requirement applies, each Multiple Voting Share shall become convertible at the option of the holder into Subordinate Voting Shares at the Conversion Ratio then in effect, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right in this Section (g) may only be exercised in respect of Multiple Voting Shares for the purpose of depositing the resulting Subordinate Voting Shares under the offer, and for no other reason. In such event, the transfer agent for the Subordinate Voting Shares shall deposit under the offer the resulting Subordinate Voting Shares, on behalf of the holder.

To exercise such conversion right, the holder or his or its attorney duly authorized in writing shall:

(i) give written notice to the transfer agent of the exercise of such right, and of the number of Multiple Voting Shares in respect of which the right is being exercised;

(ii) deliver to the transfer agent the share certificate or certificates representing the Multiple Voting Shares in respect of which the right is being exercised, if applicable; and (iii) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Subordinate Voting Shares, resulting from the conversion of the Multiple Voting Shares will be delivered to the holders on whose behalf such deposit is being made. If Subordinate Voting Shares, resulting from the conversion and deposited pursuant to the offer, are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Subordinate Voting Shares being taken up and paid for, the Subordinate Voting Shares resulting from the conversion will be reconverted into Multiple Voting Shares at the inverse of Conversion Ratio then in effect and a share certificate representing the Multiple Voting Shares will be sent to the holder by the transfer agent. In the event that the offeror takes up and pays for the Subordinate Voting Shares resulting from conversion, the transfer agent shall deliver to the holders thereof the consideration paid for such shares by the offeror.

(h) **Notices of Record Date**. Except as otherwise provided under applicable law, in the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of any class or any other securities or property, or to receive any other right, the Company shall mail to each holder of Multiple Voting Shares, at least 20 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

APPENDIX 4
TO AMENDMENT RESOLUTION

Part 30:

Redemption by the Company.

(1) **Interpretation**. For the purposes of this Section, the following terms have the meanings specified below:

"**Business**" means the conduct of any activities relating to the cultivation, manufacturing and dispensing of cannabis and cannabis - derived products in the United States, which include the owning and operating of cannabis licenses.

"**Fair Market Value**" will equal: (i) the volume weighted average trading price (VWAP) of the Subordinate Voting Shares for the five (5) Trading Day period immediately after the date of the Redemption Notice on the Canadian Securities Exchange or other national or regional securities exchange on which such shares are listed, or (ii) if no such quotations are available, the fair market value per share of the Subordinate Voting Shares to be redeemed as set forth in the Valuation Opinion.

"**Governmental Authority**" or "**Governmental Authorities**" means any United States or foreign, federal, state, county, regional, local or municipal government, any agency, administration, board, bureau, commission, department, service, or other instrumentality or political subdivision of the foregoing, and any Person with jurisdiction exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or monetary policy (including any court or arbitration authority).

"**Licenses**" means all licenses, permits, approvals, orders, authorizations, registrations, findings of suitability, franchises, exemptions, waivers and entitlements issued by a Governmental Authority required for, or relating to, the conduct of the Business.

"**Ownership**" (and derivatives thereof) means (i) ownership of record as evidenced in the Company's share register, (ii) "beneficial ownership" as defined in Section 1 of the *Business Corporations Act* (British Columbia), or (iii) the power to exercise control or direction over a security;

"**Person**" means an individual, partnership, corporation, limited liability company, trust or any other entity.

"**Redemption**" has the meaning ascribed in Section 5.

"**Redemption Date**" means the date on which the Company will redeem and pay for the Subordinate Voting Shares pursuant to Section 5. The Redemption Date will be not less than thirty (30) Trading Days following the date of the Redemption Notice unless a Governmental Authority requires that the Subordinate Voting Shares be redeemed as of an earlier date, in which case, the Redemption Date will be such earlier date and if there is an outstanding Redemption Notice, the Company will issue an amended Redemption Notice reflecting the new Redemption Date forthwith.

"**Redemption Notice**" has the meaning ascribed thereto in Section 6.

"**Redemption Price**" means the price per Subordinate Voting Share to be paid by the Company on the Redemption Date for the redemption of Shares pursuant to Section 5 and will be equal to the Fair Market Value of a Subordinate Voting Share, unless otherwise required by any Governmental Authority;

"**Significant Interest**" means ownership of five percent (5%) or more of all of the issued and outstanding Subordinate Voting Shares of the Company, assuming conversion of all Multiple Voting Shares and Super Voting Shares into Subordinate Voting Shares.

"**Subject Shareholder**" means a person, a group of persons acting in concert or a group of persons who, the board reasonably believes, are acting jointly or in concert.

"**Trading Day**" means a day on which trades of the Subordinate Voting Shares are executed on the Canadian Securities Exchange or any national or regional securities exchange on which the Subordinate Voting Shares are listed.

"**Unsuitable Person**" means (i) any person (including a Subject Shareholder) with a Significant Interest who a Governmental Authority granting the Licenses has determined to be unsuitable to own Subordinate Voting Shares; or (ii) any person (including a Subject Shareholder) with a Significant Interest whose ownership of Subordinate Voting Shares may result in the loss, suspension or revocation (or similar action) with respect to any Licenses or in the Company being unable to obtain any new Licenses in the normal course, including, but not limited to, as a result of such person's failure to apply for a suitability review from or to otherwise fail to comply with the requirements of a Governmental Authority, as determined by the board, in its sole discretion, after consultation with legal counsel and if a license application has been filed, after consultation with the applicable Governmental Authority.

"**Valuation Opinion**" means a valuation and fairness opinion from an investment banking firm of nationally recognized standing in Canada (qualified to perform such task and which is disinterested in the contemplated redemption and has not in the then past two years provided services for a fee to the Company or its affiliates) or a disinterested nationally recognized accounting firm.

(2) Subject to Section 4, no Subject Shareholder will acquire or dispose of a Significant Interest, directly or indirectly, in one or more transactions, without providing 15 days' advance written notice to the Company by mail sent to the Company's registered office to the attention of the Corporate Secretary.

(3) If the board reasonably believes that a Subject Shareholder may have failed to comply with the provisions of Section 2, the Company may apply to the Supreme Court of British Columbia, or such other court of competent jurisdiction for an order directing that the Subject Shareholder disclose the number of Shares held.

(4) The provisions of Sections 2 and 3 will not apply to the ownership, acquisition or disposition of Subordinate Voting Shares as a result of:

(a) any transfer of Subordinate Voting Shares occurring by operation of law including, inter alia, the transfer of Subordinate Voting Shares of the Company to a trustee in bankruptcy;

(b) an acquisition or proposed acquisition by one or more underwriters or portfolio managers who hold Subordinate Voting Shares for the purposes of distribution to the public or for the benefit of a third party provided that such third party is in compliance with Section 2; or

(c) the conversion, exchange or exercise of securities of the Company (other than the Subordinate Voting Shares) duly issued or granted by the Company, into or for Subordinate Voting Shares, in accordance with their respective terms.

(5) At the option of the Company, Shares owned by an Unsuitable Person may be redeemed by the Company (the "**Redemption**") for the Redemption Price out of funds lawfully available on the Redemption Date. Shares redeemable pursuant to this Section 5 will be redeemable at any time and from time to time pursuant to the terms hereof.

(6) In the case of a Redemption, the Company will send a written notice to the holder of the Shares called for Redemption, which will set forth: (i) the Redemption Date, (ii) the number of Subordinate Voting Shares to be redeemed on the Redemption Date, (iii) the formula pursuant to which the Redemption Price will be determined and the manner of payment therefor, (iv) the place where such Subordinate Voting Shares (or certificate thereto, as applicable) will be surrendered for payment, duly endorsed in blank or accompanied by proper instruments of transfer, (v) a copy of the Valuation Opinion (if the Resulting Issuer is no longer listed on the Canadian Securities Exchange or another recognized securities exchange), and (vi) any other requirement of surrender of the Subordinate Voting Shares to be redeemed (the "**Redemption Notice**"). The Redemption Notice may be conditional such that the Company need not redeem the Subordinate Voting Shares owned by an Unsuitable Person on the Redemption Date if the board determines, in its sole discretion, that such Redemption is no longer advisable or necessary on or before the Redemption Date. The Company will send a written notice confirming the amount of the Redemption Price as soon as possible following the determination of such Redemption Price.

(7) The Company may pay the Redemption Price by using its existing cash resources, incurring debt, issuing additional Subordinate Voting Shares, issuing a promissory note in the name of the Unsuitable Person, any other means source permitted by applicable law, or by using a combination of the foregoing sources of funding.

(8) To the extent required by applicable laws, the Company may deduct and withhold any tax from the Redemption Price. To the extent any amounts are so withheld and are timely remitted to the applicable Governmental Authority, such amounts shall be treated for all purposes herein as having been paid to the Person in respect of which such deduction and withholding was made.

(9) On and after the date the Redemption Notice is delivered, any Unsuitable Person owning Subordinate Voting Shares called for Redemption will cease to have any voting rights with respect to such Subordinate Voting Shares and on and after the Redemption Date specified therein, such holder will cease to have any rights whatsoever with respect to such Subordinate Voting Shares other than the right to receive the Redemption Price, without interest, on the Redemption Date; provided, however, that if any such Subordinate Voting Shares come to be owned solely by persons other than an Unsuitable Person (such as by transfer of such Subordinate Voting Shares to a liquidating trust, subject to the approval of any applicable Governmental Authority), such persons may exercise voting rights of such Subordinate Voting Shares and the board may determine, in its sole discretion, not to redeem such Subordinate Voting Shares. Following any Redemption in accordance with the terms of this Schedule, the redeemed Subordinate Voting Shares will be cancelled.

(10) All notices given by the Company to holders of Subordinate Voting Shares pursuant to this Schedule, including the Redemption Notice, will be in writing and will be deemed given when delivered by personal service, overnight courier or first-class mail, postage prepaid, to the holder's registered address as shown on the Company's share register.

(11) The Company's right to redeem Subordinate Voting Shares pursuant to this Schedule will not be exclusive of any other right the Company may have or hereafter acquire under any agreement or any provision of the articles or notice of articles of the Company or otherwise with respect to the acquisition by the Company of Subordinate Voting Shares or any restrictions on holders thereof.

(12) In connection with the conduct of its Business, the Company may require that a Subject Shareholder provide to one or more Governmental Authorities, if and when required, information and fingerprints for a criminal background check, individual history form(s), and other information required in connection with applications for Licenses.

(13) In the event that any provision (or portion of a provision) of this Section or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Section (including the remainder of such provision, as applicable) will continue in full force and effect.

Exhibit 4.1

CERTAIN CONFIDENTIAL INFORMATION (MARKED BY BRACKETS AS "[***]") HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

THE SHAREHOLDERS LISTED IN SCHEDULE A

VIREO HEALTH INTERNATIONAL, INC.

- AND-

ODYSSEY TRUST COMPANY

COATTAIL AGREEMENT

MARCH 18, 2019

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COATTAIL AGREEMENT

THIS AGREEMENT dated the 18 day of March, 2019,

BETWEEN:

THE SHAREHOLDERS LISTED IN SCHEDULE A

(the "**Shareholders**")

- and -

VIREO HEALTH INTERNATIONAL, INC., a corporation incorporated under the *Business Corporations Act* (British Columbia),

(the "**Corporation**")

- and -

ODYSSEY TRUST COMPANY, a trust company incorporated under the laws of the *Loan and Trust Corporations Act* (Alberta) with an office in the City of Vancouver in the Province of British Columbia, as trustee for the benefit of the Holders (as defined below)

(the "**Trustee**")

WHEREAS by notice of alteration on March 18, 2019, the Corporation amended its notice of articles (which, as amended, are referred to as the "**Articles**") so that the authorized share capital of the Corporation would thereafter be comprised of an unlimited number of super voting shares of the Corporation (the "**Super Voting Shares**"), subordinate voting shares of the Corporation (the "**Subordinate Voting Shares**") and Multiple Voting Shares of the Corporation (the "**Multiple Voting Shares**");

AND WHEREAS the Shareholders, on the date hereof hold all of the Super Voting Shares, of which 65,411 are issued and outstanding as of the date of this Agreement;

AND WHEREAS it is the expectation of the Shareholders that the Subordinate Voting Shares will be listed on the Canadian Securities Exchange (the "**CSE**");

AND WHEREAS the Shareholders and the Corporation wish to enter into this Agreement for the purpose of ensuring that the holders, from time to time, of the Subordinate Voting Shares (collectively, the "**SVS Holders**") and that the holders, from time to time, of the Multiple Voting Shares (collectively, the "**MVS Holders**" and, together with the SVS Holders, the "**Holders**") will not be deprived of any rights under applicable take-over bid legislation to which they would have been entitled in the event of a take-over bid for the Super Voting Shares if the Super Voting Shares had been Subordinate Voting Shares or Multiple Voting Shares, as applicable;

AND WHEREAS pursuant to the Articles, Super Voting Shares will automatically convert into Multiple Voting Shares upon any transfer that is not a transfer to a Permitted Holder (as defined in the Articles);

AND WHEREAS the Shareholders and the Corporation hereby acknowledge that any transfer or sale of Super Voting Shares, whether in accordance with this Agreement or otherwise, shall in all circumstances be subject to the provisions of the Articles, including those relating to the automatic conversion of Super Voting Shares into Multiple Voting Shares;

AND WHEREAS the Shareholders and the Corporation wish to constitute the Trustee as a trustee for the Holders so that the Holders, through the Trustee, will receive the benefits of this Agreement, including the covenants of the Shareholders and the Corporation contained herein;

AND WHEREAS these recitals and any statements of fact in this Agreement are, and shall be deemed to be, made by the Shareholders and the Corporation and not by the Trustee;

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties) the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, capitalized terms that are not otherwise defined shall have the meaning given to them in the Articles.

1.2 Interpretation not Affected by Headings, etc.

The division of this Agreement into articles, sections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 Number, Gender, etc.

Words importing the singular number only shall include the plural and vice versa. Words importing the use of any gender shall include all genders.

1.4 Including

The word “including” shall mean including, without limitation.

ARTICLE 2
PURPOSE OF AGREEMENT

2.1 Establishment of Trust

The purpose of this Agreement is to ensure that the Holders will not be deprived of any rights under applicable take-over bid legislation to which they would have been entitled in the event of a take-over bid for the Super Voting Shares if the Super Voting Shares had been Subordinate Voting Shares or Multiple Voting Shares, as applicable.

2.2 Restriction on Sale

Subject to Section 2.3 and the Articles, each of the Shareholders shall not transfer, directly or indirectly, any Super Voting Shares pursuant to a take-over bid (as defined in applicable securities legislation) under circumstances in which securities legislation would have required the same offer to be made to the SVS Holders or the MVS Holders, as applicable, if the sale by such Shareholder had been a sale of Subordinate Voting Shares or Multiple Voting Shares, as applicable, rather than Super Voting Shares, but otherwise on the same terms.

For the purposes of this section, it shall be assumed that the offer that would have resulted in the sale of Subordinate Voting Shares or Multiple Voting Shares by such Shareholder would have constituted a takeover bid under applicable securities legislation, regardless of whether this actually would have been the case, and the varying of any material term of an offer shall be deemed to constitute the making of a new offer. For the avoidance of doubt, the determination of whether an offer constitutes a take-over bid (as defined in applicable securities legislation) for purposes of this Section 2.2 shall not be made by reference solely to the number of issued and outstanding Subordinate Voting Shares or Multiple Voting Shares, as applicable.

2.3 Permitted Sale

Subject to the provisions of the Articles, Section 2.2 shall not apply to prevent a sale by any Shareholder of Super Voting Shares if concurrently an offer is made to purchase Subordinate Voting Shares and Multiple Voting Shares that:

(a) offers a price per Subordinate Voting Share and a price per Multiple Voting Share (on an as-converted to Subordinate Voting Shares basis) at least as high as the highest price per share paid pursuant to such offer for the Super Voting Shares (on an as-converted to Subordinate Voting Share basis);

(b) provides that the percentage of outstanding Subordinate Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) and the percentage of outstanding Multiple Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Super Voting Shares to be sold (exclusive of Super Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);

(c) has no condition attached other than the right not to take up and pay for Subordinate Voting Shares and Multiple Voting Shares tendered if no shares are purchased pursuant to the offer for Super Voting Shares; and

(d) is in all other material respects identical to the offer for Super Voting Shares.

Notwithstanding the foregoing, subject to the provisions of the Articles, Section 2.2 shall not apply to prevent the transfer of Super Voting Shares by any Shareholder to a Permitted Holder, subject to Section 2.7 of this Agreement.

For greater certainty, the conversion of Super Voting Shares into Multiple Voting Shares, whether or not such Multiple Voting Shares are subsequently sold, shall not constitute a disposition of Super Voting Shares for the purposes of this Agreement.

2.4 Improper Sale

If any person or company, other than the Shareholders, carries out or purports to carry out a sale (including an indirect sale) of Super Voting Shares that the Shareholders are restricted from carrying out pursuant to Section 2.2, the Shareholders shall not and the Trustee shall take all necessary steps to ensure that the Shareholders shall not and shall not be permitted to, at or after the time such sale becomes effective, do any of the following with respect to any of the Super Voting Shares so sold or purported to be sold:

(a) dispose of them without the prior written consent of the Trustee;

(b) convert them into Multiple Voting Shares without the prior written consent of the Trustee; or

(c) exercise any voting rights attaching to them except in accordance with the written instructions of the Trustee, with which the Shareholders shall comply.

Without limiting the generality of the foregoing, the Trustee shall exercise the above rights in a manner that the Trustee, on the advice of counsel, considers to be: (i) in the best interests of the Holders, other than the Shareholders and the Holders who, in the opinion of the Trustee, participated directly or indirectly in the transaction that triggered the operation of this Section 2.4; and (ii) consistent with the intentions of the Shareholders and the Corporation in entering into this Agreement as such intentions are set out in the Recitals hereto.

2.5 Assumptions

For the purposes of this Article 2:

(a) any sale that would result in a direct or indirect acquisition of Super Voting Shares, Subordinate Voting Shares or Multiple Voting Shares, or in the direct or indirect acquisition of control or direction over those shares, shall be construed to be a sale of those Super Voting Shares, Subordinate Voting Shares or Multiple Voting Shares, as the case may be; and

(b) if there is an offer to acquire that would have been a take-over bid for the purposes of applicable securities legislation if not for the provisions of the Articles that cause the Super Voting Shares to automatically convert into Multiple Voting Shares in certain circumstances, that offer to acquire shall nonetheless be construed to be a take-over bid for the purposes of this Agreement.

2.6 Prevention of Improper Sales

Each Shareholder shall use its best efforts to prevent any person or company from carrying out a sale (including an indirect sale) in breach of this Agreement in respect of any Super Voting Shares, regardless of whether that person or company is a party to this Agreement.

2.7 Supplemental Agreements

Without limiting any provision of this Agreement, the Shareholders shall not dispose of any Super Voting Shares unless the disposition is conditional upon the person or company acquiring those shares entering into an agreement substantially in the form of this Agreement and under which that person or company has the same rights and obligations as the Shareholders have under this Agreement. Neither the conversion of Super Voting Shares into Subordinate Voting Shares nor any subsequent disposition of those Subordinate Voting Shares shall constitute a disposition of Super Voting Shares for the purposes of this section.

2.8 Security Interest

Nothing in this Agreement shall prevent any Shareholder from time to time, directly or indirectly, from granting a *bona fide* security interest, by way of pledge, hypothecation or otherwise, whether directly or indirectly, in Super Voting Shares to any financial institution with which it deals at arm's length (within the meaning of the *Income Tax Act* (Canada)) in connection with a bona fide borrowing, provided that the financial institution agrees in writing to become a party to and abide by the terms of this Agreement as if such financial institution were a Shareholder as defined herein until such time as the pledge, hypothecation or other security interest has been released or the Super Voting Shares which were subject thereto have been disposed of in accordance with the terms of this Agreement.

2.9 All Transfers Subject to Articles

The Shareholders and the Corporation hereby acknowledge that any transfer or sale of Super Voting Shares, whether in accordance with this Agreement or otherwise, shall in all circumstances be subject to the provisions of the Articles, including those relating to the automatic conversion of Super Voting Shares into Multiple Voting Shares.

ARTICLE 3
ACCEPTANCE OF TRUST

3.1 Acceptance and Conditions of Trust

The Trustee hereby accepts the trust created by this Agreement (the "**Trust**") and assumes the duties created and imposed upon it pursuant to its appointment as trustee for the Holders by this Agreement, provided that it:

(a) shall not be liable for any action taken or omitted to be taken by it under or in connection with this Agreement, except for its own negligence, misconduct or bad faith;

(b) may employ or retain such counsel, auditors, accountants or other experts or advisers, whose qualifications give authority to any opinion or report made by them, as the Trustee may reasonably require for the purpose of determining and discharging its duties hereunder and shall not be responsible for any misconduct or negligence on the part of any of them. The Trustee may, if it is acting in good faith, rely on the accuracy of any such opinion or report;

(c) may, if it is acting in good faith, rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any instruction, advice, notice, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties and, subject to subsection 3.1(a), shall be under no liability with respect to any action taken or omitted to be taken in accordance with such instruction, advice, notice, opinion or other document;

(d) exercises its rights under this Agreement in a manner that it considers to be in the best interests of the Holders (other than the Shareholders and the Holders who, in the opinion of the Trustee, participated directly or indirectly in a transaction restricted by Section 2.2) and consistent with the purpose of this Agreement; and

(e) none of the provisions of this Agreement shall require the Trustee under any circumstances whatsoever to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights or powers in connection with the Agreement.

In the exercise of its rights and duties hereunder, the Trustee will exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

The Trustee represents that at the time of the execution and delivery hereof no material conflict of interest exists in the Trustee's role as a fiduciary hereunder and agrees that in the event of a material conflict of interest arising hereafter it will, within three months after ascertaining that it has such material conflict of interest, either eliminate the same or resign its trust hereunder. Subject to the foregoing, the Trustee, in its personal or any other capacity, may buy, lend upon and deal in securities of the Corporation and generally may contract with and enter into financial transactions with the Corporation, any of its affiliates or any of the Shareholders or any of their affiliates without being liable to account for any profit made thereby.

3.2 Enquiry by Trustee

Subject to Section 3.4, if and whenever the Trustee receives written notice from an interested party, other than the Holders, stating in sufficient detail that any one or more of the Shareholders or the Corporation may have breached, or may intend to breach, any provision of this Agreement, the Trustee shall, acting on the advice of counsel, make reasonable enquiry to determine whether such a breach has occurred or is intended. If the Trustee determines that a breach has occurred, or is intended to occur, the Trustee shall forthwith deliver to the Corporation a certificate stating that the Trustee has made such determination. Upon delivery of that certificate, the Trustee shall be entitled to take, and subject to Section 3.4 shall take, and the Corporation shall assist the Trustee in taking, such action as the Trustee, acting upon the advice of counsel, considers necessary to enforce its rights under this Agreement on behalf of the Holders.

3.3 Request by the Holders

Subject to Section 3.4, if and whenever the Holders representing not less than 10% of the then outstanding Subordinate Voting Shares and/or the Multiple Voting Shares determine that any one or more of the Shareholders or the Corporation has breached, or intends to breach, any provision of this Agreement, such Holders may require the Trustee to take action in connection with that breach or intended breach by delivering to the Trustee a requisition in writing signed in one or more counterparts by those Holders and setting forth the action to be taken by the Trustee. Subject to Section 3.4, upon receipt by the Trustee of such a requisition, the Trustee shall forthwith take such action as is specified in the requisition and/or any other action that the Trustee considers necessary to enforce its rights under this Agreement on behalf of the Holders.

3.4 Condition to Action

The obligation of the Trustee to take any action on behalf of the Holders pursuant to Sections 3.2 and 3.3 shall be conditional upon the Trustee receiving from either the interested party referred to in Section 3.2, the Corporation or from one or more Holders such funds and indemnity as the Trustee may reasonably require in respect of any costs or expenses which it may incur in connection with any such action. The Corporation shall provide such reasonable funds and indemnity to the Trustee if the Trustee has delivered to the Corporation the certificate referred to in Section 3.2.

3.5 Limitation on Action by the Holder

No Holder shall have the right, other than through the Trustee, to institute any action or proceeding or to exercise any other remedy for the purpose of enforcing any rights arising from this Agreement unless the Holders shall have:

(a) requested that the Trustee act in the manner specified in Section 3.3; and

(b) provided reasonable funds and indemnity to the Trustee, and the Trustee shall have failed to so act within thirty (30) days after the provision of such funds and indemnity. In such case, any Holder, acting on behalf of itself and all other Holders, shall be entitled to take those proceedings in any court of competent jurisdiction that the Trustee might have taken.

ARTICLE 4
COMPENSATION

4.1 Fees and Expenses of the Trustee

The Corporation agrees to pay to the Trustee reasonable compensation for all of the services rendered by it under this Agreement and shall reimburse the Trustee for all reasonable expenses and disbursements. Notwithstanding the foregoing, the Corporation shall have no obligation to compensate the Trustee or reimburse the Trustee for any expenses or disbursements paid, incurred or suffered by the Trustee:

(a) in connection with any action taken by the Trustee pursuant to Section 3.2 if the Trustee has not delivered to the Corporation the certificate referred to in Section 3.2 in respect of that action; or

(b) in any suit or litigation in which the Trustee is determined to have acted in bad faith or with negligence or misconduct.

On all invoices issued by the Trustee for its services rendered hereunder which remain unpaid for a period of thirty days or more, interest at a rate per annum equal to the then current rate of interest charged by the Trustee to its corporate customers will be incurred, from thirty days after the issuance of the invoice until the date of payment.

ARTICLE 5
INDEMNIFICATION

5.1 Indemnification of the Trustee

The Corporation agrees to indemnify and hold harmless the Trustee and its officers, directors, employees and agents (the "**Indemnified Parties**") from and against all claims, losses, damages, costs, penalties, fines and reasonable expenses (including reasonable expenses of the Trustee's legal counsel) which, without negligence, misconduct or bad faith on the part of any of the Indemnified Parties, may be paid, incurred or suffered by any of the Indemnified Parties by reason of or as a result of the Trustee's acceptance or administration of the Trust, its compliance with its duties set forth in this Agreement or any written or oral instructions delivered to the Trustee by the Corporation pursuant hereto. In no case shall the Corporation be liable under this indemnity for any claim against the Indemnified Parties unless the Corporation shall be notified by the Trustee of the written assertion of a claim or of any action commenced against any of the Indemnified Parties, promptly after the Trustee shall have received any such written assertion of a claim, or shall have been served with a summons or other first legal process giving information as to the nature and basis of the claim. The Corporation shall be entitled to participate at its own expense in the defence of the assertion or claim. Subject to subsection 5.1(b), the Corporation may elect at any time after receipt of such notice to assume the defence of any suit brought to enforce any such claim. The Indemnified Parties shall have the right to employ separate counsel in any such suit and participate in the defence thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnified Parties unless:

(a) the employment of such counsel has been authorized by the Corporation; or

(b) the named parties to any such suit include both an Indemnified Party and the Corporation and such Indemnified Party shall have been advised by counsel acceptable to the Corporation that there may be one or more legal defences available to such Indemnified Party that are different from or in addition to those available to the Corporation (in which case the Corporation shall not have the right to assume the defence of such suit on behalf of such Indemnified Party but shall be liable to pay the reasonable fees and expenses of counsel for such Indemnified Party).

ARTICLE 6
CHANGE OF TRUSTEE

6.1 Resignation

The Trustee, or any trustee subsequently appointed, may resign at any time by giving written notice of such resignation to the Corporation specifying the date on which its desired resignation shall become effective, provided that such notice shall be provided at least three (3) months in advance of such desired effective date unless the Shareholders and the Corporation otherwise agree. Such resignation shall take effect upon the date of the appointment of a successor trustee and the acceptance of such appointment by the successor trustee. Upon receiving such notice of resignation, the Corporation shall promptly appoint a successor trustee (which shall be a corporation or company licensed or authorized to carry on the business of a trust company in British Columbia) by written instrument, in duplicate, one copy of which shall be delivered to the resigning trustee and one copy to the successor trustee. If the Corporation does not appoint a successor trustee, the Trustee or any Holder may apply to a court of competent jurisdiction in British Columbia for the appointment of a successor trustee.

6.2 Removal

The Trustee, or any trustee subsequently appointed, may be removed at any time on thirty (30) days' prior notice by written instrument executed by the Corporation, in duplicate, provided that the Trustee is not at such time taking any action which it may take under Section 3.2 or 3.3 hereof. One copy of that instrument shall be delivered to the Trustee so removed and one copy to the successor trustee. The removal of the Trustee shall become effective upon the appointment of a successor trustee in accordance with Section 6.3.

6.3 Successor Trustee

Any successor trustee appointed as provided under this Agreement shall execute, acknowledge and deliver to the Shareholders and the Corporation and to its predecessor trustee an instrument accepting such appointment. Thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor under this Agreement, with like effect as if originally named as trustee in this Agreement. However, on the written request of the Shareholders and the Corporation or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due to it pursuant to the provisions of this Agreement, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon the request of any such successor trustee, the Shareholders, the Corporation and such predecessor trustee shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers.

6.4 Notice of Successor Trustee

Upon acceptance of appointment by a successor trustee as provided herein, the Corporation shall cause to be mailed notice of the succession of such trustee hereunder to the Holders. If the Shareholders or the Corporation shall fail to cause such notice to be mailed within ten (10) days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Shareholders and the Corporation.

ARTICLE 7
TERMINATION

7.1 Term

The Trust created by this Agreement shall continue until no Super Voting Shares remain outstanding, provided that such Trust shall continue in the event of a breach of section 2.2 or 2.4, as long as such breach is ongoing.

7.2 Survival of Agreement

This Agreement shall survive any termination of the Trust and shall continue until there are no Super Voting Shares outstanding; provided that this Agreement shall continue in force in the event of a breach of section 2.2 or 2.4, as long as such breach is ongoing; and provided further that the provisions of Article 4 and Article 5 shall survive any such termination of this Agreement.

ARTICLE 8
GENERAL

8.1 Obligations of the Shareholders not Joint

The obligations of the Shareholders pursuant to this Agreement are several. and not joint and several, and no Shareholder shall be liable to the Company, the SVS Holders, the MVS Holders, the Trustee or any other party for the failure of any other Shareholder to comply with its covenants and obligations under this Agreement.

8.2 Compliance with Privacy Laws

The Shareholders and the Corporation acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "**Privacy Laws**") applies to certain obligations and activities under this Agreement. Notwithstanding any other provision of this Agreement, neither party shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Shareholders and the Corporation shall, prior to transferring or causing to be transferred personal information to the Trustee, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Trustee shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Trustee agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this Agreement and to comply with applicable laws and not to use it for any other purpose except with the consent of or direction from the other parties to this Agreement or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

8.3 Anti-Money Laundering Regulations

The Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee, in its sole judgment and acting reasonably, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Trustee, in its sole judgment and acting reasonably, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Corporation or any shorter period of time as agreed to by the Corporation, provided that: (a) the Trustee's written notice shall describe the circumstances of such non-compliance; and (b) if such circumstances are rectified to the Trustee's satisfaction within such 10-day period, then such resignation shall not be effective.

8.4 Third Party Interests

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

8.5 Severability

If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remainder of this Agreement shall not in any way be affected or impaired thereby and this Agreement shall be carried out as nearly as possible in accordance with its original terms and conditions.

8.6 Amendments, Modifications, etc.

This Agreement shall not be amended, and no provision thereof shall be waived, except with (i) the consent of any applicable securities regulatory authorities in Canada, (ii) the approval of at least two-thirds of the votes cast by the SVS Holders present or represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to any Subordinate Voting Shares held by the Shareholders and their respective affiliates, and any persons who have an agreement to purchase Super Voting Shares on terms which would constitute a sale or disposition for purposes of Section 2.2, other than as permitted herein, prior to giving effect to such amendment or waiver, and (iii) the approval of at least two-thirds of the votes cast by the MVS Holders present or represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to any Multiple Voting Shares held by the Shareholders and their respective affiliates, and any persons who have an agreement to purchase Super Voting Shares on terms which would constitute a sale or disposition for purposes of Section 2.2, other than as permitted herein, prior to giving effect to such amendment or waiver. The provisions of this Agreement shall only come into effect contemporaneously with the listing of the Subordinate Voting Shares on the CSE and shall terminate at such time as there remain no outstanding Super Voting Shares.

8.7 Ministerial Amendments

Notwithstanding the provisions of Section 8.5, the parties to this Agreement may in writing, at any time and from time to time, without the approval of the Holders amend or modify this Agreement to cure any ambiguity or to correct or supplement any provision contained in this Agreement or in any amendment to this Agreement that may be defective or inconsistent with any other provision contained in this Agreement or that amendment, or to make such other provisions in regard to matters or questions arising under this Agreement, as shall not adversely affect the interest of the Holders.

8.8 Force majeure

Neither party shall be liable to the other, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, general mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 8.7.

8.9 Amendments only in Writing

No amendment to or modification or waiver of any of the provisions of this Agreement shall be effective unless made in writing and signed by all of the parties hereto.

8.10 Meeting to Consider Amendments

The Corporation, at the request of the Shareholders, shall call a meeting for the purpose of considering any proposed amendment or modification requiring approval pursuant to Section 8.5.

8.11 Enurement

This Agreement shall be binding upon and enure to the benefit of the parties and their respective heirs, administrators, legal representatives, successors and permitted assigns. Except as specifically set forth in this Agreement, nothing in this Agreement is intended to or shall be deemed to confer upon any other person any rights or remedies under or by reason of this Agreement.

8.12 Notices

All notices and other communications between the parties hereunder shall be in writing and shall be deemed given if delivered personally or sent by registered mail, or by facsimile transmission or other form of recorded communication to the parties at the following addresses (or at such other address for such party as shall be specified in like notice):

(a) if to the Shareholders at the address set out in Schedule A

(b) if to the Corporation:

Vireo Health International, Inc
1330 Lagoon Avenue, 4th Floor
Minneapolis, MN 55408

Attention : Michael Schroeder
E-mail: [***]

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

Cassels Brock & Blackwell LLP
Suite 2100, Scotia Plaza
40 King St. West
Toronto, ON M5H 3C2

Attention: Frank DeLuca
E-mail: [***]

(c) If to the Trustee:

Odyssey Trust Company
350 – 300 5th Ave SW
Calgary, AB T2P 3C2

Attention : VP, Corporate Trust
E-mail: [***]

8.13 Notice to a Holder

Any and all notices to be given and any documents to be sent to any Holder may be given or sent to the address of such holder shown on the register of the Holders in any manner permitted by the by-laws of the Corporation from time to time in force in respect of notices to shareholders and shall be deemed to be received (if given or sent in such a manner) at the time specified in such bylaws, the provisions of which by-laws shall apply *mutatis mutandis* to notices or documents as aforesaid sent to such holders.

8.14 Further Acts

The parties hereto shall do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full force and effect to this Agreement.

8.15 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof.

8.16 Counterparts

This Agreement may be executed in one or more counterparts, each of which so executed shall be deemed to be an original and all of which, when taken together, shall be deemed to constitute one and the same agreement. This Agreement may signed and sent by fax copy or electronic means and such signature shall be valid and binding.

8.17 Governing Law

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

[Remainder of page intentionally left blank; signature page follows]

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

/s/ Michael Schroeder
Michael Schroeder

/s/ Kyle Kingsley
Kyle Kingsley

VIREO HEALTH INTERNATIONAL, INC.

By: /s/ Kyle Kingsley
Name: Kyle Kingsley
Title: CEO

ODYSSEY TRUST COMPANY

By: /s/ Jenna Kaye
Name: Jenna Kaye
Title: CEO

By: /s/ Jay Campbell
Name: Jay Campbell
Title: President

SCHEDULE A
SHAREHOLDERS

Shareholder	**Address for Notice**
Kyle Kingsley	(redacted personal information)

Exhibit 4.2

CERTAIN CONFIDENTIAL INFORMATION (MARKED BY BRACKETS AS "[***]") HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE ●, 2020.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE CANADIAN SECURITIES EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ●, 2020 AND THEN ONLY IN ACCORDANCE WITH ALL APPLICABLE LAWS.

[THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THIS WARRANT AND THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT.]

[THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR U.S. STATE SECURITIES LAWS. BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, THE HOLDER AGREES FOR THE BENEFIT OF VIREO HEALTH INTERNATIONAL, INC. (THE "CORPORATION") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; OR (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS; OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.]

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE AT OR BEFORE 5:00 P.M. (TORONTO TIME) ON ●, 2023 AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

WARRANTS TO PURCHASE UP TO [●] SUBORDINATE VOTING SHARES OF

Vireo Health International, Inc.
(existing under the laws of British Columbia)

Void After
●, 2023

Warrant Certificate Number – 2020-●

Number of Warrants represented by this certificate: ●

THIS CERTIFIES that, for value received, ● (the "**Holder**"), is the registered holder of ● warrants (collectively, the "**Warrants**"; each a "**Warrant**"), each Warrant entitling the Holder, subject to the terms and conditions set forth in this Warrant Certificate (the "**Certificate**"), to purchase from Vireo Health International, Inc. (the "**Corporation**"), one subordinate voting share in the capital of the Corporation (a "**Share**"), at any time until 5:00 p.m. (Toronto time) on ●, 2023, at which time the Warrants evidenced by this Certificate shall become wholly void and the unexercised portion of the subscription right represented hereby will expire and terminate (the "**Time of Expiry**"), on payment of a price per Share equal to CAD$[***] (the "**Exercise Price**"). The number of Shares which the Holder is entitled to acquire upon exercise of the Warrants and the Exercise Price are subject to adjustment as hereinafter provided.

The Holder shall be entitled to the rights evidenced by this Certificate free from all equities and rights of set-off or counterclaim between the Corporation and the original or any interim holder and all persons may act accordingly and the receipt by the Holder of the Shares issuable upon exercise hereof shall be a good discharge to the Corporation.

1. Exercise of Warrants.

(a) Election to Purchase. The rights evidenced by this Certificate may be exercised by the Holder in whole or in part and in accordance with the provisions hereof by delivery of an election to purchase in substantially the form attached hereto as Schedule 1 (the "**Election to Purchase**"), properly completed and executed, together with payment by wire transfer, certified cheque or bank draft of the Exercise Price for the number of Shares specified in the Election to Purchase, at the office of the Corporation at 1330 Lagoon Avenue, 5th Floor, Minneapolis, Minnesota, 55408 or such other address as may be notified in writing by the Corporation (the "**Corporation Office**"). In the event that the rights evidenced by this Certificate are exercised in part, the Corporation shall, contemporaneously with the issuance of the Shares issuable on the exercise of the Warrants so exercised, issue to the Holder a Warrant Certificate on identical terms in respect of that number of Shares in respect of which the Holder has not exercised the rights evidenced by this Certificate.

(b) Forced Exercise. Upon and subject to the terms and conditions hereinafter set forth, the Corporation shall have the right (the "**Forced Exercise Right**") to require the Holder to exercise all of the outstanding Warrants represented by this Certificate for Shares at the Exercise Price if, prior to the Time of Expiry, the five-trading day volume-weighted average trading price ("**VWAP**") of the Shares on the Canadian Securities Exchange (or such other Canadian stock exchange on which the Shares may be listed and traded) equals or exceeds CAD$[***], subject to adjustment in certain events (the "**Forced Exercise Conditions**"). The Forced Exercise Right may be exercised by the Corporation by delivering written notice (the "**Forced Exercise Notice**") to the Holder within 30 days of the Forced Exercise Conditions being met. The Forced Exercise Notice shall provide that the Forced Exercise Right is being exercised and shall specify the period during which the five-trading day VWAP of the Shares on the Canadian Securities Exchange (or such other Canadian stock exchange on which the Shares may be listed and traded) equaled or exceeded CAD$[***]. Promptly following delivery of the Forced Exercise Notice, and in any event within five business days of such delivery, the Holder shall deliver an Election to Purchase, properly completed and executed, together with payment by wire transfer, certified cheque or bank draft of the Exercise Price for the number of Shares specified in the Election to Purchase (which shall be a number of Shares equal to the number of outstanding Warrants represented by this Certificate at the time of the Forced Exercise Notice), or such other manner of payment of the aggregate Exercise Price as may be agreed to by the Corporation, acting reasonably, at the Corporation Office.

(c) Exercise. The Corporation shall, on the next business day after receiving a duly executed Election to Purchase and the Exercise Price for the number of Shares specified in the Election to Purchase (the "**Exercise Date**"), issue that number of Shares specified in the Election to Purchase.

(d) Certificates and Electronic Deposits. As promptly as practicable after the Exercise Date (but no later than three business days after the Exercise Date), the Corporation shall, as specified by the Holder in the Election to Purchase, either (i) issue and deliver to the Holder, registered in the name of the Holder, a certificate or an ownership statement issued under a direct registration statement for the number of Shares issuable on exercise of the Warrants so exercised and a Certificate or an ownership statement issued under a direct registration statement representing the balance of any unexercised Warrants, or (ii) in the case of the Shares, issue and cause to be deposited electronically with CDS Clearing and Depository Services Inc. ("**CDS**"), an ownership statement issued under a direct registration statement, or other electronic book entry system, that number of Shares issuable on exercise of the Warrants so exercised and, in the case of the Warrants, a Certificate representing the balance of any unexercised Warrants. To the extent permitted by law, such exercise shall be deemed to have been effected as of the close of business on the Exercise Date, and at such time the rights of the Holder with respect to the number of Warrants which have been exercised as such shall cease, and the Shares and any unexercised Warrants shall then be issuable upon such exercise as outlined above and the Holder shall be deemed to have become the holder of record of the Shares and unexercised Warrants represented thereby. Notwithstanding the above, all Shares issued to a United States "accredited investor" as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), who is not a "qualified institutional buyer" (as that term is used in Rule 144A of the U.S. Securities Act), will be evidenced by physical certificates.

(e) Fractional Shares. No fractional Shares shall be issued upon exercise of the Warrants represented by this Certificate.

(f) Adjustments. The subscription rights in effect under the Warrants for Shares issuable upon the exercise of the Warrants shall be subject to adjustment from time to time as follows:

(i) If, at any time from the date hereof until the Time of Expiry (the "**Adjustment Period**"), the Corporation shall:

(A) subdivide, re-divide or change its outstanding Shares into a greater number of Shares;

(B) reduce, combine or consolidate its outstanding Shares into a lesser number of Shares; or

(C) issue Shares or securities exchangeable for, or convertible into Shares to all or substantially all of the holders of Shares by way of stock dividend or other distribution (other than, if applicable, a dividend paid in the ordinary course or a distribution of Shares upon the exercise of warrants, options, restricted share units or other exchangeable or convertible securities of the Corporation or rights, options or warrants issued pursuant to a Rights Offering);

(any of such events in subsections 1(f)(i)(A), (B) or (C) being called a "**Share Reorganization**") then, in each such event, the Exercise Price shall be adjusted as of the effective date or record date of such Share Reorganization, as the case may be, and shall, in the case of the events referred to in (A) or (C) above, be decreased in proportion to the increase in the number of outstanding Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (B) above, be increased in proportion to the decrease in the number of outstanding Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Shares outstanding on such effective date or record date before giving effect to such Share Reorganization and the denominator of which shall be the number of Shares outstanding as of the effective date or record date after giving effect to such Share Reorganization (including, in the case where securities exchangeable for or convertible into Shares are distributed, the number of Shares that would have been outstanding had such securities been exchanged for or converted into Shares on such record date or effective date). Such adjustment shall be made successively whenever any event referred to in this subsection 1(f)(i) shall occur. Upon any adjustment of the Exercise Price pursuant to subsection 1(f)(i), the Exchange Rate (as defined below) shall be contemporaneously adjusted by multiplying the number of Shares theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. "**Exchange Rate**" means the number of Shares subject to the right of purchase under each Warrant, which, as of the date hereof, is one Share for one Warrant.

(ii) If and whenever at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Shares (or securities convertible or exchangeable into Shares) at a price per Share (or having a conversion or exchange price per Share) less than 95% of the Current Market Price (as defined below) on such record date (a "**Rights Offering**"), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Shares outstanding on such record date plus a number of Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by the Current Market Price, and of which the denominator shall be the total number of Shares outstanding on such record date plus the total number of additional Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable. Any Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Shares (or securities convertible or exchangeable into Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this subsection 1(f)(ii), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this subsection 1(f)(ii) are fixed within a period of 25 trading days, such adjustment will be made successively as if each of such record date occurred on the earliest of such record dates.

(iii) If and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Shares of (i) securities of any class, whether of the Corporation or any other entity (other than Shares), (ii) rights, options or warrants to subscribe for or purchase Shares (or other securities convertible into or exchangeable for Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness or (iv) any cash, securities or other property or other assets (other than, if applicable, dividends paid in the ordinary course) and if such issue or distribution does not constitute a Share Reorganization, a Rights Offering or a distribution of Shares upon the exercise of Warrants or any outstanding options, then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the directors of the Corporation, acting reasonably (whose determination shall be conclusive, subject to stock exchange approval), of such cash, securities or other property or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Shares, and of which the denominator shall be the total number of Shares outstanding on such record date multiplied by the Current Market Price. Any Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this subsection 1(f)(iii), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this subsection 1(f)(iii) are fixed within a period of 25 trading days, such adjustment will be made successively as if each of such record date occurred on the earliest of such record dates.

(iv) If and whenever at any time during the Adjustment Period, there is a reclassification of the Shares or a capital reorganization of the Corporation other than as described in subsection 1(f)(i) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Holder that has not exercised its Warrants prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such Warrant thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Shares that prior to such effective date the Holder would have been entitled to receive, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Holder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Holder had been the registered holder of the number of Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Corporation, relying on advice of legal counsel, to give effect to or to evidence the provisions of this subsection 1(f)(iv), the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an agreement or certificate which shall provide, to the extent possible, for the application of the provisions set forth in this Certificate with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Certificate shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which the Holder is entitled on the exercise of its acquisition rights thereafter. Any agreement or certificate entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Holder shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this subsection 1(f) and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances arrangements.

(v) In any case in which this subsection 1(f) shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Holder of any Warrant exercised after the record date and prior to completion of such event the additional Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Shares declared in favour of holders of record of Shares on and after the relevant date of exercise or such later date as the Holder would, but for the provisions of this subsection 1(f)(vi), have become the holder of record of such additional Shares pursuant to this subsection 1(f).

(vi) In any case in which subsection 1(f)(i)(C), subsection 1(f)(ii) or subsection 1(f)(iii) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Holder of the outstanding Warrants receives, subject to any required stock exchange or regulatory approval, the rights or warrants referred to in subsection 1(f)(i)(C), subsection 1(f)(ii) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in subsection 1(f)(iii), as the case may be, in such kind and number as they would have received if they had been holders of Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrants having then been exercised into Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be.

(vii) The adjustments provided for in this subsection 1(f) are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this subsection 1(f), provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect or the number of Shares issuable upon the exercise of a Warrant by at least one one-hundredth of a Share; provided, however, that any adjustments which by reason of this subsection 1(f)(viii) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(viii) After any adjustment pursuant to this subsection 1(f), the term "Shares", where used in this Certificate, shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(f), the Holder is entitled to receive upon the exercise of Warrants, and the number of Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Shares or other property or securities the Holder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(f), upon the full exercise of a Warrant.

(ix) All Shares or shares of any class or other securities, which the Holder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this subsection 1(f), shall, for the purposes of the interpretation of this Certificate, be deemed to be Shares which such Holder is entitled to acquire pursuant to such Warrant.

(x) Notwithstanding anything in this subsection 1(f), no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Shares is being made pursuant to this Certificate or in connection with (a) any share incentive plan or restricted share unit plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; or (b) the satisfaction of existing instruments issued as of the date hereof.

(xi) As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of legal counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

(xii) The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in subsection 1(f), deliver a certificate of the Corporation to the Holder specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

(xiii) The Corporation covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in this subsection 1(f) whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.

(xiv) The Corporation covenants with the Holder that it will not close its transfer books or take any other corporate action which might deprive the Holder of the opportunity to exercise its right of acquisition hereunder during the period of 10 business days after the giving of the certificate set forth in subsection 1(f)(xiii).

(xv) If the Corporation, after the date hereof, shall take any action affecting the Shares other than action described in subsection 1(f), which in the reasonable opinion of the directors of the Corporation would materially affect the rights of the Holder, the Exercise Price and/or the Exchange Rate, the number of Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the directors, acting reasonably and in good faith, in their sole discretion as they may determine to be equitable to the Holder in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Shares are listed for trading has been obtained.

(xvi) No adjustments shall be made pursuant to this subsection 1(f) if the Holder is entitled to participate in any event described in this subsection 1(f) on the same terms, *mutatis mutandis*, as if the Holder had exercised their Warrants prior to, or on the effective date or record date of, such event.

(xvii) If at any time a question or dispute arises with respect to adjustments provided for in this subsection 1(f), such question or dispute will be conclusively determined by the auditor of the Corporation or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Corporation and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Corporation and the Holder. The Corporation will provide such auditor or chartered accountant with access to all necessary records of the Corporation.

(g) Shares to be Reserved. The Corporation will at all times keep available and reserve out of its authorized Shares, solely for the purpose of issuing upon the exercise of the Warrants, such number of Shares as shall then be issuable upon the exercise of the Warrants. The Corporation covenants and agrees that all such Shares which shall be so issuable will, upon issuance and receipt of the Exercise Price therefor, be duly authorized and issued as fully paid and non-assessable. The Corporation will take all such actions as may be necessary to ensure that all such Shares may be so issued without violation of any applicable requirements of any exchange upon which the Shares may be listed or in respect of which the Shares are qualified for unlisted trading privileges. The Corporation will take all such actions as are within its power to ensure that all such Shares may be so issued without violation of any applicable law.

(h) Issue Tax. Upon the exercise of Warrants, the issuance of certificates, if any, for the Shares and the issuance of Certificates for any unexercised Warrants shall be made without charge to the Holder, including for any issuance tax in respect thereto, provided that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate(s) in a name other than that of the Holder.

(i) Listing. The Corporation will, at its expense and as expeditiously as possible, use its reasonable commercial efforts to cause all Shares issuable upon the exercise of the Warrants to be duly listed on the Canadian Securities Exchange and/or any other stock exchange upon which the Shares may be then listed prior to the issuance of such Shares.

(j) Current Market Price. For the purposes of any computation hereunder, the "**Current Market Price**" at any date shall be the volume weighted average trading price per Share for the 20 consecutive trading days ending five trading days prior to the relevant date on the most senior stock exchange in Canada on which the Shares may then be listed and on which there is the greatest volume of trading of the Shares for such 20 day period, or, if the Shares or any other security in respect of which a determination of Current Market Price is being made are not listed on any stock exchange, which includes the Canadian Securities Exchange, the Current Market Price shall be determined in good faith by the directors of the Corporation, which determination shall be conclusive, absent fraud or manifest error. The volume weighted average trading price shall be determined by dividing the aggregate sale price of all such Shares sold on the said exchange during the said 20 consecutive trading days by the total number of such Shares so sold.

2. **Transfer of Warrants.** No transfer of the Warrants represented by this Certificate shall be effective unless this Certificate is accompanied by a duly executed transfer form in substantially the form attached hereto as Schedule 2 (the "**Transfer Form**") or such other instrument of transfer in such form as the Corporation may from time to time prescribe and delivered to the Corporation. The Warrants may be offered, sold, pledged or otherwise transferred only: (A) to the Corporation, (B) pursuant to an effective registration statement under the U.S. Securities Act, (C) in accordance with Rule 144A under the U.S. Securities Act, if available, and in compliance with applicable state securities laws, (D) outside the United States in accordance with the provisions of Rule 904 of Regulation S under the U.S. Securities Act, if available, or (E) in a transaction that does not otherwise require registration under the U.S. Securities Act or any applicable state securities laws. Provided, that if any of the Warrants are being sold in accordance with Rule 904 of Regulation S under the U.S. Securities Act, the legend may be removed by providing a declaration to the registrar and transfer agent, together with any other evidence, which may include an opinion of counsel of recognized standing reasonably satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act; provided further, that if any of Warrants, are being sold pursuant to Rule 144 of the U.S. Securities Act, if available, the legend may be removed by delivering to the Corporation and the Corporation's transfer agent an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act. No transfer of the Warrants represented by this Certificate shall be made if in the opinion of counsel to the Corporation such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Corporation shall issue and mail as soon as practicable, and in any event within five business days of such delivery, a new Certificate registered in the name of the transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed. Upon the transfer of any Warrant, the Corporation shall enter the name of the transferee in the register as the registered holder of such transferred Warrants.

3. **U.S. Registration.**

(a) Neither the Warrants represented by this Certificate nor the Shares issuable upon exercise hereof have been or will be registered under the U.S. Securities Act nor under the securities laws of any state of the United States. The Warrants represented by this Certificate may only be exercised by or on behalf of a holder who, at the time of exercise, either:

(i) (A) is not, and is not exercising the Warrant for the account or benefit of, a U.S. person or a person in the United States;

(B) did not execute or deliver the exercise form while in the United States;

(C) delivery of the Shares will not be to an address in the United States; and

(D) has in all other respects complied with the terms of Regulation S of the U.S. Securities Act; or

(ii) is the original subscriber for the Warrants, on its own behalf or on behalf of the original beneficial purchaser (if any), it and such beneficial purchaser (if any) are "accredited investors" that satisfy one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act, it delivered a U.S. Accredited Investor Certificate to the Corporation in connection with the subscription for securities pursuant to which the Warrants were acquired, and the representations, warranties and covenants made by the undersigned therein are true and correct on the date of exercise of the Warrants in respect to the exercise of the Warrants and it represents to the Corporation as such; or

(iii) is tendering with the exercise form a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that the Shares to be delivered upon exercise of the Warrants have been registered under the U.S. Securities Act and all applicable state securities laws of the United States or are exempt from such registration requirements.

"U.S. person" and "United States" are as defined in Regulation S under the U.S. Securities Act.

(b) All certificates representing Shares issued to persons who exercise the Warrants pursuant to subparagraphs 3(a)(ii) or 3(a)(iii) above on the exercise of the rights represented by this Certificate will, unless such Shares are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States bear the following legend:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR U.S. STATE SECURITIES LAWS. BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, THE HOLDER AGREES FOR THE BENEFIT OF VIREO HEALTH INTERNATIONAL, INC. (THE "CORPORATION") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; OR (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS; OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation and to the Corporation, in such form as the Corporation may prescribe from time to time and, if requested by the Corporation or the registrar and transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S;

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

4. **Replacement.** Upon receipt of evidence satisfactory to the Corporation of the loss, theft, destruction or mutilation of this Certificate and, if requested by the Corporation, upon delivery of a bond of indemnity satisfactory to the Corporation (or, in the case of mutilation, upon surrender of this Certificate), the Corporation will issue to the Holder a replacement Certificate (containing the same terms and conditions as this Certificate), without expense to Holder.

5. **Expiry Date.** The Warrants represented by this Certificate shall expire and all rights to purchase Shares hereunder shall cease and become null and void at 5:00 p.m. (Toronto time) on ●, 2023.

6. **Successor Corporations.**

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

(i) the successor corporation will have assumed all the covenants and obligations of the Corporation under this Certificate; and

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

(b) Whenever the conditions of subsection 6(a) shall have been duly observed and performed, the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under this Certificate in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the like directors or officers of the successor corporation.

7. **Covenants and Compliance Obligations.** So long as any Warrants remain outstanding the Corporation covenants that:

(a) it shall do or cause to be done all things necessary to preserve and maintain its corporate existence and its status as a reporting issuer not in default in the Provinces of British Columbia, Alberta and Ontario; and

(b) if the issuance of the Shares upon the exercise of the Warrants requires any filing or registration with or approval of any Canadian securities regulatory authority or other Canadian governmental authority or compliance with any other requirement under any Canadian law before such Shares may be validly issued, the Corporation agrees to take such actions as may be necessary to secure such filing, registration, approval or compliance, as the case may be.

8. **Governing Law.** The laws of the Province of Ontario and the federal laws of Canada applicable therein shall govern the Warrants.

9. **Successors.** This Certificate shall inure to the benefit of the Holder and its successors or assigns and shall be binding on the Corporation and its successors.

10. **General.** All amounts of money referred to in this Certificate are expressed in lawful money of Canada.

IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by a duly authorized officer.

DATED as of _____, 2020.

VIREO HEALTH INTERNATIONAL, INC.

Per: _____
Authorized Signing Officer

Schedule 1

Election to Purchase

TO: Vireo Health International, Inc.

The undersigned hereby irrevocably elects to exercise the number of Warrants of Vireo Health International, Inc. for the number of Shares (or other property or securities subject thereto) as set forth below:

Payment of Exercise Price

(a) Number of Warrants to be Exercised: #_____

(b) Number of Shares to be Acquired: #_____

(c) Exercise Price per Share: $_____

(d) Aggregate Purchase Price [(b) multiplied by (c)] $_____

and hereby tenders a certified cheque, bank draft or cash for such aggregate purchase price, and directs such Shares to be registered and a certificate therefor, if applicable, to be issued as directed below.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ (A) the undersigned holder at the time of exercise of the Warrants (i) is not present in the United States, (ii) is not a U.S. Person (as defined under Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")), (iii) is not exercising the Warrants on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States, (iv) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States; (v) did not receive an offer to exercise the Warrants in the United States; (vi) did not execute or deliver this exercise form in the United States; (vii) is not requesting delivery in the United States of the Shares issuable upon such exercise; and (viii) represents and warrants that the exercise of the Warrants and acquisition of the Shares occurred in an "offshore transaction" (as defined under Regulation S under the U.S. Securities Act); OR

☐ (B) the undersigned holder is the original purchaser of the Warrants and (a) purchased the Warrants directly from the Corporation pursuant to the terms and conditions of the Offering; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, an "accredited investor" within the meaning of Rule 501(a) under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the Holder during the purchase of the Warrants from the Corporation continue to be true and correct as if duly executed as of the date hereof; OR

☐ (C) the undersigned holder

(i) is (1) present in the United States, (2) a U.S. Person, (3) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or (4) requesting delivery in the United States of the Shares issuable upon such exercise, and

(ii) the undersigned holder has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants, and has delivered to the Corporation a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation to that effect.

The undersigned holder understands that unless Box A above is checked, the certificate representing the Shares will be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Certificate and the subscription documents). If Box B above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation. "**U.S. Person**" and "**United States**" are as defined under Regulation S under the U.S. Securities Act.

If Box B or Box C is checked, any certificate representing the Shares issuable upon exercise of these Warrants will bear an applicable United States restrictive legend.

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

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

DATED this _____ day of _____, 20__.

•

Per: _____

Address of Registered Holder:

_____

_____

Name of Registered Holder:

_____

_____

Schedule 2

Transfer Form

TO: Vireo Health International, Inc. (the "Corporation")

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

---

(Transferee)

(Address)

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

In the case of a warrant certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

(A) the transfer is being made only to the Corporation; or

(B) the transfer is being made outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act, and in compliance with any applicable local securities laws and regulations and the undersigned has furnished to the Corporation an opinion of counsel of recognized standing or other evidence of exemption, in either case in form and substance reasonably satisfactory to the Corporation to such effect; or

(C) the transfer is being made within the United States or to, or for the account or benefit of, U.S. Persons, in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws and the undersigned has furnished to the Corporation an opinion of counsel of recognized standing or other evidence of exemption, in either case in form and substance reasonably satisfactory to the Corporation to such effect.

In the case of a warrant certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of a U.S. Person or to a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned has furnished to the Corporation an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to such effect.

☐ If transfer is to a U.S. Person, check this box.

DATED this _____ day of _____, _____.

Signature of Registered Holder
(Transferor)

Print name of Registered Holder

Address

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

Exhibit 10.1

BUSINESS COMBINATION AGREEMENT

BETWEEN:

DARIEN BUSINESS DEVELOPMENT CORP.

- and -

VIREO HEALTH, INC.

- and -

VIREO FINCO (CANADA) INC.

- and –

1197027 B.C. LTD.

- and –

DARIEN MERGER SUB, LLC

Dated February 13, 2019

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BUSINESS COMBINATION AGREEMENT

THIS AGREEMENT dated February 13, 2019 is made

BETWEEN:

DARIEN BUSINESS DEVELOPMENT CORP., a corporation existing under the laws of British Columbia

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

- and -

VIREO HEALTH, INC., a corporation existing under the laws of Delaware

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

-and -

DARIEN MERGER SUB, LLC, a limited liability company existing under the laws of Delaware

(hereinafter referred to as "**US Subco**")

-and -

VIREO FINCO (CANADA) INC., a corporation existing under the laws of British Columbia

(hereinafter referred to as "**Canadian Finco**")

-and -

1197027 B.C. LTD., a corporation existing under the laws of British Columbia

(hereinafter referred to as "**B.C. Subco**")

WHEREAS the Parties (as hereinafter defined) have agreed, subject to the satisfaction of certain conditions precedent, concurrently with the Amalgamation (as hereinafter defined), and the US Merger (as hereinafter defined) to complete a Business Combination (as hereinafter defined) pursuant to which the business of Vireo shall become the business of Darien;

AND WHEREAS, prior to the Business Combination, Darien will consolidate (the "**Consolidation**") its common shares in an amount to be agreed between Vireo and Darien, such that the outstanding post-consolidation common shares of Darien (the "**Darien Shares**") will have an aggregate value of US$3 million, based on the issue price of the Subscription Receipts (as hereinafter defined).

AND WHEREAS, prior to the Amalgamation and the US Merger, Vireo will recapitalize its share structure so that:

(i) each share of preferred stock of Vireo ("**Vireo Preferred Stock**") will be automatically converted into one fully paid and non-assessable share of common stock of Vireo ("**Vireo Common Stock**"); and

(ii) certain stockholders of Vireo will exchange their shares of Vireo Common Stock for Subordinate Voting Shares (as hereinafter defined).

AND WHEREAS prior to the Effective Time (as hereinafter defined), Darien will (i) complete the Name Change (as hereinafter defined), (ii) complete the Reclassification (as hereinafter defined) whereby Darien will alter the Articles and notice of articles of Darien to re-designate the Darien Shares as Subordinated Voting Shares (as hereinafter defined); (iii) create a new class of Multiple Voting Shares (as hereinafter defined) and Super Voting Shares (as hereinafter defined); and (iv) complete the Consolidation (as hereinafter defined).

AND WHEREAS the Parties have agreed, subject to the satisfaction of certain conditions precedent concurrently with the US Merger, that Darien, Canadian Finco and B.C. Subco will carry out a three-cornered Amalgamation pursuant to Section 269 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") pursuant to which, among other things:

(i) each B.C. Subco Share (as hereinafter defined) will be exchanged for one Amalco Share (as hereinafter defined); and

(ii) each Canadian Finco Share (as hereinafter defined) held by Canadian Finco Shareholders (as hereinafter defined) will be exchanged for one Subordinated Voting Share;

AND WHEREAS the Parties have agreed, subject to the satisfaction of certain conditions precedent, concurrently with the Amalgamation, to carry out a merger of Vireo and US Subco, whereby US Subco will be merged with and into Vireo, pursuant to Title 8, Section 267 of the Delaware General Corporation Law (the "**DGCL**") and Title 6, Section 209 of the Delaware Limited Liability Company Act (the "**DLLCA**") pursuant to which, among other things:

(i) each class or series of capital stock of US Subco issued and outstanding, immediately prior to the Effective Time will be cancelled;

(ii) certain stockholders of Vireo will thereafter exchange their Vireo Common Stock for Subordinate Voting Shares at an exchange rate ranging from 38 to 46 Subordinate Voting Shares for each share of Vireo Common Stock held (with the actual exchange ratio depending on the pre-money valuation of Vireo estimated to be between $500 million and $600 million). All other holders of Vireo Common Stock will exchange their Vireo Common Stock for Multiple Voting Shares at an exchange rate ranging from 0.38 to 0.46 of a Multiple Voting Share per share of Vireo Common Stock held (with the actual exchange ratio depending on the pre-money valuation of Vireo estimated to be between $500 million and $600 million) or Super Voting Shares at an exchange rate ranging from 0.38 to 0.46 of a Super Voting Share per share of Vireo Common Stock held (with the actual exchange ratio depending on the pre-money valuation of Vireo estimated to be between $500 million and $600 million); and

(iii) US Subco will merge with and into Vireo, with Vireo continuing as the surviving corporation with Darien being the sole stockholder of the merged company, and the separate existence of US Subco will cease (altogether, the "**US Merger**").

AND WHEREAS, the Parties wish to make certain representations, warranties, covenants and agreements in connection with the Business Combination;

NOW THEREFORE, in consideration of the mutual benefits to be derived and the representations and warranties, conditions and promises herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I
GENERAL

1.1 Defined Terms

Capitalized terms used herein and not otherwise defined has the meanings ascribed to such terms in Schedule A.

1.2 Pre-Business Combination – Name Change, Reclassification, Creation of Shares, and Consolidation

Immediately prior to the steps in sections 1.3 and 1.4, Darien shall take all necessary steps to give effect to and implement the Name Change, the Consolidation, the Reclassification, the creation of the Super Voting Shares and Multiple Voting Shares, upon and subject to the terms of this Agreement.

1.3 Business Combination – Financing of Canadian Finco

Certain investors will invest cash for subscription receipts (the "**Subscription Receipts**") of Canadian Finco, with each Subscription Receipt representing the right of the holder thereof to receive, upon the occurrence of certain events set forth in the terms attached to the Subscription Receipts, one Canadian Finco Share, without any further act or formality, and for no additional consideration.

1.4 Business Combination – Preferred Stockholders of Vireo Become Common Stockholders of Vireo

Prior to the US Merger and the Amalgamation, pursuant to a recapitalization of Vireo, holders of Vireo Preferred Stock will convert their Vireo Preferred Stock into Vireo Common Stock in accordance with the terms of the Vireo Preferred Stock.

1.5 Business Combination – Contribution of Interests to Darien

Prior to the US Merger and the Amalgamation, Vireo will provide Canadian holders of Vireo Common Stock the opportunity to contribute those shares to Darien for Subordinate Voting Shares pursuant to the elective provisions of s 85(1) of the Income Tax Act (Canada)

*1.6 **Business Combination – Exchange of Vireo Shares for Darien Shares pursuant to the Merger with US Subco***

(a) Darien, US Subco and Vireo agree to enter into a merger agreement whereby US Subco will merge with and into Vireo in accordance with Title 8, Section 267 of the Delaware General Corporation Law (the "**DGCL**") and Title 6, Section 209 of the Delaware Limited Liability Company Act (the "**DLLCA**") (the "**Merger Agreement**").

(b) Contemporaneously with the execution of the Merger Agreement, Vireo and Darien shall execute and file with the secretary of state of the State of Delaware as soon as practicable thereafter, a certificate of merger in accordance with the DGCL and the DLLCA.

(c) Immediately prior to the Effective Time, Vireo will effectuate a recapitalization pursuant to which each share of Vireo Preferred Stock shall be exchanged for one fully paid and non-assessable share of Vireo Common Stock and Canadian stockholders of Vireo will exchange their Vireo Common Stock for Subordinate Voting Shares.

(d) At the Effective Time and as a result of the US Merger:

(i) each share of capital stock of US Subco issued and outstanding immediately prior to the Effective Time will be canceled and no consideration shall be issued in respect thereof.

(ii) US Subco will merge with and into Vireo, with Vireo continuing as the surviving corporation and the separate existence of US Subco shall cease.

(iii) following paragraph 1.8(c) to this Agreement, each person outside the United States shall receive approximately 38-46 Subordinate Voting Shares (with the actual exchange ratio depending on the pre-money valuation of Vireo estimated to be between $500 million and $600 million) for each share of Vireo Common Stock held immediately prior to the Effective Time.

(iv) following paragraph 1.8(c) to this Agreement, each person in the United States shall receive approximately 0.38-0.46 of a Multiple Voting Share (with the actual exchange ratio depending on the pre-money valuation of Vireo estimated to be between $500 million and $600 million) in exchange for each issued and outstanding share of Vireo Common Stock held immediately prior to the Effective Time.

(v) following paragraph 1.8(c) to this Agreement, Kyle Kingsley shall receive approximately 0.38-0.46 of a Super Voting Share (with the actual exchange ratio depending on the pre-money valuation of Vireo estimated to be between $500 million and $600 million) in exchange for each issued and outstanding share of Vireo Common Stock held immediately prior to the Effective Time.

(vi) each warrant issued and outstanding immediately prior to the Effective Time will be exchanged for a warrant entitling the holder to receive, in lieu of Vireo Preferred Stock or Vireo Common Stock, that many Subordinate Voting Shares that such holder would have been entitled to receive, if on the effective date thereof, the holder had been the registered holder of the number of Vireo Preferred Stock or Vireo Common Stock to which he or she was entitled to receive upon the exercise of the warrants and on the same terms and conditions set forth in the applicable warrant certificate.

(vii) each option, stock appreciation right, restricted stock units and restricted stock issued and outstanding immediately prior to the Effective Time will be exchanged for an option, stock appreciation right, restricted stock units and restricted stock entitling the holder to receive, in lieu of Vireo Preferred Stock or Vireo Common Stock, that many Subordinate Voting Shares that such holder would have been entitled to receive if, on the effective date thereof, the holder had been the registered holder of the number of Vireo Preferred Stock or Vireo Common Stock to which he or she was entitled to receive upon the exercise or settlement of such award and on the same terms and conditions as set forth in Vireo's Equity Incentive Plan and the applicable award agreement.

1.7 Business Combination – Exchange of Subscription Receipts

The Subscription Receipts will automatically be exchanged for Canadian Finco Shares pursuant to the terms and conditions of the Subscription Receipts and the Subscription Receipt Agreement.

1.8 Business Combination - Amalgamation

(a) Canadian Finco and Darien agree to effect the combination of their respective businesses and assets by way of a "three-cornered amalgamation" among Darien, B.C. Subco and Canadian Finco.

(b) Darien has called the Darien Meeting and prepared and mailed the Darien Circular to the Darien Shareholders. Darien shall not amend or supplement the Darien Circular without the prior written consent of Vireo, such consent not to be unreasonably withheld or delayed.

(c) (i) Canadian Finco has obtained the written consent resolution of the Canadian Finco Shareholders approving the Amalgamation; and (ii) Darien has executed a written consent resolution approving the B.C. Subco Amalgamation Resolution.

(d) Upon the completion of the Consolidation, the Name Change, the Reclassification and the creation of the Multiple Voting Shares and Super Voting Shares, B.C. Subco and Canadian Finco shall jointly complete and file the Amalgamation Application with the British Columbia Registrar of Companies under the BCBCA.

(e) Upon the issue of a Certificate of Amalgamation giving effect to the Amalgamation, B.C. Subco and Canadian Finco shall be amalgamated and shall continue as one corporation effective on the date of the Certificate of Amalgamation (the "**Effective Date**") under the terms and conditions prescribed in the Amalgamation Agreement.

(f) At the Effective Time and as a result of the Amalgamation:

(i) each holder of Canadian Finco Shares shall receive one fully-paid and non-assessable Subordinated Voting Share for each Canadian Finco Share held, following which all such Canadian Finco Shares shall be cancelled;

(ii) Darien shall receive one fully paid and non-assessable Amalco Share for each one B.C. Subco Share held by Darien, following which all such B.C. Subco Shares shall be cancelled;

(iii) each holder of Canadian Finco Compensation Options shall receive one Darien Compensation Option for each Canadian Finco Compensation Option held, following which all such Canadian Finco Compensation Options shall be cancelled.

(iv) in consideration of the issuance of Subordinated Voting Shares pursuant to paragraph 1.6(f)(i), Amalco shall issue to Darien one Amalco Share for each Subordinated Voting Share issued;

(v) Darien shall add to the capital maintained in respect of the Subordinated Voting Shares an amount equal to the aggregate paid-up capital for purposes of the ITA of the Canadian Finco Shares immediately prior to the Effective Time;

(vi) Amalco shall add to the capital maintained in respect of the Amalco Shares an amount such that the stated capital of the Amalco Shares shall be equal to the aggregate paid-up capital for purposes of the ITA of the B.C. Subco Shares and Canadian Finco Shares immediately prior to the Amalgamation;

(vii) no fractional Subordinated Voting Shares shall be issued to holders of Canadian Finco Shares; in lieu of any fractional entitlement, the number of Subordinated Voting Shares issued to each former holder of Canadian Finco Shares shall be rounded down to the next lesser whole number of Subordinated Voting Shares without any payment in respect of such fractional Subordinated Voting Share;

(viii) Darien shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to transactions contemplated by this Agreement to any holder of Canadian Finco Shares such amounts as are required to be deducted and withheld with respect to such payment under the ITA or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Canadian Finco Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority; and

(ix) Amalco will become a wholly-owned subsidiary of Darien.

(g) At the Effective Time:

(i) subject to subsection 1.6(f)(i), the registered holders of Canadian Finco Shares shall become the registered holders of the Subordinated Voting Shares to which they are entitled, calculated in accordance with the provisions hereof; Darien shall deliver the Subordinated Voting Shares to former holders of Canadian Finco Shares electronically or in physical form in accordance with the instructions of the former holder thereof, without the need for such holder to surrender certificates representing the Canadian Finco Shares and absent such instructions, Darien shall provide the Subordinated Voting Shares in the same form as such holder previously held the Subscription Receipts; and

(ii) Darien shall become the registered holder of the Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof, and shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof.

(h) At the Effective Time, the registered holders of Canadian Finco Compensation Options shall become the registered holders of Darien Compensation Options to which they are entitled in accordance with the provisions hereof. Darien shall deliver certificates representing the Darien Compensation Options to former holders of Canadian Finco Compensation Options in accordance with the instructions of former holders thereof.

(i) Subject to the provisions of the BCBCA, the following provisions shall apply to Amalco:

(i) without in any way restricting the powers conferred upon Amalco or its board of directors by the BCBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, the board of directors may from time to time, without authorization of the shareholders, in such amounts and on such terms as it deems expedient:

(A) borrow money upon the credit of Amalco;

(B) issue, re-issue, sell or pledge debt obligations of Amalco;

(C) subject to the provisions of the BCBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, give a guarantee on behalf of Amalco to secure performance of an obligation of any person; and

(D) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of Amalco owned or subsequently acquired, to secure any obligation of Amalco; and

(ii) the board of directors may from time to time delegate to a director, a committee of directors or an officer of Amalco any or all of the powers conferred on the board as set out above, to such extent and in such manner as the board shall determine at the time of such delegation.

1.9 Business Combination – Wind up of Amalco

Amalco will be wound up into Darien and the assets of Amalco (which will consist of the funds invested by the investors for Subscription Receipts, net of expenses) will be transferred to Darien.

1.10 U.S. Tax Matters

Each Party agrees that: (a) the contributions described in Section 1.5 (Contribution of Interests to Vireo) are intended to constitute a single integrated transaction qualifying as a tax-deferred contribution pursuant to Section 351 of the Code; and (b) the transactions set forth in Section 1.3 (Financing of Canadian Finco), Section 1.4 (Preferred Stockholders of Vireo Become Common Stockholders of Vireo), Section 1.5 (Contribution of Interests to Darien), Section 1.6 (Exchange of Vireo Shares for Darien Shares pursuant to the Merger with US Subco), Section 1.7 (Exchange of Subscription Receipts), Section 1.8 (Amalgamation), Section 1.9 (Wind up of Amalco), are intended to constitute a single integrated transaction qualifying as a tax-deferred contribution pursuant to Section 351 of the Code, (c) such Party shall retain such records and file such information as is required to be retained and filed pursuant to Treasury Regulations section 1.351-3 in connection with each of the transactions set forth in subsections (a) and (b), and (d) such Party shall otherwise use its best efforts to cause the transactions set forth in subsections (a) and (b) to qualify as a tax-deferred contribution, in each case pursuant to Section 351 of the Code. In connection with transactions described in subsection (b), the Parties agree to treat Darien as a United States domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Code. Except as otherwise required by this Agreement, no Party shall take any action, fail to take any action, cause any action to be taken or cause any action to fail to be taken that could reasonably be expected to prevent (1) the transactions described in subsections (a) and (b) from each qualifying as a tax-deferred contribution within the meaning of Section 351 of the Code, or (2) Darien from being treated as a United States domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Code. Each Party hereto agrees to act in good faith, consistent with the terms of this Agreement and the intent of the Parties and the intended treatment of such transactions as set forth in this Section 1.10. Notwithstanding the foregoing, no Party makes any representation, warranty or covenant to any other party or to any shareholder of Vireo, US Subco or Canadian Finco or other holder of Vireo, US Subco or Canadian Finco securities (including, without limitation, stock options, warrants, subscription receipts, debt instruments or other similar rights or instruments) regarding the tax treatment of the transactions contemplated by this Agreement, including, but not limited to, whether the transactions described in subsections (a) and (b) will each qualify as a tax-deferred contribution within the meaning of Section 351 of the Code or whether Darien will be treated as a United States domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Code as a result of the transactions set forth in subsection (b).

1.11 Board of Directors and Officers

Each of the Parties hereby agrees that concurrently with the completion of the Business Combination, all of the current directors and officers of Darien, B.C. Subco and US Subco shall resign without payment by or any liability to Darien, Canadian Finco, US Subco, B.C. Subco or Amalco, and each such director and officer shall execute and deliver a release in favour of Darien, B.C. Subco, Canadian Finco, US Subco and Amalco, in a form acceptable to Darien and Vireo, each acting reasonably, and the board of directors of Darien shall be set at seven directors and consist initially of seven directors and be comprised of the following persons, or such other other person as may be designated by Vireo (collectively, the "**New Darien Directors**"):

Kyle Kingsley	Chairman
Amber Shimpa	Director
Ari Hoffnung	Director
Chad Martinson	Director
Judd Nordquist	Director
Amy Langer	Director
Chelsea Grayson	Director

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF VIREO

Vireo represents and warrants to and in favour of Darien, B.C. Subco and US Subco and acknowledges that Darien, B.C. Subco and US Subco are relying on such representations and warranties in connection with this Agreement and the transactions contemplated herein:

2.1 Organization and Good Standing

(a) Vireo is a corporation duly organized, validly existing, and in good standing under the Laws of the jurisdiction of its incorporation and is qualified to transact business and is in good standing as a foreign corporation in the jurisdictions where it is required to qualify in order to conduct its business as presently conducted, except where the failure to be so qualified would not have a Material Adverse Effect on Vireo.

(b) Vireo has the corporate power and authority to own, lease or operate its properties and to carry on its business as now conducted.

2.2 Consents, Authorizations, and Binding Effect

(a) Vireo may execute, deliver and perform this Agreement without the necessity of obtaining any consent, approval, authorization or waiver, or giving any notice or otherwise, except:

(i) Approval of the Vireo shareholders;

(ii) consents, approvals, authorizations and waivers which have been obtained (or will be obtained prior to the Effective Date) and are unconditional, and in full force and effect, and notices which have been given on a timely basis; or

(iii) those which, if not obtained or made, would not prevent or delay the consummation of the Business Combination or otherwise prevent Vireo from performing its respective obligations under this Agreement and would not be reasonably likely to have a Material Adverse Effect on Vireo.

(b) Vireo has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

(c) This Agreement has been duly executed and delivered by Vireo and constitutes a legal, valid, and binding obligation of each, enforceable against Vireo in accordance with its terms, except:

(i) as may be limited by bankruptcy, reorganization, insolvency and similar Laws of general application relating to or affecting the enforcement of creditors' rights or the relief of debtors; and

(ii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(d) The execution, delivery, and performance of this Agreement will not:

(i) constitute a violation of the constating documents of Vireo;

(ii) conflict with, result in the breach of or constitute a default or give to others a right of termination, cancellation, creation or acceleration of any obligation under or the loss of any material benefit under or the creation of any benefit or right of any third party under any material Contract, material permit or material license to which Vireo is a party or as to which any of its property is subject which in any such case would have a Material Adverse Effect on Vireo;

(iii) constitute a violation of any Law applicable or relating to Vireo or its business except for such violations which would not have a Material Adverse Effect on Vireo; or

(iv) result in the creation of any lien upon any of the assets of Vireo other than such liens as would not have a Material Adverse Effect on Vireo.

(e) Other than pursuant to this Agreement, neither Vireo nor any Affiliate or Associate of Vireo nor, to the knowledge of Vireo, any director or officer of Vireo beneficially owns or has the right to acquire a beneficial interest in any Darien Shares.

2.3 Litigation and Compliance

(a) There are no actions, suits, claims or proceedings, whether in equity or at law or, any Governmental investigations pending or, to the knowledge of Vireo, threatened:

(i) against or affecting Vireo or with respect to or affecting any asset or property owned, leased or used by Vireo; or

(ii) which question or challenge the validity of this Agreement, or the Business Combination or any action taken or to be taken pursuant to this Agreement, or the Business Combination;

except for actions, suits, claims or proceedings which would not, in the aggregate, have a Material Adverse Effect on Vireo nor is Vireo aware of any basis for any such action, suit, claim, proceeding or investigation.

(b) Other than in respect of laws of the United States Federal government relating to cannabis and its derivatives, Vireo has conducted and is conducting its business in compliance with, and is not in default or violation under, and has not received notice asserting the existence of any default or violation under, any Law applicable to its business or operations, except for non-compliance, defaults and violations which would not, in the aggregate, have a Material Adverse Effect on Vireo.

(c) Neither Vireo, nor any asset of Vireo is subject to any judgment, order or decree entered in any lawsuit or proceeding which has had, or which is reasonably likely to have, a Material Adverse Effect on Vireo or which is reasonably likely to prevent Vireo from performing its obligations under this Agreement.

(d) Vireo has duly filed or made all reports and returns required to be filed by it with any Government and has obtained all permits, licenses, consents, approvals, certificates, registrations and authorizations (whether Governmental, regulatory or otherwise) which are required in connection with its business and operations, except where the failure to do so has not had and would not have a Material Adverse Effect on Vireo.

2.4 Financial Statements

(a) The financial statements (including, in each case, any notes thereto) of the Vireo Group of Companies for the years ended December 31, 2017 and 2016 and for the nine month period ended September 30, 2018 were prepared in accordance with IFRS, applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and fairly presented in all material respects the consolidated assets, liabilities and financial condition of the Vireo Group of Companies as of the respective dates thereof and the consolidated earnings, results of operations and changes in financial position of the Vireo Group of Companies for the periods then ended.

(b) Other than as contemplated herein or disclosed in the financial statements or in employment agreements entered into in the ordinary course, there are no contracts with Vireo, on the one hand, and: (i) any officer or director of Vireo; (ii) any holder of 5% or more of the equity securities of Vireo; or (iii) an Associate or Affiliate of a person in (i) or (ii), on the other hand.

2.5 Brokers

Other than in connection with the Financing, neither Vireo nor to the knowledge of Vireo any of its Associates, Affiliates or Advisors have retained any broker or finder in connection with the Amalgamation or the other transactions contemplated hereby, nor have any of the foregoing incurred any liability to any broker or finder by reason of any such transaction.

2.6 Taxes

Each Vireo Group Member has timely filed, or has caused to be timely filed on its behalf, all Tax Returns required to be filed by it prior to the date hereof, all such Tax Returns are complete and accurate in all material respects. All Taxes shown to be due on such Tax Returns, or otherwise owed, have been timely paid, other than those which are being contested in good faith and in respect of which adequate reserves have been provided in the most recently published financial statements of Vireo. Vireo's most recent audited consolidated financial statements reflect a reserve in accordance with IFRS for all Taxes payable by the Vireo Group Members for all taxable periods and portions thereof through the date of such financial statements. No deficiency with respect to any Taxes has been proposed, asserted or assessed in writing against any Vireo Group Member, there are no actions, suits, proceedings, investigations or claims pending or threatened against any Vireo Group Member in respect of Taxes or any matters under discussion with any Government relating to Taxes, in each case which are likely to have a Material Adverse Effect on the Vireo Group, and no waivers or written requests for waivers of the time to assess any such Taxes are outstanding or pending. Each Vireo Group Member has remitted to the appropriate tax authorities within the time limits required all amounts collected by it in respect of Taxes. There are no liens for Taxes upon any asset of the Vireo Group except liens for Taxes not yet due.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF CANADIAN FINCO

Canadian Finco represents and warrants to and in favour of Darien and B.C. Subco and acknowledges that Darien and B.C. Subco are relying on such representations and warranties in connection with this Agreement and the transactions contemplated herein:

3.1 Organization and Good Standing

(i) Canadian Finco is a corporation duly organized, validly existing, and in good standing under the Laws of the jurisdiction of its incorporation and is qualified to transact business and is in good standing as a foreign corporation in the jurisdictions where it is required to qualify in order to conduct its business as presently conducted, except where the failure to be so qualified would not have a Material Adverse Effect on Canadian Finco. There are no subsidiaries of Canadian Finco.

(ii) Canadian Finco has the corporate power and authority to own, lease or operate its properties and to carry on its business as now conducted.

3.2 Consents, Authorizations, and Binding Effect

(i) Canadian Finco may execute, deliver and perform this Agreement without the necessity of obtaining any consent, approval, authorization or waiver, or giving any notice or otherwise, except:

(A) consents, approvals, authorizations and waivers which have been obtained (or will be obtained prior to the Effective Date) and are unconditional, and in full force and effect, and notices which have been given on a timely basis;

(B) the written consent resolution of the Canadian Finco Shareholders approving the Amalgamation;

(C) the filing of a Form 13 (Amalgamation Application) with the British Columbia Registrar of Companies under the BCBCA; or

(D) those which, if not obtained or made, would not prevent or delay the consummation of the Amalgamation or otherwise prevent Canadian Finco from performing its obligations under this Agreement and would not be reasonably likely to have a Material Adverse Effect on Canadian Finco.

(ii) Canadian Finco has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to complete the Amalgamation, subject to the approval of the Canadian Finco Amalgamation Resolution by the Canadian Finco Shareholders.

(iii) The sole director of Canadian Finco has: (i) approved the Business Combination and the execution, delivery and performance of this Agreement and (ii) directed that the Canadian Finco Amalgamation Resolution be submitted to the Canadian Finco Shareholders.

(iv) This Agreement has been duly executed and delivered by Canadian Finco and constitutes a legal, valid, and binding obligation of Canadian Finco, enforceable against it in accordance with its terms, except:

(A) as may be limited by bankruptcy, reorganization, insolvency and similar Laws of general application relating to or affecting the enforcement of creditors' rights or the relief of debtors; and

(B) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(v) The execution, delivery, and performance of this Agreement will not:

(A) constitute a violation of the notice of articles or articles, as amended, of Canadian Finco;

(B) conflict with, result in the breach of or constitute a default or give to others a right of termination, cancellation, creation or acceleration of any obligation under or the loss of any material benefit under or the creation of any benefit or right of any third party under any material Contract, material permit or material license to which Canadian Finco is a party or as to which any of its property is subject which in any such case would have a Material Adverse Effect on Canadian Finco;

(C) constitute a violation of any Law applicable or relating to Canadian Finco or its business except for such violations which would not have a Material Adverse Effect on Canadian Finco; or

(D) result in the creation of any lien upon any of the assets of Canadian Finco other than such liens as would not have a Material Adverse Effect on Canadian Finco.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF DARIEN, B.C. SUBCO AND US SUBCO

Each of Darien, B.C. Subco and US Subco hereby represents and warrants to Vireo and Canadian Finco as follows and acknowledges that each of Vireo and Canadian Finco is relying on such representations and warranties in entering into this Agreement and completing the transactions contemplated herein:

4.1 Organization and Good Standing

(a) Each Darien Group Member is a corporation duly organized, validly existing, and in good standing under the Laws of the jurisdiction of its incorporation and is qualified to transact business and is in good standing as a foreign corporation in the jurisdictions where it is required to qualify in order to conduct its business as presently conducted, except where the failure to be so qualified would not have a Material Adverse Effect on Darien or on any such company. Except for B.C. Subco and US Subco, there are no other subsidiaries of Darien.

(b) Each Darien Group Member has the corporate power and authority to own, lease, or operate its properties and to carry on its business as now conducted.

4.2 Consents, Authorizations, and Binding Effect

(a) Each of Darien, B.C. Subco and US Subco has full corporate power and authority to execute and deliver this Agreement and to perform its respective obligations hereunder, subject to the approval of the matters set out in the Darien Circular by Darien Shareholders at the Darien Meeting.

(b) Each of Darien and B.C. Subco has full corporate power and authority to complete the Amalgamation, subject to the B.C. Subco Amalgamation Resolution.

(c) Each of Darien and US Subco has full corporate power and authority to execute and deliver the Merger Agreement and to perform its respective obligations thereunder, subject to the US Subco Merger Resolution.

(d) The board of directors of Darien have unanimously: (i) approved the Business Combination and the execution, delivery and performance of this Agreement; (ii) directed that the matters set out in the Darien Circular be submitted to the Darien Shareholders at the Darien Meeting, and unanimously recommended approval thereof; and (iii) approved the execution and delivery of the B.C. Subco Amalgamation Resolution by Darien.

(e) The board of directors of US Subco have unanimously: (i) approved the US Merger and the execution, delivery and performance of the Merger Agreement; (ii) directed that the Merger Agreement and the US Merger be submitted to Darien as sole holder of the limited liability company interests of US Subco, and unanimously recommended approval thereof; (iii) approved the execution and delivery of the resolution approving the Merger Agreement and the US Merger by Darien.

(f) The board of directors of B.C. Subco have unanimously approved the Amalgamation and the execution, delivery and performance of this Agreement.

(g) This Agreement has been duly executed and delivered by Darien, B.C. Subco and US Subco and constitutes a legal, valid, and binding obligation of Darien, B.C. Subco and US Subsco enforceable against each of them in accordance with its terms, except:

(i) as may be limited by bankruptcy, reorganization, insolvency and similar Laws of general application relating to or affecting the enforcement of creditors' rights or the relief of debtors; and

(ii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defences and to the discretion of the court before which any proceeding therefor may be brought.

(h) The execution, delivery, and performance of this Agreement will not:

(i) constitute a violation of the notice of articles or articles of Darien, the notice of articles or articles of B.C. Subco, or the certificate of formation and operating agreement of US Subco;

(ii) conflict with, result in the breach of or constitute a default or give to others a right of termination, cancellation, creation or acceleration of any obligation under, or the loss of any material benefit under or the creation of any benefit or right of any third party under any material Contract, material permit or material license to which any Darien Group Member is a party or as to which any of their property is subject which would in any such case have a Material Adverse Effect on the Darien Group;

(iii) constitute a violation of any Law applicable or relating to any Darien Group Member or their respective businesses except for such violations which would not have a Material Adverse Effect on any Darien Group Member; or

(iv) result in the creation of any lien upon any of the assets of any Darien Group Member, other than such liens as would not have a Material Adverse Effect on the Darien Group.

(i) No Darien Group Member or any Affiliate or Associate of any Darien Group Member, nor to the knowledge of Darien, any director or officer of any Darien Group Member, beneficially owns or has the right to acquire a beneficial interest in any Canadian Finco Shares.

4.3 Litigation and Compliance

(a) There are no actions, suits, claims or proceedings, whether in equity or at law, or any Governmental investigations pending or, to the knowledge of Darien, threatened:

(i) against or affecting any Darien Group Member or with respect to or affecting any asset or property owned, leased or used by any Darien Group Member; or

(ii) which question or challenge the validity of this Agreement or the Amalgamation or any action taken or to be taken pursuant to this Agreement or the Amalgamation;

nor is Darien aware of any basis for any such action, suit, claim, proceeding or investigation.

(b) Each Darien Group Member has conducted and is conducting its business in compliance with, and is not in default or violation under, and has not received notice asserting the existence of any default or violation under, any Law applicable to the businesses or operations of the Darien Group, except for non-compliance, defaults, and violations which would not, in the aggregate, have a Material Adverse Effect on the Darien Group.

(c) No Darien Group Member, and no asset of any Darien Group Member, is subject to any judgment, order or decree entered in any lawsuit or proceeding which has had, or which is reasonably likely to have, a Material Adverse Effect on the Darien Group or which is reasonably likely to prevent Darien, B.C. Subco or US Subco from performing its respective obligations under this Agreement.

(d) Each Darien Group Member has duly filed or made all reports and returns required to be filed by it with any Government and has obtained all permits, licenses, consents, approvals, certificates, registrations and authorizations (whether Governmental, regulatory or otherwise) which are required in connection with the business and operations of the Darien Group, except where the failure to do so has not had and will not have a Material Adverse Effect on the Darien Group.

4.4 Public Filings; Financial Statements

(a) Darien has filed all documents required pursuant to applicable Canadian Securities Laws (the "**Darien Securities Documents**"). As of their respective dates, the Darien Securities Documents complied in all material respects with the then applicable requirements of the Canadian Securities Laws (and all other applicable securities laws) and, at the respective times they were filed, none of the Darien Securities Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make any statement therein, in light of the circumstances under which it was made, not misleading. Darien has not filed any confidential disclosure reports which have not at the date hereof become public knowledge.

(b) The consolidated financial statements (including, in each case, any notes thereto) of Darien for the years ended December 30, 2017 and 2016 and for the three and nine month periods ended September 30, 2018 and 2017 included in the Darien Securities Documents were prepared in accordance with IFRS applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and fairly present in all material respects the consolidated assets, liabilities and financial condition of Darien and its consolidated subsidiaries as of the respective dates thereof and the consolidated earnings, results of operations and changes in financial position of Darien and its consolidated subsidiaries for the periods then ended (subject, in the case of unaudited statements, to the absence of footnote disclosure and to customary year-end audit adjustments and to any other adjustments described therein). Except as disclosed in the Darien Securities Documents, Darien has not, since September 30, 2018, made any change in the accounting practices or policies applied in the preparation of its financial statements.

(c) Darien is now, and on the Effective Date will be, a "reporting issuer" (or its equivalent) under Canadian Securities Laws of each of the Provinces of Alberta and British Columbia and Ontario. Darien is not currently in default in any material respect of any requirement of Canadian Securities Laws and Darien is not included on a list of defaulting reporting issuers maintained by any of the securities commissions or similar regulatory authorities in each of such Provinces.

(d) There has not been any reportable event (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators) since December 30, 2017 with the present or former auditors of the Darien Group.

(e) No order ceasing or suspending trading in securities of any Darien Group Member or prohibiting the sale of securities by any Darien Group Member has been issued that remains outstanding and, to the knowledge of Darien, no proceedings for this purpose have been instituted, are pending, contemplated or threatened by any securities commission, self-regulatory organization or the TSX-V, except the pending voluntary de-listing from the TSX-V in connection with this Agreement.

(f) Darien maintains a system of internal accounting controls appropriate for a company of its size and sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) access to assets is permitted only in accordance with management's general or specific authorization; and (iii) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(g) There are no contracts with Darien, on the one hand, and: (i) except for a verbal agreement for management fees to Gunther Roehlig, any officer or director of the Darien Group; (ii) any holder of 5% or more of the equity securities of Darien; or (iii) an associate or affiliate of a person in (i) or (ii), on the other hand.

4.5 Taxes

Each Darien Group Member has timely filed, or has caused to be timely filed on its behalf, all Tax Returns required to be filed by it prior to the date hereof, all such Tax Returns are complete and accurate in all material respects. All Taxes shown to be due on such Tax Returns, or otherwise owed, have been timely paid, other than those which are being contested in good faith and in respect of which adequate reserves have been provided in the most recently published financial statements of Darien. Darien's most recent audited consolidated financial statements reflect a reserve in accordance with IFRS for all Taxes payable by the Darien Group Members for all taxable periods and portions thereof through the date of such financial statements. No deficiency with respect to any Taxes has been proposed, asserted or assessed in writing against any Darien Group Member, there are no actions, suits, proceedings, investigations or claims pending or threatened against any Darien Group Member in respect of Taxes or any matters under discussion with any Government relating to Taxes, in each case which are likely to have a Material Adverse Effect on the Darien Group, and no waivers or written requests for waivers of the time to assess any such Taxes are outstanding or pending. Each Darien Group Member has withheld from each payment made to any of their past or present employees, officers or directors, and to any non-resident of Canada, the amount of all Taxes required to be withheld therefrom and have paid the same to the proper tax or receiving officers within the time required under applicable Law. Each Darien Group Member has remitted to the appropriate tax authorities within the time limits required all amounts collected by it in respect of Taxes. There are no liens for Taxes upon any asset of the Darien Group except liens for Taxes not yet due. US Subco, at all time since its formation through the Effective Time, will be a disregarded entity for United States income tax purposes.

4.6 Pension and Other Employee Plans and Agreement

Except for stock options granted by Darien, Darien does not maintain or contribute to any Employee Plan.

4.7 Labour Relations

(a) No employees of any Darien Group Member are covered by any collective bargaining agreement.

(b) There are no representation questions, arbitration proceedings, labour strikes, slow-downs or stoppages, material grievances, or other labour troubles pending or, to the knowledge of Darien, threatened with respect to the employees of any Darien Group Member; and (ii) to the best of Darien's knowledge, there are no present or pending applications for certification (or the equivalent procedure under any applicable Law) of any union as the bargaining agent for any employees of any Darien Group Member.

4.8 Contracts, Etc.

(a) No Darien Group Member is a party to or bound by any Contract other than as disclosed in writing to Vireo.

(b) Each Darien Group Member and, to the knowledge of Darien, each of the other parties thereto, is in material compliance with all covenants under any material Contract, and no default has occurred which, with notice or lapse of time or both, would directly or indirectly constitute such a default, except for such non-compliance or default under any material Contract as has not had and will not have a Material Adverse Effect on the Darien Group.

(c) No Darien Group Member is a party to or bound by any Contract that provides for any payment as a result of the consummation of any of the matters contemplated by this Agreement that would result in Darien having a cash balance of less than $nil at the time of the completion of the Business Combination.

4.9 Absence of Certain Changes, Etc.

Except as contemplated by the Business Combination and this Agreement, since September 30, 2018:

(a) there has been no Material Adverse Change in the Darien Group;

(b) no Darien Group Member has:

(i) sold, transferred, distributed, or otherwise disposed of or acquired a material amount of its assets, or agreed to do any of the foregoing, except in the ordinary course of business, except as disclosed in the Darien Circular, by news release or in the Letter of Intent;

(ii) incurred any liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) which has had or is likely to have a Material Adverse Effect on the Darien Group;

(iii) made or agreed to make any material capital expenditure or commitment for additions to property, plant, or equipment in excess of $25,000;

(iv) made or agreed to make any material increase in the compensation payable to any employee or director except for increases made in the ordinary course of business and consistent with presently existing policies or agreement or past practice or as disclosed in writing to Vireo or as will not result in a cash balance of less than $nil as at the Effective Date;

(v) conducted its operations in any way other than in all material respects in the normal course of business;

(vi) entered into any material transaction or material Contract, or amended or terminated any material transaction or material Contract, except transactions or Contracts entered into in the ordinary course of business; or

(vii) agreed or committed to do any of the foregoing; and

(c) there has not been any declaration, setting aside or payment of any dividend with respect to Darien's share capital.

4.10 Subsidiaries

(a) All of the outstanding shares in the capital of B.C. Subco are owned of record and beneficially by Darien free and clear of all liens. All of the outstanding limited liability company interests in the capital of US Subco are owned of record and beneficially by Darien free and clear of all liens. Darien does not own, directly or indirectly, any equity interest of or in any entity or enterprise organized under the Laws of any domestic or foreign jurisdiction other than B.C. Subco and US Subco.

(b) All outstanding shares in the capital of, or other equity interests in, Darien have been duly authorized and are validly issued, fully paid and non-assessable.

4.11 Capitalization

(a) As at the date hereof, the authorized capital of Darien consists of an unlimited number of Darien Shares without nominal or par value, of which 12,455,815 Darien Shares are issued and outstanding (prior to giving effect to the Consolidation). Darien has also granted options to purchase a total of 1,240,000 Darien Shares.

(b) All issued and outstanding shares in the capital of Darien have been duly authorized and are validly issued, fully paid and non-assessable, free of pre-emptive rights.

(c) There are no authorized, outstanding or existing:

(i) voting trusts or other agreements or understandings with respect to the voting of any Darien Shares to which any Darien Group Member is a party;

(ii) securities issued by any Darien Group Member that are convertible into or exchangeable for any Darien Shares;

(iii) except for options to purchase 1,240,000 Darien Shares, agreements, options, warrants, or other rights capable of becoming agreements, options or warrants to purchase or subscribe for any Darien Shares or securities convertible into or exchangeable or exercisable for any such common shares, in each case granted, extended or entered into by any Darien Group Member;

(iv) agreements of any kind to which any Darien Group Member is party relating to the issuance or sale of any Darien Shares, or any securities convertible into or exchangeable or exercisable for any Darien Shares or requiring Darien to qualify securities of any Darien Group Member for distribution by prospectus under Canadian Securities Laws; or

(v) agreements of any kind which may obligate Darien to issue or purchase any of its securities.

4.12 Environmental Matters

Each Darien Group Member is in compliance with all applicable Environmental Laws and has not violated any then current environmental laws as applied at that time. All operations of the Darien Group, past or present, conducted on any real property, leased or owned by any member of the Darien Group, past or present, and such properties themselves while occupied by a member of the Darien Group have been and are in compliance with all Environmental Laws. No Darien Group Member is the subject of: (i) any proceeding, application, order or directive which relates to any environmental, health or safety matter; or (ii) any demand or notice with respect to any Environmental Laws. Each Darien Group Member has made adequate reserves for all reclamation obligations and has made appropriate arrangements, through obtaining reclamation bonds or otherwise to discharge such reclamation obligations, to the extent applicable. No member of the Darien Group has caused or permitted the release of any hazardous substances on or to any of the assets or any other real property owned or leased or occupied by any member of the Darien Group, either past or present, (including underlying soils and substrata, surface water and groundwater) in such a manner as: (A) would be reasonably likely to impose liability for cleanup, natural resource damages, loss of life, personal injury, nuisance or damage to other property; (B) would be reasonably likely to result in imposition of a lien, charge or other encumbrance on or the expropriation of any of the assets; or (C) at levels which exceed remediation and/or reclamation standards under any Environmental Laws or standards published or administered by those Governmental Authorities responsible for establishing or applying such standards. There is no environmental liability or factors likely to give rise to any environmental liability (i) affecting any of the properties of any Darien Group Member; or (ii) retained in any manner by any Darien Group Member in connection with properties disposed by any Darien Group Member.

4.13 Licence and Title

Darien is the absolute legal and beneficial owner of, and has good and marketable title to, all of its material property or assets (real and personal, tangible and intangible, including leasehold interests) including all the properties and assets reflected in the balance sheet forming part of Darien's financial statements for the year ended December 30, 2017, except as indicated in the notes thereto, and such properties and assets are not subject to any mortgages, liens, charges, pledges, security interests, encumbrances, claims, demands, Encumbrances or defect in title of any kind except as is reflected in the balance sheets forming part of such financial statements and in the notes thereto and Darien owns, possesses, or has obtained and is in compliance in all material respects with, all licences, permits, certificates, orders, grants and other authorizations of or from any Governmental Authority necessary to conduct its business as currently conducted, in accordance in all material respects with applicable Laws.

4.14 Indebtedness

As at the date of this Agreement, no indebtedness was owing or guaranteed by any Darien Group Member.

4.15 Undisclosed Liabilities

There are no material liabilities of the Darien Group of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which any Darien Group Member may become liable on or after the consummation of the transactions contemplated hereby other than:

(a) liabilities disclosed on or reflected or provided for in the most recent financial statements of Darien included in the Darien Securities Documents; and

(b) liabilities incurred in the ordinary and usual course of business of the Darien Group and attributable to the period since December 30, 2017, none of which has had or may reasonably be expected to have a Material Adverse Effect on the Darien Group.

4.16 Due Diligence Investigations

All information relating to the business, assets, liabilities, properties, capitalization or financial condition of the Darien Group, or any member thereof provided by any Darien Group Member or any of its Advisers to Vireo is true, accurate and complete in all material respects.

4.17 Brokers

Except as disclosed to Vireo in writing, no Darien Group Member or, to the knowledge of Darien, any of its respective Associates, Affiliates or Advisers, have retained any broker or finder in connection with the transactions contemplated hereby, nor have any of the foregoing incurred any Liability to any broker or finder by reason of any such transaction.

4.18 Anti-Bribery Laws

None of Darien, B.C. Subco or US Subco nor to the knowledge of Darien, any director, officer, employee or consultant of the foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to Darien, B.C. Subco or US Subco including but not limited to the *U.S. Foreign Corrupt Practices Act* and Canada's *Corruption of Foreign Public Officials Act*, or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any Government Official, whether directly or through any other person, for the purpose of influencing any act or decision of a Government Official in his or her official capacity; inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a Government Official to influence or affect any act or decision of any Governmental Authority; or assisting any representative of Darien, B.C. Subco or US Subco in obtaining or retaining business for or with, or directing business to, any person; or (Y) to any person, in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. None of Darien, B.C. Subco or US Subco nor to the knowledge of Darien, any director, officer, employee, consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded Darien, B.C. Subco or US Subco or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption Laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such Laws, or received any notice, request, or citation from any person alleging non-compliance with any such Laws.

ARTICLE V
CONDITIONS TO OBLIGATIONS OF DARIEN, B.C. SUBCO OR US SUBCO

5.1 Conditions Precedent to Completion of the Business Combination

The obligation of Darien, B.C. Subco or US Subco to complete the Business Combination is subject to the satisfaction of the following conditions on or prior to the Effective Date, each of which may be waived by Darien, B.C. Subco or US Subco:

(a) The representations and warranties of Vireo set forth in Article II and of Canadian Finco set forth in Article III qualified as to materiality shall be true and correct, and the representations and warranties not so qualified shall be true and correct in all material respects, in each case as of the date of this Agreement and on the Effective Date as if made on the Effective Date, except for such representations and warranties made expressly as of a specified date which, if qualified as to materiality shall be true and correct, or otherwise shall be true and correct in all material respects, as of such date.

(b) Each of Vireo and Canadian Finco shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by them prior to or on the Effective Date.

(c) There shall not have occurred any Material Adverse Change in Vireo or in Canadian Finco since the date of this Agreement.

(d) The Darien Shareholders shall have approved the matters set out in the Darien Circular at the Darien Meeting.

(e) The shareholders of Vireo shall have approved the Merger.

ARTICLE VI
CONDITIONS TO OBLIGATIONS OF VIREO AND CANADIAN FINCO

6.1 Conditions Precedent to Completion of the Business Combination

The obligation of each of Vireo and Canadian Finco to complete the Business Combination is subject to the satisfaction of the following conditions on or prior to the Effective Date, each of which may be waived by each of Vireo and Canadian Finco:

(a) The representations and warranties of Darien, B.C. Subco or US Subco set forth in Article IV qualified as to materiality shall be true and correct, and the representations and warranties not so qualified shall be true and correct in all material respects as of the date hereof and on the Effective Date as if made on the Effective Date, except for such representations and warranties made expressly as of a specified date which, if qualified as to materiality shall be true and correct, or otherwise shall be true and correct in all material respects, as of such date.

(b) Darien, B.C. Subco or US Subco shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Darien, B.C. Subco or US Subco, respectively, prior to or on the Effective Date.

(c) There shall not have occurred any Material Adverse Change of Darien or the Darien Group since the date of this Agreement.

(d) The Darien Shareholders shall have approved the matters set out in the Darien Circular at the Darien Meeting.

(e) The shareholders of Vireo shall have approved the Merger.

(f) Darien shall have completed and filed all necessary documents in accordance with the BCBCA in respect of the matters set out in the Darien Circular to be approved at the Darien Meeting and the Name Change shall be effective.

(g) Each of Vireo and Canadian Finco shall be satisfied that the exchange of Multiple Voting Shares or Super Voting Shares, as applicable, for shares of Vireo and US Subco, and for shares of Canadian Finco, as applicable, shall be exempt from registration under all applicable United States federal and state securities laws.

(h) All of the current directors and officers of Darien and B.C. Subco, and managers and officers of US Subco, shall have resigned without payment by or any liability to Darien, Vireo, US Subco, Canadian Finco, B.C. Subco or Amalco, and each such director, manager and officer shall have executed and delivered a release in favour of Darien, B.C. Subco, Vireo, US Subco, Canadian Finco and Amalco, in a form acceptable to Darien and Vireo, each acting reasonably.

(i) Vireo shall be satisfied in its sole discretion that: (A) at the time of the completion of the Business Combination, Darien has a cash balance of not less than $0; and (B) Darien, B.C. Subco and US Subco have no liabilities.

ARTICLE VII
MUTUAL CONDITIONS PRECEDENT

7.1 Mutual Conditions Precedent

The obligations of Darien, B.C. Subco, US Subco, Vireo and Canadian Finco to complete the Business Combination are subject to the satisfaction of the following conditions on or prior to the Effective Date, each of which may be waived only with the consent in writing of Darien and Vireo:

(a) all consents, waivers, permits, exemptions, orders, consents and approvals required to permit the completion of the Business Combination, the failure of which to obtain could reasonably be expected to have a Material Adverse Effect on Vireo or Darien or materially impede the completion of the Business Combination, shall have been obtained;

(b) no temporary restraining order, preliminary injunction, permanent injunction or other order preventing the consummation of the Business Combination shall have been issued by any federal, state, or provincial court (whether domestic or foreign) having jurisdiction and remain in effect;

(c) the Subordinate Voting Shares to be issued pursuant to the Business Combination shall have been conditionally approved for listing on the CSE, subject to standard conditions on the Effective Date or as soon as practicable thereafter;

(d) on the Effective Date, no cease trade order or similar restraining order of any other provincial securities administrator relating to the Darien Shares, the Subordinate Voting Shares, the Multiple Voting Shares, the Super Voting Shares, the Canadian Finco Shares, the B.C. Subco Shares, the US Subco Membership Interests, or the Amalco Shares shall be in effect;

(e) there shall not be pending or threatened any suit, action or proceeding by any Governmental Entity, before any court or Governmental Authority, agency or tribunal, domestic or foreign, that has a significant likelihood of success, seeking to restrain or prohibit the consummation of the Business Combination or any of the other transactions contemplated by this Agreement;

(f) the distribution of Amalco Shares, Subordinate Voting Shares, Multiple Voting Share and Super Voting Shares pursuant to the Business Combination shall be exempt from the prospectus and registration requirements of applicable Canadian Securities Law either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of applicable exemptions under Canadian Securities Laws and shall not be subject to resale restrictions under applicable Canadian Securities Laws (other than as applicable to control persons) or pursuant to section 2.6 of National Instrument 45-102 – *Resale of Securities of the Canadian Securities Administrators*); and

(g) this Agreement shall not have been terminated in accordance with its terms.

ARTICLE VIII
CLOSING

8.1 Closing

The Closing shall take place at the offices of Vireo's counsel, Cassels Brock & Blackwell LLP at 11:00 a.m. (Toronto time) on the Effective Date or on such other date as Vireo and Darien may agree.

8.2 Termination of this Agreement

This Agreement may be terminated at any time prior to the Effective Time, whether before or after approval of the B.C. Subco Amalgamation Resolution by Darien or the US Subco Merger Resolution by Darien or the matters set out in the Darien Circular by the Darien Shareholders or any other matters presented in connection with the Business Combination:

(a) by mutual written consent of the Parties;

(b) by Darien or Vireo if there has been a breach of any of the representations, warranties, covenants and agreements on the part of the other Party (the "**Breaching Party**") set forth in this Agreement, which breach has or is likely to result in the failure of the conditions set forth in Section 4.1, 5.1 or 6.1, as the case may, to be satisfied and in each case has not been cured within ten (10) Business Days following receipt by the Breaching Party of written notice of such breach from the non-breaching Party (the "**Non-Breaching Party**");

(c) by any Party if any permanent order, decree, ruling or other action of a court or other competent authority restraining, enjoining or otherwise preventing the consummation of the Business Combination shall have become final and non-appealable.

8.3 Survival of Representations and Warranties; Limitation

The representations and warranties set forth in herein shall expire and be terminated on the earlier of the Effective Date or the termination of this Agreement.

ARTICLE IX
MISCELLANEOUS

9.1 Further Actions

From time to time, as and when requested by any Party, the other Parties shall execute and deliver, and use all commercially reasonable efforts to cause to be executed and delivered, such documents and instruments and shall take, or cause to be taken, such further or other actions as may be reasonably requested in order to:

(a) carry out the intent and purposes of this Agreement;

(b) effect the Amalgamation (or to evidence the foregoing); and

(c) consummate and give effect to the other transactions, covenants and agreements contemplated by this Agreement.

9.2 Entire Agreement

This Agreement, which includes the Schedules hereto and the other documents, agreements, and instruments executed and delivered pursuant to or in connection with this Agreement, contains the entire Agreement between the Parties with respect to matters dealt within herein and, except as expressly provided herein, supersedes all prior arrangements or understandings with respect thereto, including the Letter of Intent.

9.3 Descriptive Headings

The descriptive headings of this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

9.4 Notices

All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered personally or sent by electronic mail, nationally recognized overnight courier, or registered or certified mail, postage prepaid, addressed as follows:

(a) If to Darien or B.C. Subco:

Darien Business Development Corp.
410-1040 West Georgia Street
Vancouver, British Columbia
V6E4H1

Attention: Gunther Roehlig
E-mail: groehlig@gmail.com

(b) If to Vireo or to Canadian Finco:

c/o Vireo Health, Inc.
1330 Lagoon Avenue, 4th Floor
Minneapolis, MN 55408 USA

Attention: Michael Schroeder
E-mail: michaelschroeder@vireohealth.com

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

Cassels Brock & Blackwell LLP
2100 Scotia Plaza, 40 King Street West
Toronto, ON M5H 3C2

Attention: Frank DeLuca
Email: fdeluca@casselsbrock.com

Any such notices or communications shall be deemed to have been received: (i) if delivered personally or sent by nationally recognized overnight courier or by electronic mail, on the date of such delivery; or (ii) if sent by registered or certified mail, on the third Business Day following the date on which such mailing was postmarked. Any Party may by notice change the address to which notices or other communications to it are to be delivered or mailed.

9.5 Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal laws of Canada applicable therein, but references to such laws shall not, by conflict of laws, rules or otherwise require application of the law of any jurisdiction other than the Province of British Columbia and the Parties hereby further irrevocably attorn to the jurisdiction of the Courts of the Province of British Columbia in respect of any matter arising hereunder or in connection with the transactions contemplated in this Agreement.

9.6 Enurement and Assignability

This Agreement shall be binding upon and shall enure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns, provided that this Agreement shall not be assignable otherwise than by operation of law by any Party without the prior written consent of the other Parties, and any purported assignment by any Party without the prior written consent of the other Parties shall be void.

9.7 Confidentiality

The Parties agree that no disclosure or announcement, public or otherwise, in respect of the Business Combination, this Agreement or the transactions contemplated herein shall be made by any Party or its representatives without the prior agreement of the other Parties as to timing, content and method, hereto, provided that the obligations herein will not prevent any Party from making, after consultation with the other Parties, such disclosure as its counsel advises is required by applicable Law or the rules and policies of the CSE, TSX-V (or any other relevant stock exchange). If any of Darien, Vireo, Canadian Finco, US Subco or B.C. Subco is required by applicable Law or regulatory instrument, rule or policy to make a public announcement with respect to the Business Combination, such Party hereto will provide as much notice to the other of them as reasonably possible, including the proposed text of the announcement.

Except as and only to the extent required by applicable Law, the Receiving Party will not disclose or use, and it will cause its representatives not to disclose or use, any Confidential Information furnished by a Disclosing Party or its representatives to the Receiving Party or its representatives at any time or in any manner, other than for the purposes of evaluating the Business Combination.

9.8 Remedies

The Parties acknowledge that an award of money damages may be inadequate for any breach of the obligations undertaken by the Parties and that the Parties shall be entitled to seek equitable relief, in addition to remedies at law. In the event of any action to enforce the provisions of this Agreement, each of the Parties waive the defense that there is an adequate remedy at law. Without limiting any remedies any Party may otherwise have, in the event any Party refuses to perform its obligations under this Agreement, the other Party shall have, in addition to any other remedy at law or in equity, the right to specific performance.

9.9 Waivers and Amendments

Any waiver of any term or condition of this Agreement, or any amendment or supplementation of this Agreement, shall be effective only if in writing. A waiver of any breach or failure to enforce any of the terms or conditions of this Agreement shall not in any way affect, limit, or waive a Party's rights hereunder at any time to enforce strict compliance thereafter with every term or condition of this Agreement.

9.10 Illegalities

In the event that any provision contained in this Agreement shall be determined to be invalid, illegal, or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and the remaining provisions of this Agreement shall not, at the election of the Party for whose benefit the provision exists, be in any way impaired.

9.11 Currency

Except as otherwise set forth herein, all references to amounts of money in this Agreement are to United States Dollars.

9.12 Third-Party Beneficiaries

This Agreement is strictly between the Parties and, except as specifically provided herein, no other person or entity and no director, officer, stockholder, employee, agent, independent contractor or any other person or entity shall be deemed to be a third-party beneficiary of this Agreement.

9.13 Counterparts

This Agreement may be executed in any number of counterparts by original or telefacsimile signature, each of which will be an original as regards any party whose signature appears thereon and all of which together will constitute one and the same instrument. This Agreement will become binding when one or more counterparts hereof, individually or taken together, bears the signatures of all the parties reflected hereon as signatories.

[REMAINDER OF THE AGREEMENT IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the undersigned have executed and delivered this Agreement as of the day and year first above written.

DARIEN BUSINESS DEVELOPMENT CORP.

By: /s/ Gunther Roehlig
Name: Gunther Roehlig
Title: President

VIREO HEALTH, INC.

By: /s/ Amber Shimpa
Name: Amber Shimpa
Title: CFO

VIREO FINCO (CANADA) INC.

By: /s/ Amber Shimpa
Name: Amber Shimpa
Title: President and Director

1197027 B.C. LTD.

By: /s/ Gunther Roehlig
Name: Gunther Roehlig
Title: President

DARIEN MERGER SUB, LLC

By: /s/ Gunther Roehlig
Name: Gunther Roehlig
Title: President

SCHEDULE A
DEFINITIONS

"**Advisers**" when used with respect to any Person, shall mean such Person's directors, officers, employees, representatives, agents, counsel, accountants, advisers, engineers, and consultants.

"**Affiliate**" has the meaning ascribed to such term in National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators.

"**Agreement**" means this Business Combination Agreement, as it may be amended or supplemented at any time and from time to time after the date hereof.

"**Amalco**" means the corporation resulting from the Amalgamation.

"**Amalco Shares**" means common shares in the capital of Amalco.

"**Amalgamation**" means an amalgamation of B.C. Subco and Canadian Finco pursuant to Section 269 of the BCBCA, on the terms and subject to the conditions set out in the Amalgamation Agreement and this Agreement, subject to any amendments or variations thereto made in accordance with the provisions of the Amalgamation Agreement and this Agreement.

"**Amalgamation Agreement**" means the amalgamation agreement in a form to be agreed between Darien and Vireo, each acting reasonably to be entered into between B.C. Subco and Canadian Finco pursuant to Section 269 of the BCBCA, to effect the Amalgamation.

"**Amalgamation Application**" means the Form 13 to be jointly completed and filed by Darien and Canadian Finco with the Registrar of Companies under the BCBCA, in a form to be agreed between Darien and Vireo, each acting reasonabl,y giving effect to the Amalgamation of B.C. Subco and Canadian Finco upon and subject to the terms of this Agreement.

"**Associate**" has the meaning ascribed to such term in the *Securities Act* (British Columbia).

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended;

"**B.C. Subco**" means 1197027 B.C. Ltd., a wholly-owned subsidiary of Darien, created for the purpose of effecting the Business Combination.

"**B.C. Subco Amalgamation Resolution**" means the resolution of Darien, as sole shareholder of B.C. Subco, approving the Amalgamation and adopting the Amalgamation Agreement.

"**B.C. Subco Shares**" means the common shares in the capital of B.C. Subco.

"**Breaching Party**" has the meaning ascribed to such term in Section 7.2(b).

"**Business Combination**" means the completion of the steps set out in Article I on the basis set out in this Agreement.

"**Business Day**" means any day other than a Saturday or Sunday or other day on which Canadian Chartered Banks located in the City of Vancouver or the City of Toronto are required or permitted to close.

"**Canadian Finco Amalgamation Resolution**" means the resolution of the sole shareholder of Canadian Finco, approving the Amalgamation and adopting the Amalgamation Agreement.

"**Canadian Finco Compensation Options**" means options to acquire securities of Canadian Finco granted to certain agents as compensation pursuant to the Financing.

"**Canadian Finco Shareholders**" means the holders of the issued and outstanding Canadian Finco Shares.

"**Canadian Finco Shares**" means the common shares in the capital of Canadian Finco.

"**Canadian Securities Laws**" means the *Securities Act* (or equivalent legislation) in each of the provinces and territories of Canada and the respective regulations under such legislation together with applicable published rules, regulations, policy statements, national instruments and memoranda of understanding of the Canadian Provincial Securities Administrators and the securities regulatory authorities in such provinces and territories.

"**Certificate of Amalgamation**" means the certificate of amalgamation to be used by the Registrar of Companies under the BCBCA pursuant to section 281 of the BCBCA following the following the filing of the Amalgamation Application.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Confidential Information**" means any information concerning the Disclosing Party or its business, properties and assets made available to the Receiving Party; provided that it does not include information which: (a) is generally available to or known by the public other than as a result of improper disclosure by the Receiving Party or pursuant to a breach of Section 8.7 by the Receiving Party; (b) is obtained by the Receiving Party from a source other than the Disclosing Party, provided that, to the reasonable knowledge of the Receiving Party, such source was not bound by a duty of confidentiality to the Disclosing Party or another party with respect to such information; (c) is developed by the Receiving Party independently of any disclosure by the Disclosing Party; or (d) was in the Receiving Party's possession prior to its disclosure by the Disclosing Party.

"**Consolidation**" has the meaning given to that term in the Recitals.

"**Contract**" means any contract, lease, agreement, instrument, license, commitment, order, or quotation, written or oral.

"**CSE**" means the Canadian Securities Exchange.

"**Darien**" means Darien Business Development Corp., a corporation existing under the BCBCA.

"**Darien Circular**" means the management information circular of Darien dated February 8, 2019 in respect of a special meeting of shareholders to be held on March 8, 2019, as the same may be amended or supplemented in accordance with this agreement from time to time.

"**Darien Compensation Options**" means options to acquire securities of Darien to be issued to former holders of Canadian Finco Compensation Options, which options will be substantially on the same terms and conditions as the Canadian Finco Compensation Options except for the right to receive Subordinate Voting Shares in lieu of common shares of Canadian Finco upon, among other things, payment of the applicable exercise price.

"**Darien Group**" means and includes Darien, B.C. Subco and US Subco, and the other Darien Group Members.

"**Darien Group Member**" means and includes Darien and any corporation, partnership or company in which Darien beneficially owns or controls, directly or indirectly, more than 50% of the equity, voting rights, profit interest, capital or other similar interest thereof or any joint venture in which Darien has a direct or indirect interest.

"**Darien Meeting**" means the special meeting of the Darien Shareholders to be held to approve the matters set out in the Darien Circular and any and all adjournments or postponements of such meeting.

"**Darien Securities Documents**" has the meaning ascribed to such term in Section 3.4(a).

"**Darien Shareholders**" means the holders of Darien Shares.

"**Darien Shares**" means the common shares in the capital of Darien prior to giving effect to the Consolidation and the Reclassification.

"**Disclosing Party**" means any Party or its representatives disclosing Confidential Information to the Receiving Party.

"**Effective Date**" has the meaning ascribed to such term in Section 1.6(e).

"**Effective Time**" means the time of filing of the Amalgamation Application with the British Columbia Registrar of Companies under the BCBCA on the Effective Date.

"**Employee Plans**" means all plans, arrangements, agreements, programs, policies or practices, whether oral or written, formal or informal, funded or unfunded, maintained for employees, including, without limitation:

(a) any employee benefit plan or material fringe benefit plan;

(b) any retirement savings plan, pension plan or compensation plan, including, without limitation, any defined benefit pension plan, defined contribution pension plan, group registered retirement savings plan or supplemental pension or retirement income plan;

(c) any bonus, profit sharing, deferred compensation, incentive compensation, stock compensation, stock purchase, hospitalization, health, drug, dental, legal disability, insurance (including without limitation unemployment insurance), vacation pay, severance pay or other benefit plan, arrangement or practice with respect to employees or former employees, individuals working on contract, or other individuals providing services of a kind normally provided by employees; and

(d) where applicable, all statutory plans, including, without limitation, the Canada or Québec Pension Plans.

"**Encumbrance**" includes any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, adverse claim, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

"**Environmental Laws**" means Laws regulating or pertaining to the generation, discharge, emission or release into the environment (including without limitation ambient air, surface water, groundwater or land), spill, receiving, handling, use, storage, containment, treatment, transportation, shipment, disposition or remediation or clean-up of any Hazardous Substance, as such Laws are amended and in effect as of the date hereof.

"**Financing**" means the private placement of Subscription Receipts prior to the Effective Date.

"**Government**" means:

(a) the government of Canada, the United States or any other foreign country;

(b) the government of any Province, State, county, municipality, city, town, or district of Canada, the United States or any other foreign country; and

(c) any ministry, agency, department, authority, commission, administration, corporation, bank, court, magistrate, tribunal, arbitrator, instrumentality, or political subdivision of, or within the geographical jurisdiction of, any government described in the foregoing clauses (a) and (b), and for greater certainty, includes the TSX-V and the CSE.

"**Government Official**" means:

(a) any official, officer, employee, or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Authority;

(b) any salaried political party official, elected member of political office or candidate for political office; or

(c) any company, business, enterprise or other entity owned or controlled by any person described in the foregoing clauses.

"**Governmental**" means pertaining to any Government.

"**Governmental Authority**" means and includes, without limitation, any Government or other political subdivision of any Government, judicial, public or statutory instrumentality, court, tribunal, commission, board, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the TSX-V.

"**Hazardous Substance**" means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous or deleterious substance, waste or material, including hydrogen sulphide, arsenic, cadmium, copper, lead, mercury, petroleum, polychlorinated biphenyls, asbestos and urea-formaldehyde insulation, and any other material, substance, pollutant or contaminant regulated or defined pursuant to, or that could result in liability under, any applicable Environmental Law.

"**IFRS**" means International Financial Reporting Standards.

"**ITA**" means the *Income Tax Act* (Canada), as amended and all regulations thereunder.

"**Income Tax**" means any Tax based on or measured by income (including without limitation, based on net income, gross income, income as specifically defined, earnings, profits or selected items of income, earnings or profits); and any interest, penalties and additions to tax with respect to any such tax (or any estimate or payment thereof).

"**knowledge of Vireo**" means the actual knowledge of Kyle Kingsley, Amber Shimpa, Ari Hoffnung, Chad Martinson and Judd Nordquist, without additional inquiry.

"**Law**" means any of the following of, or issued by, any Government, in effect on or prior to the date hereof, including any amendment, modification or supplementation of any of the following from time to time subsequent to the original enactment, adoption, issuance, announcement, promulgation or granting thereof and prior to the date hereof: any statute, law, act, ordinance, code, rule or regulation of any writ, injunction, award, decree, judgment or order.

"**Letter of Intent**" means the letter of intent, dated January 10, 2019, between Vireo and Darien related to the Business Combination.

"**Liability**" of any Person means and include:

(a) any right against such Person to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured;

(b) any right against such Person to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to any equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured; and

(c) any obligation of such Person for the performance of any covenant or agreement (whether for the payment of money or otherwise).

"**Listing Statement**" means the listing statement of Darien to be prepared in accordance with the requirements of the CSE and filed with the CSE in connection with the Business Combination.

"**Material Adverse Change**" or "**Material Adverse Effect**" means, with respect to any Party any change, event, effect, occurrence or state of facts that has, or could reasonably be expected to constitute a material adverse change in respect of or to have a material adverse effect on, the business, properties, assets, liabilities (including contingent liabilities), results of operations or financial condition of the party and its subsidiaries, as applicable, taken as a whole. The foregoing shall not include any change or effects attributable to: (i) any matter that has been disclosed in writing to the other Party or any of its Advisers by a Party or any of its Advisers in connection with this Agreement; (ii) changes relating to general economic, political or financial conditions; or (iii) relating to the state of securities markets in general.

"**Merger Agreement**" has the meaning ascribed to such term in Section 1.6(a).

"**Multiple Voting Shares**" means the Multiple Voting Shares of Darien and will have the terms and conditions set out in Schedule C.

"**Name Change**" means the change of Darien's name to "Vireo Health International, Inc.", or such other name designated by Vireo and that is acceptable to the regulatory authorities.

"**New Darien Directors**" has the meaning ascribed to such term in Section 1.11.

"**Non-Breaching Party**" has the meaning ascribed to such term in Section 7.2(b).

"**Parties**" and "**Party**" means the parties to this Agreement.

"**penalty**" means any civil or criminal penalty (including any interest thereon), fine, levy, lien, assessment, charge, monetary sanction or payment, or any payment in the nature thereof, of any kind, required to be made to any Government under any Law.

"**Person**" means any corporation, partnership, limited liability company or partnership, joint venture, trust, unincorporated association or organization, business, enterprise or other entity; any individual; and any Government.

"**Receiving Party**" means any Party or its representatives receiving Confidential Information from a Disclosing Party.

"**Reclassification**" means the reclassification of the Darien Shares into Subordinated Voting Shares.

"**Subordinated Voting Shares**" means the Subordinated Voting Shares into which the Darien Shares will be reclassified and will have the terms and conditions set out in Schedule C.

"**Subscription Receipt Agreement**" means the subscription receipt agreement among Canadian Finco, Vireo, Eight Capital, Canaccord Genuity Corp. and Odyssey Trust Company setting out the terms and conditions of the Subscription Receipts.

"**Subscription Receipts**" has the meaning ascribed to such term in Section 1.3.

"**subsidiary**" means, with respect to a specified corporation, any corporation of which more than fifty per cent (50%) of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified corporation, and shall include any corporation in like relation to a subsidiary.

"**Super Voting Shares**" means the Super Voting Shares of Darien and will have the terms and conditions set out in Schedule C.

"**Tax**" means any tax, levy, charge or assessment imposed by or due any Government, together with any interest, penalties, and additions to tax relating thereto, including without limitation, any of the following:

(a) any Income Tax;

(b) any franchise, sales, use and value added tax or any license or withholding tax; any payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, alternative or add-on minimum tax; and any customs duties or other taxes;

(c) any tax on property (real or personal, tangible or intangible, based on transfer or gains);

(d) any estimate or payment of any of tax described in the foregoing clauses (a) through (d); and

(e) any interest, penalties and additions to tax with respect to any tax (or any estimate or payment thereof) described in the foregoing clauses (a) through (e).

"**Tax Return**" means all returns, amended returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns) required to be supplied to a Tax authority with jurisdiction over the applicable party.

"**TSX-V**" means the TSX Venture Exchange.

"**US Merger**" has the meaning ascribed to such term in the recitals to this Agreement.

"**US Subco**" means Darien Merger Sub, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Darien, created for the purpose of effecting the Business Combination.

"**US Subco Membership Interests**" means the limited liability company membership interests in the capital and profits of US Subco.

"**US Subco Merger Resolution**" means the resolution of Darien, as sole holder of the US Subco Membership Interests, approving the Merger and adopting the Merger Agreement.

"**Vireo Common Stock**" means the common stock in the capital of Vireo.

"**Vireo's Equity Incentive Plan**" means the 2018 Equity Incentive Plan of Vireo.

"**Vireo Group Member**" means and includes Vireo and any corporation, partnership or company in which Vireo beneficially owns or controls, directly or indirectly, more than 50% of the equity, voting rights, profit interest, capital or other similar interest thereof or any joint venture in which Vireo has a direct or indirect interest.

"**Vireo Preferred Stock**" means, collectively, the Class A, Class B, Class C-1, Class C-2, Class C-3, Class C-4, Class C-5 and Class D preferred stock in the capital of Vireo.

SCHEDULE B
MERGER AGREEMENT

See Attached.

SCHEDULE C
TERMS OF THE SUBORDINATE, SUPER VOTING AND MULTIPLE VOTING SHARES

APPENDIX 1
TO SCHEDULE C

Part 27:

1. An unlimited number of Subordinate Voting Shares, without nominal or par value, having attached thereto the special rights and restrictions as set forth below:

(a) **Voting Rights.** Holders of Subordinate Voting Shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting holders of Subordinate Voting Shares shall be entitled to one vote in respect of each Subordinate Voting Share held.

(b) **Alteration to Rights of Subordinate Voting Shares.** As long as any Subordinate Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Subordinate Voting Shares.

(c) **Dividends.** Holders of Subordinate Voting Shares shall be entitled to receive as and when declared by the directors, dividends in cash or property of the Company. No dividend will be declared or paid on the Subordinate Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Multiple Voting Shares and Super Voting Shares.

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

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

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

(g) **Conversion of Subordinate Voting Shares Upon an Offer**. In the event that an offer is made to purchase Multiple Voting Shares, and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange, if any, on which the Multiple Voting Shares are then listed, to be made to all or substantially all the holders of Multiple Voting Shares in a province or territory of Canada to which the requirement applies, each Subordinate Voting Share shall become convertible at the option of the holder into Multiple Voting Shares at the inverse of the Conversion Ratio (as defined in Part 29) then in effect, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Subordinate Voting Shares for the purpose of depositing the resulting Multiple Voting Shares under the offer, and for no other reason. In such event, the transfer agent for the Subordinated Voting Shares shall deposit under the offer the resulting Multiple Voting Shares, on behalf of the holder. To exercise such conversion right, the holder or his or its attorney duly authorized in writing shall:

(i) give written notice to the transfer agent of the exercise of such right, and of the number of Subordinate Voting Shares in respect of which the right is being exercised;

(ii) deliver to the transfer agent the share certificate or certificates representing the Subordinate Voting Shares in respect of which the right is being exercised, if applicable; and

(iii) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Multiple Voting Shares, resulting from the conversion of the Subordinate Voting Shares will be delivered to the holders on whose behalf such deposit is being made. If Multiple Voting Shares, resulting from the conversion and deposited pursuant to the offer, are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Multiple Voting Shares being taken up and paid for, the Multiple Voting Shares resulting from the conversion will be re-converted into Subordinate Voting Shares at the then Conversion Ratio and a share certificate representing the Subordinate Voting Shares will be sent to the holder by the transfer agent. In the event that the offeror takes up and pays for the Multiple Voting Shares resulting from conversion, the transfer agent shall deliver to the holders thereof the consideration paid for such shares by the offeror.

APPENDIX 2
TO SCHEDULE C

Part 28:

1. An unlimited number of Super Voting Shares, without nominal or par value, having attached thereto the special rights and restrictions as set forth below:

(a) **Issuance.** The Super Voting Shares are only issuable in connection with the closing of the Business Combination. For the purposes hereof, "Business Combination" means the business combination of the Company, Vireo, Vireo Finco (Canada) Inc. and certain subsidiaries of the Company to be formed under applicable Canadian and U.S. law, pursuant to a business combination agreement entered into prior to the filing of these articles.

(b) **Voting Rights**. Holders of Super Voting Shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting, holders of Super Voting Shares will be entitled to 10 votes in respect of each Subordinate Voting Share into which such Super Voting Share could ultimately then be converted, which for greater certainty, shall initially equal 1,000 votes per Super Voting Share.

(c) **Alteration to Rights of Super Voting Shares**. As long as any Super Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Super Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Super Voting Shares. Consent of the holders of a majority of the outstanding Super Voting Shares shall be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Super Voting Shares. In connection with the exercise of the voting rights contained in this paragraph (b) each holder of Super Voting Shares will have one vote in respect of each Super Voting Share held.

(d) **Dividends**. The holder of Super Voting Shares shall have the right to receive dividends, out of any cash or other assets legally available therefor, pari passu (on an as converted to Subordinated Voting Share basis) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares. No dividend will be declared or paid on the Super Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Subordinate Voting Shares and Multiple Voting Shares.

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

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

(g) **Conversion**. Holders of Super Voting Shares shall have conversion rights as follows (the "**Conversion Rights**"):

(i) **Right to Convert**. Each Super Voting Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Company or any transfer agent for such shares, into one fully paid and non-assessable Multiple Voting Share as is determined by multiplying the number of Super Voting Shares held by the Conversion Ratio applicable to such share, determined as hereafter provided, in effect on the date the Super Voting Share is surrendered for conversion. The initial "**Conversion Ratio**" for Super Voting Shares shall be one Multiple Voting Share for each Super Voting Share; provided, however, that the Conversion Ratio shall be subject to adjustment as set forth in subsections (iv) and (v).

(ii) **Automatic Conversion**. A Super Voting Share shall automatically be converted without further action by the holder thereof into one Multiple Voting Share upon the transfer by the holder thereof to anyone other than (i) another Initial Holder, an immediate family member of an Initial Holder or a transfer for purposes of estate or tax planning to a company or person that is wholly beneficially owned by an Initial Holder or immediate family members of an Initial Holder or which an Initial Holder or immediate family members of an Initial Holder are the sole beneficiaries thereof; or (ii) a party approved by the Company. Each Super Voting Share held by a particular Initial Holder shall automatically be converted without further action by the holder thereof into Multiple Voting Shares at the Conversion Ratio for each Super Voting Share held if at any time the aggregate number of issued and outstanding Super Voting Shares beneficially owned, directly or indirectly, by that Initial Holder and that Initial Holder's predecessor or transferor, permitted transferees and permitted successors, divided by the number of Super Voting Shares beneficially owned, directly or indirectly, by that Initial Holder (and the Initial Holder's predecessor or transferor, permitted transferees and permitted successors) as at the date of completion of the Business Combination is less than 50%. The holders of Super Voting Shares will, from time to time upon the request of the Company, provide to the Company evidence as to such holders' direct and indirect beneficial ownership (and that of its permitted transferees and permitted successors) of Super Voting Shares to enable the Company to determine if its right to convert has occurred. For purposes of these calculations, a holder of Super Voting Shares will be deemed to beneficially own Super Voting Shares held by an intermediate company or fund in proportion to their equity ownership of such company or fund, unless such company or fund holds such shares for the benefit of such holder, in which case they will be deemed to own 100% of such shares held for their benefit. For the purposes hereof, "Initial Holders" means Kyle Kingsley.

(iii) **Mechanics of Conversion**. Before any holder of Super Voting Shares shall be entitled to convert Super Voting Shares into Multiple Voting Shares, the holder thereof shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any transfer agent for Multiple Voting Shares, and shall give written notice to the Company at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for Multiple Voting Shares are to be issued (each, a "**Conversion Notice**"). The Company shall (or shall cause its transfer agent to), as soon as practicable thereafter, issue and deliver at such office to such holder, or to the nominee or nominees of such holder, a certificate or certificates for the number of Multiple Voting Shares to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Super Voting Shares to be converted, and the person or persons entitled to receive the Multiple Voting Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Multiple Voting Shares as of such date.

(iv) **Adjustments for Distributions**. In the event the Company shall declare a distribution to holders of Multiple Voting Shares payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not otherwise causing adjustment to the Conversion Ratio (a "**Distribution**"), then, in each such case for the purpose of this subsection (g)(iv), the holders of Super Voting Shares shall be entitled to a proportionate share of any such Distribution as though they were the holders of the number of Multiple Voting Shares into which their Super Voting Shares are convertible as of the record date fixed for the determination of the holders of Multiple Voting Shares entitled to receive such Distribution.

(v) **Recapitalizations; Stock Splits.** If at any time or from time-to-time, the Company shall (i) effect a recapitalization of the Multiple Voting Shares; (ii) issue Multiple Voting Shares as a dividend or other distribution on outstanding Multiple Voting Shares; (iii) subdivide the outstanding Multiple Voting Shares into a greater number of Multiple Voting Shares; (iv) consolidate the outstanding Multiple Voting Shares into a smaller number of Multiple Voting Shares; or (v) effect any similar transaction or action (each, a "**Recapitalization**"), provision shall be made so that the holders of Super Voting Shares shall thereafter be entitled to receive, upon conversion of Super Voting Shares, the number of Multiple Voting Shares or other securities or property of the Company or otherwise, to which a holder of Multiple Voting Shares deliverable upon conversion would have been entitled on such Recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section (g) with respect to the rights of the holders of Super Voting Shares after the Recapitalization to the end that the provisions of this Section (g) (including adjustment of the Conversion Ratio then in effect and the number of Multiple Voting Shares issuable upon conversion of Super Voting Shares) shall be applicable after that event as nearly equivalent as may be practicable.

(vi) **No Fractional Shares and Certificate as to Adjustments**. No fractional Multiple Voting Shares shall be issued upon the conversion of any share or shares of Super Voting Shares and the number of Multiple Voting Shares to be issued shall be rounded up to the nearest whole Multiple Voting Share. Whether or not fractional Multiple Voting Shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Super Voting Shares the holder is at the time converting into Multiple Voting Shares and the number of Multiple Voting Shares issuable upon such aggregate conversion.

(vii) **Adjustment Notice**. Upon the occurrence of each adjustment or readjustment of the Conversion Ratio pursuant to this Section (g), the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Ratio for Super Voting Shares at the time in effect, and (C) the number of Multiple Voting Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Super Voting Share.

(viii) **Effect of Conversion**. All Super Voting Shares which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of conversion (the "Conversion Time"), except only the right of the holders thereof to receive Multiple Voting Shares in exchange therefor and to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion.

(ix) **Notice**. On the date of a Mandatory Conversion, the Company will issue or cause its transfer agent to issue each holder of Super Voting Shares of record on the Mandatory Conversion Date certificates representing the number of Multiple Voting Shares into which the Super Voting Shares are so converted and each certificate representing the Super Voting Shares shall be null and void.

(x) **Retirement of Shares**. Any Super Voting Share converted shall be retired and cancelled and may not be reissued as shares of such series or any other class or series, and the Company may thereafter take such appropriate action (without the need for shareholder action) as may be necessary to reduce the authorized number of Super Voting Shares accordingly.

(xi) **Disputes**. Any holder of Super Voting Shares that beneficially owns more than 5% of the issued and outstanding Super Voting Shares may submit a written dispute as to the determination of the conversion ratio or the arithmetic calculation of the Conversion Ratio, the conversion ratio of Multiple Voting Shares to Subordinate Voting Shares (the "**Subordinate Conversion Ratio**") or of the 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation (each as defined in the terms of the Multiple Voting Shares) by the Company to the Board of Directors with the basis for the disputed determinations or arithmetic calculations. The Company shall respond to the holder within five (5) Business Days of receipt, or deemed receipt, of the dispute notice with a written calculation of the Conversion Ratio, Subordinate Conversion Ratio, 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable. If the holder and the Company are unable to agree upon such determination or calculation of the Conversion Ratio, Subordinate Conversion Ratio, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable, within five (5) Business Days of such response, then the Company and the holder shall, within one (1) Business Day thereafter submit the disputed arithmetic calculation of the Conversion Ratio, Subordinate Conversion Ratio, FPI Protective Restriction or the Beneficial Ownership Limitation to the Company's independent, outside accountant. The Company, at the Company's expense, shall cause the accountant to perform the determinations or calculations and notify the Company and the holder of the results no later than five (5) Business Days from the time it receives the disputed determinations or calculations. Such accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

(h) **Notices of Record Date**. Except as otherwise provided under applicable law, in the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of any class or any other securities or property, or to receive any other right, the Company shall mail to each holder of Super Voting Shares, at least 20 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

APPENDIX 3
TO SCHEDULE C

Part 29:

1. An unlimited number of Multiple Voting Shares, without nominal or par value, having attached thereto the special rights and restrictions as set forth below:

(a) **Voting Rights**. Holders of Multiple Voting Shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting, holders of Multiple Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share into which such Multiple Voting Share could ultimately then be converted, which for greater certainty, shall initially equal 100 votes per Multiple Voting Share.

(b) **Alteration to Rights of Multiple Voting Shares**. As long as any Multiple Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Multiple Voting Shares and Super Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Multiple Voting Shares. Consent of the holders of a majority of the outstanding Multiple Voting Shares and Super Voting Shares shall be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Multiple Voting Shares. In connection with the exercise of the voting rights contained in this paragraph (b) each holder of Multiple Voting Shares will have one vote in respect of each Multiple Voting Share held.

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

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

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

(f) **Conversion**. Subject to the Conversion Restrictions set forth in this section (f), holders of Multiple Voting Shares Holders shall have conversion rights as follows (the "Conversion Rights"):

(i) **Right to Convert**. Each Multiple Voting Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Company or any transfer agent for such shares, into fully paid and non-assessable Subordinate Voting Shares as is determined by multiplying the number of Multiple Voting Shares by the Conversion Ratio applicable to such share, determined as hereafter provided, in effect on the date the Multiple Voting Share is surrendered for conversion. The initial "**Conversion Ratio**" for shares of Multiple Voting Shares shall be 100 Subordinate Voting Shares for each Multiple Voting Share; provided, however, that the Conversion Ratio shall be subject to adjustment as set forth in subsections (f)(viii) and (ix).

(ii) **Conversion Limitations**. Before any holder of Multiple Voting Shares shall be entitled to convert the same into Subordinate Voting Shares, the Board of Directors (or a committee thereof) shall designate an officer of the Company to determine if any Conversion Limitation set forth in Section (f) (iii) or (v) shall apply to the conversion of Multiple Voting Shares.

(iii) **Foreign Private Issuer Protection Limitation**: The Company will use commercially reasonable efforts to maintain its status as a "foreign private issuer" (as determined in accordance with Rule 3b-4 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). Accordingly, the Company shall not effect any conversion of Multiple Voting Shares, and the holders of Multiple Voting Shares shall not have the right to convert any portion of the Multiple Voting Shares, pursuant to Section (f) or otherwise, to the extent that after giving effect to all permitted issuances after such conversions of Multiple Voting Shares, the aggregate number of Subordinate Voting Shares, Super Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Exchange Act ("**U.S. Residents**")) would exceed forty percent (40%) (the "**40% Threshold**") of the aggregate number of Subordinate Voting Shares, Super Voting Shares and Multiple Voting Shares issued and outstanding after giving effect to such conversions (the "**FPI Protective Restriction**"). The Board of Directors may by resolution increase the 40% Threshold to an amount not to exceed 50% and in the event of any such increase all references to the 40% Threshold herein, shall refer instead to the amended threshold set by such resolution.

Conversion Limitations. In order to effect the FPI Protection Restriction, each holder of Multiple Voting Shares will be subject to the 40% Threshold based on the number of Multiple Voting Shares held by such holder as of the date of the initial issuance of the Multiple Voting Shares and thereafter at the end of each of the Company's subsequent fiscal quarters (each, a "**Determination Date**"), calculated as follows:

$X = [(A \times 0.4) - B] \times (C/D)$

Where on the Determination Date:

X = Maximum Number of Subordinate Voting Shares Available For Issue upon Conversion of Multiple Voting Shares by a holder.

A = The Number of Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares issued and outstanding on the Determination Date.

B = Aggregate number of Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares held of record, directly or indirectly, by U.S. Residents on the Determination Date.

C = Aggregate number of Multiple Voting Shares held by holder on the Determination Date.

D = Aggregate number of all Multiple Voting Shares on the Determination Date.

For purposes of this subsection (f)(iii), the Board of Directors (or a committee thereof) shall designate an officer of the Company to determine as of each Determination Date: (A) the 40% Threshold and (B) the FPI Protective Restriction. Within thirty (30) days of the end of each Determination Date (a "**Notice of Conversion Limitation**"), the Company will provide each holder of record a notice of the FPI Protection Restriction and the impact the FPI Protective Provision has on the ability of each holder to exercise the right to convert Multiple Voting Shares held by the holder. To the extent that requests for conversion of Multiple Voting Shares subject to the FPI Protection Restriction would result in the 40% Threshold being exceeded, the number of such Multiple Voting Shares eligible for conversion held by a particular holder shall be prorated relative to the number of Multiple Voting Shares submitted for conversion. To the extent that the FPI Protective Restriction contained in this Section (f) applies, the determination of whether Multiple Voting Shares are convertible shall be in the sole discretion of the Company.

(iv) **Mandatory Conversion**. Notwithstanding subsection (f)(iii), the Company may require each holder of Multiple Voting Shares to convert all, and not less than all, the Multiple Voting Shares at the applicable Conversion Ratio (a "**Mandatory Conversion**") if at any time all the following conditions are satisfied (or otherwise waived by special resolution of holders of Multiple Voting Shares):

(A) the Subordinate Voting Shares issuable upon conversion of all the Multiple Voting Shares are registered for resale and may be sold by the holder thereof pursuant to an effective registration statement and/or prospectus covering the Subordinate Voting Shares under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**");

(B) the Company is subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act; and

(C) the Subordinate Voting Shares are listed or quoted (and are not suspended from trading) on a recognized North American stock exchange or by way of reverse takeover transaction on the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or Aequitas NEO Exchange (or any other stock exchange recognized as such by the Ontario Securities Commission).

The Company will issue or cause its transfer agent to issue each holder of Multiple Voting Shares of record a Mandatory Conversion Notice at least 20 days prior to the record date of the Mandatory Conversion, which shall specify therein, (i) the number of Subordinate Voting Shares into which the Multiple Voting Shares are convertible and (ii) the address of record for such older. On the record date of a Mandatory Conversion, the Company will issue or cause its transfer agent to issue each holder of record on the Mandatory Conversion Date certificates representing the number of Subordinate Voting Shares into which the Multiple Voting Shares are so converted and each certificate representing the Multiple Voting Shares shall be null and void.

(v) **Beneficial Ownership Restriction**: The Company shall not effect any conversion of Multiple Voting Shares, and a holder thereof shall not have the right to convert any portion of its Multiple Voting Shares, pursuant to section (f) or otherwise, to the extent that after giving effect to such issuance after conversion as set forth on the applicable Conversion Notice, the Holder (together with the Holder's Affiliates (each, an "**Affiliate**" as defined in Rule 12b-2 under the U.S. Exchange Act), and any other persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of 9.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares issuable upon conversion of the Multiple Voting Shares subject to the Conversion Notice (the "**Beneficial Ownership Limitation**").

For purposes of the foregoing sentence, the number of Subordinate Voting Shares beneficially owned by the holder and its Affiliates shall include the number of Subordinate Voting Shares issuable upon conversion of Multiple Voting Shares with respect to which such determination is being made, but shall exclude the number of Subordinate Voting Shares which would be issuable upon (i) conversion of the remaining, non-converted portion of Multiple Voting Shares beneficially owned by the holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the holder or any of its Affiliates. In any case, the number of outstanding Subordinate Voting Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including Multiple Voting Shares subject to the Conversion Notice, by the holder or its Affiliates since the date as of which such number of outstanding Subordinate Voting Shares was reported. Except as set forth in the preceding sentence, for purposes of this Section (f)(v), beneficial ownership shall be calculated in accordance with Section 13(d) of the U.S. Exchange Act and the rules and regulations promulgated thereunder based on information provided by the shareholder to the Company in the Conversion Notice.

To the extent that the limitation contained in this Section (f)(v) applies and the Company can convert some, but not all, of such Multiple Voting Shares submitted for conversion, the Company shall convert Multiple Voting Shares up to the Beneficial Ownership Limitation in effect, based on the number of Multiple Voting Shares submitted for conversion on such date. The determination of whether Multiple Voting Shares are convertible (in relation to other securities owned by the holder together with any Affiliates) and of which Multiple Voting Shares are convertible shall be in the sole discretion of the Company, and the submission of a Conversion Notice shall be deemed to be the holder's certification as to the holder's beneficial ownership of Subordinate Voting Shares of the Company, and the Company shall have the right, but not the obligation, to verify or confirm the accuracy of such beneficial ownership.

The holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section (f)(v), provided that the Beneficial Ownership Limitation in no event exceeds 19.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares upon conversion of Multiple Voting Shares subject to the Conversion Notice and the provisions of this Section (f)(v) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section (f)(v) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of Multiple Voting Shares.

(vi) **Disputes**. In the event of a dispute as to the number of Subordinate Voting Shares issuable to a Holder in connection with a conversion of Multiple Voting Shares, the Company shall issue to the Holder the number of Subordinate Voting Shares not in dispute and resolve such dispute in accordance with Section(f)(xiii).

(vii) **Mechanics of Conversion**. Before any holder of Multiple Voting Shares shall be entitled to convert Multiple Voting Shares into Subordinate Voting Shares, the holder thereof shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any transfer agent for Subordinate Voting Shares, and shall give written notice to the Company at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for Subordinate Voting Shares are to be issued (each, a "**Conversion Notice**"). The Company shall (or shall cause its transfer agent to), as soon as practicable thereafter, issue and deliver at such office to such holder, or to the nominee or nominees of such holder, a certificate or certificates for the number of Subordinate Voting Shares to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Multiple Voting Shares to be converted, and the person or persons entitled to receive the Subordinate Voting Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Subordinate Voting Shares as of such date.

(viii) **Adjustments for Distributions**. In the event the Company shall declare a distribution to holders of Subordinate Voting Shares payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not otherwise causing adjustment to the Conversion Ratio (a "**Distribution**"), then, in each such case for the purpose of this subsection (f)(viii), the holders of Multiple Voting Shares shall be entitled to a proportionate share of any such Distribution as though they were the holders of the number of Subordinate Voting Shares into which their Multiple Voting Shares are convertible as of the record date fixed for the determination of the holders of Subordinate Voting Shares entitled to receive such Distribution.

(ix) **Recapitalizations; Stock Splits.** If at any time or from time-to-time, the Company shall (i) effect a recapitalization of the Subordinate Voting Shares; (ii) issue Subordinate Voting Shares as a dividend or other distribution on outstanding Subordinate Voting Shares; (iii) subdivide the outstanding Subordinate Voting Shares into a greater number of Subordinate Voting Shares; (iv) consolidate the outstanding Subordinate Voting Shares into a smaller number of Subordinate Voting Shares; or (v) effect any similar transaction or action (each, a "**Recapitalization**"), provision shall be made so that the holders of Multiple Voting Shares shall thereafter be entitled to receive, upon conversion of Multiple Voting Shares, the number of Subordinate Voting Shares or other securities or property of the Company or otherwise, to which a holder of Subordinate Voting Shares deliverable upon conversion would have been entitled on such Recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section (f) with respect to the rights of the holders of Multiple Voting Shares after the Recapitalization to the end that the provisions of this Section (f) (including adjustment of the Conversion Ratio then in effect and the number of Multiple Voting Shares issuable upon conversion of Multiple Voting Shares) shall be applicable after that event as nearly equivalent as may be practicable.

(x) **No Fractional Shares and Certificate as to Adjustments**. No fractional Subordinate Voting Shares shall be issued upon the conversion of any Multiple Voting Shares and the number of Subordinate Voting Shares to be issued shall be rounded up to the nearest whole Subordinate Voting Share. Whether or not fractional Subordinate Voting Shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Multiple Voting Shares the holder is at the time converting into Subordinate Voting Shares and the number of Subordinate Voting Shares issuable upon such aggregate conversion.

(xi) **Adjustment Notice**. Upon the occurrence of each adjustment or readjustment of the Conversion Ratio pursuant to this Section (f), the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Multiple Voting Shares a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Multiple Voting Shares, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Ratio for Multiple Voting Shares at the time in effect, and (C) the number of Subordinate Voting Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Multiple Voting Share.

(xii) **Effect of Conversion**. All Multiple Voting Shares which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of conversion (the "**Conversion Time**"), except only the right of the holders thereof to receive Subordinate Voting Shares in exchange therefor and to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion.

(xiii) **Disputes**. Any holder of Multiple Voting Shares that beneficially owns more than 5% of the issued and outstanding Multiple Voting Shares may submit a written dispute as to the determination of the conversion ratio or the arithmetic calculation of the conversion ratio of Multiple Voting Shares to Subordinate Voting Shares, the Conversion Ratio, 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation by the Company to the Board of Directors with the basis for the disputed determinations or arithmetic calculations. The Company shall respond to the holder within five (5) Business Days of receipt, or deemed receipt, of the dispute notice with a written calculation of the conversion ratio, the Conversion Ratio, 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable. If the holder and the Company are unable to agree upon such determination or calculation of the Conversion Ratio, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable, within five (5) Business Days of such response, then the Company and the holder shall, within one (1) Business Day thereafter submit the disputed arithmetic calculation of the conversion ratio, Conversion Ratio, FPI Protective Restriction or the Beneficial Ownership Limitation to the Company's independent, outside accountant. The Company, at the Company's expense, shall cause the accountant to perform the determinations or calculations and notify the Company and the holder of the results no later than five (5) Business Days from the time it receives the disputed determinations or calculations. Such accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

(g) **Conversion Upon an Offer.** In addition to the conversion rights set out in Section (f), in the event that an offer is made to purchase Subordinate Voting Shares, and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange, if any, on which the Subordinate Voting Shares are then listed, to be made to all or substantially all the holders of Subordinate Voting Shares in a province or territory of Canada to which the requirement applies, each Multiple Voting Share shall become convertible at the option of the holder into Subordinate Voting Shares at the Conversion Ratio then in effect, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right in this Section (g) may only be exercised in respect of Multiple Voting Shares for the purpose of depositing the resulting Subordinate Voting Shares under the offer, and for no other reason. In such event, the transfer agent for the Subordinate Voting Shares shall deposit under the offer the resulting Subordinate Voting Shares, on behalf of the holder.

To exercise such conversion right, the holder or his or its attorney duly authorized in writing shall:

(i) give written notice to the transfer agent of the exercise of such right, and of the number of Multiple Voting Shares in respect of which the right is being exercised;

(ii) deliver to the transfer agent the share certificate or certificates representing the Multiple Voting Shares in respect of which the right is being exercised, if applicable; and (iii) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Subordinate Voting Shares, resulting from the conversion of the Multiple Voting Shares will be delivered to the holders on whose behalf such deposit is being made. If Subordinate Voting Shares, resulting from the conversion and deposited pursuant to the offer, are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Subordinate Voting Shares being taken up and paid for, the Subordinate Voting Shares resulting from the conversion will be reconverted into Multiple Voting Shares at the inverse of Conversion Ratio then in effect and a share certificate representing the Multiple Voting Shares will be sent to the holder by the transfer agent. In the event that the offeror takes up and pays for the Subordinate Voting Shares resulting from conversion, the transfer agent shall deliver to the holders thereof the consideration paid for such shares by the offeror.

(h) **Notices of Record Date**. Except as otherwise provided under applicable law, in the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of any class or any other securities or property, or to receive any other right, the Company shall mail to each holder of Multiple Voting Shares, at least 20 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

APPENDIX 4
TO AMENDMENT RESOLUTION

Part 30:

Redemption by the Company.

(1) **Interpretation**. For the purposes of this Section, the following terms have the meanings specified below:

"**Business**" means the conduct of any activities relating to the cultivation, manufacturing and dispensing of cannabis and cannabis - derived products in the United States, which include the owning and operating of cannabis licenses.

"**Fair Market Value**" will equal: (i) the volume weighted average trading price (VWAP) of the Subordinate Voting Shares for the five (5) Trading Day period immediately after the date of the Redemption Notice on the Canadian Securities Exchange or other national or regional securities exchange on which such shares are listed, or (ii) if no such quotations are available, the fair market value per share of the Subordinate Voting Shares to be redeemed as set forth in the Valuation Opinion.

"**Governmental Authority**" or "**Governmental Authorities**" means any United States or foreign, federal, state, county, regional, local or municipal government, any agency, administration, board, bureau, commission, department, service, or other instrumentality or political subdivision of the foregoing, and any Person with jurisdiction exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or monetary policy (including any court or arbitration authority).

"**Licenses**" means all licenses, permits, approvals, orders, authorizations, registrations, findings of suitability, franchises, exemptions, waivers and entitlements issued by a Governmental Authority required for, or relating to, the conduct of the Business.

"**Ownership**" (and derivatives thereof) means (i) ownership of record as evidenced in the Company's share register, (ii) "beneficial ownership" as defined in Section 1 of the *Business Corporations Act* (British Columbia), or (iii) the power to exercise control or direction over a security;

"**Person**" means an individual, partnership, corporation, limited liability company, trust or any other entity.

"**Redemption**" has the meaning ascribed in Section 5.

"**Redemption Date**" means the date on which the Company will redeem and pay for the Subordinate Voting Shares pursuant to Section 5. The Redemption Date will be not less than thirty (30) Trading Days following the date of the Redemption Notice unless a Governmental Authority requires that the Subordinate Voting Shares be redeemed as of an earlier date, in which case, the Redemption Date will be such earlier date and if there is an outstanding Redemption Notice, the Company will issue an amended Redemption Notice reflecting the new Redemption Date forthwith.

"**Redemption Notice**" has the meaning ascribed thereto in Section 6.

"**Redemption Price**" means the price per Subordinate Voting Share to be paid by the Company on the Redemption Date for the redemption of Shares pursuant to Section 5 and will be equal to the Fair Market Value of a Subordinate Voting Share, unless otherwise required by any Governmental Authority;

"**Significant Interest**" means ownership of five percent (5%) or more of all of the issued and outstanding Subordinate Voting Shares of the Company, assuming conversion of all Multiple Voting Shares and Super Voting Shares into Subordinate Voting Shares.

"**Subject Shareholder**" means a person, a group of persons acting in concert or a group of persons who, the board reasonably believes, are acting jointly or in concert.

"**Trading Day**" means a day on which trades of the Subordinate Voting Shares are executed on the Canadian Securities Exchange or any national or regional securities exchange on which the Subordinate Voting Shares are listed.

"**Unsuitable Person**" means (i) any person (including a Subject Shareholder) with a Significant Interest who a Governmental Authority granting the Licenses has determined to be unsuitable to own Subordinate Voting Shares; or (ii) any person (including a Subject Shareholder) with a Significant Interest whose ownership of Subordinate Voting Shares may result in the loss, suspension or revocation (or similar action) with respect to any Licenses or in the Company being unable to obtain any new Licenses in the normal course, including, but not limited to, as a result of such person's failure to apply for a suitability review from or to otherwise fail to comply with the requirements of a Governmental Authority, as determined by the board, in its sole discretion, after consultation with legal counsel and if a license application has been filed, after consultation with the applicable Governmental Authority.

"**Valuation Opinion**" means a valuation and fairness opinion from an investment banking firm of nationally recognized standing in Canada (qualified to perform such task and which is disinterested in the contemplated redemption and has not in the then past two years provided services for a fee to the Company or its affiliates) or a disinterested nationally recognized accounting firm.

(2) Subject to Section 4, no Subject Shareholder will acquire or dispose of a Significant Interest, directly or indirectly, in one or more transactions, without providing 15 days' advance written notice to the Company by mail sent to the Company's registered office to the attention of the Corporate Secretary.

(3) If the board reasonably believes that a Subject Shareholder may have failed to comply with the provisions of Section 2, the Company may apply to the Supreme Court of British Columbia, or such other court of competent jurisdiction for an order directing that the Subject Shareholder disclose the number of Shares held.

(4) The provisions of Sections 2 and 3 will not apply to the ownership, acquisition or disposition of Subordinate Voting Shares as a result of:

(a) any transfer of Subordinate Voting Shares occurring by operation of law including, inter alia, the transfer of Subordinate Voting Shares of the Company to a trustee in bankruptcy;

(b) an acquisition or proposed acquisition by one or more underwriters or portfolio managers who hold Subordinate Voting Shares for the purposes of distribution to the public or for the benefit of a third party provided that such third party is in compliance with Section 2; or

(c) the conversion, exchange or exercise of securities of the Company (other than the Subordinate Voting Shares) duly issued or granted by the Company, into or for Subordinate Voting Shares, in accordance with their respective terms.

(5) At the option of the Company, Shares owned by an Unsuitable Person may be redeemed by the Company (the "**Redemption**") for the Redemption Price out of funds lawfully available on the Redemption Date. Shares redeemable pursuant to this Section 5 will be redeemable at any time and from time to time pursuant to the terms hereof.

(6) In the case of a Redemption, the Company will send a written notice to the holder of the Shares called for Redemption, which will set forth: (i) the Redemption Date, (ii) the number of Subordinate Voting Shares to be redeemed on the Redemption Date, (iii) the formula pursuant to which the Redemption Price will be determined and the manner of payment therefor, (iv) the place where such Subordinate Voting Shares (or certificate thereto, as applicable) will be surrendered for payment, duly endorsed in blank or accompanied by proper instruments of transfer, (v) a copy of the Valuation Opinion (if the Resulting Issuer is no longer listed on the Canadian Securities Exchange or another recognized securities exchange), and (vi) any other requirement of surrender of the Subordinate Voting Shares to be redeemed (the "**Redemption Notice**"). The Redemption Notice may be conditional such that the Company need not redeem the Subordinate Voting Shares owned by an Unsuitable Person on the Redemption Date if the board determines, in its sole discretion, that such Redemption is no longer advisable or necessary on or before the Redemption Date. The Company will send a written notice confirming the amount of the Redemption Price as soon as possible following the determination of such Redemption Price.

(7) The Company may pay the Redemption Price by using its existing cash resources, incurring debt, issuing additional Subordinate Voting Shares, issuing a promissory note in the name of the Unsuitable Person, any other means source permitted by applicable law, or by using a combination of the foregoing sources of funding.

(8) To the extent required by applicable laws, the Company may deduct and withhold any tax from the Redemption Price. To the extent any amounts are so withheld and are timely remitted to the applicable Governmental Authority, such amounts shall be treated for all purposes herein as having been paid to the Person in respect of which such deduction and withholding was made.

(9) On and after the date the Redemption Notice is delivered, any Unsuitable Person owning Subordinate Voting Shares called for Redemption will cease to have any voting rights with respect to such Subordinate Voting Shares and on and after the Redemption Date specified therein, such holder will cease to have any rights whatsoever with respect to such Subordinate Voting Shares other than the right to receive the Redemption Price, without interest, on the Redemption Date; provided, however, that if any such Subordinate Voting Shares come to be owned solely by persons other than an Unsuitable Person (such as by transfer of such Subordinate Voting Shares to a liquidating trust, subject to the approval of any applicable Governmental Authority), such persons may exercise voting rights of such Subordinate Voting Shares and the board may determine, in its sole discretion, not to redeem such Subordinate Voting Shares. Following any Redemption in accordance with the terms of this Schedule, the redeemed Subordinate Voting Shares will be cancelled.

(10) All notices given by the Company to holders of Subordinate Voting Shares pursuant to this Schedule, including the Redemption Notice, will be in writing and will be deemed given when delivered by personal service, overnight courier or first-class mail, postage prepaid, to the holder's registered address as shown on the Company's share register.

(11) The Company's right to redeem Subordinate Voting Shares pursuant to this Schedule will not be exclusive of any other right the Company may have or hereafter acquire under any agreement or any provision of the articles or notice of articles of the Company or otherwise with respect to the acquisition by the Company of Subordinate Voting Shares or any restrictions on holders thereof.

(12) In connection with the conduct of its Business, the Company may require that a Subject Shareholder provide to one or more Governmental Authorities, if and when required, information and fingerprints for a criminal background check, individual history form(s), and other information required in connection with applications for Licenses.

(13) In the event that any provision (or portion of a provision) of this Section or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Section (including the remainder of such provision, as applicable) will continue in full force and effect.

Exhibit 10.2

VIREO HEALTH, INC.

2018 EQUITY INCENTIVE PLAN

ARTICLE 1.
EFFECTIVE DATE, OBJECTIVES AND DURATION

1.1 Purpose of Plan. The purpose of the Vireo Health, Inc. 2018 Equity Incentive Plan (the "Plan") is to attract and retain employees, directors, officers and Consultants, and to advance the interests of the Company and its shareholders by enabling the Company and its Affiliates to motivate key employees, directors, and Consultants by providing an incentive to such individuals through equity participation in the Company and by rewarding such individuals who contribute to the achievement by the Company of its economic objectives.

1.2 Effective Date of Plan. The Plan shall become effective January 1, 2018, or, if later, the date it is approved by the Company's shareholders, which shall be considered the date of its adoption for purposes of Treasury Regulation §1.422-2(b)(2)(i). No Awards shall be made prior to the Effective Date.

1.3 Duration of Plan. This Plan shall commence on the Effective Date and shall remain in effect, subject to the right of the Board or the Committee to amend or terminate this Plan at any time pursuant to Article 15 hereof, until all Awards have expired or terminated, the tenth anniversary of the Effective Date, or the date all Shares subject to this Plan have been distributed, whichever occurs first (the "Termination Date"), provided that termination of this Plan shall not adversely affect any Awards outstanding on the date of termination.

ARTICLE 2.
DEFINITIONS

Whenever used in this Plan, the following terms shall have the meanings set forth below:

2.1 "Affiliate" of the Company means any entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the Company.

2.2 "Applicable Laws" means all applicable laws, rules, regulations and requirements, including, but not limited to, all applicable U.S. federal or state laws, any stock exchange rules or regulations, and the applicable laws, rules or regulations of any other country or jurisdiction where Awards are granted under the Plan or Participants reside or provide services, as such laws, rules and regulations shall be in effect from time to time.

2.3 "Award" means Options (including non-qualified options and Incentive Stock Options), Restricted Shares, Restricted Share Units, Stock Appreciation Rights, Performance Units (which may be paid in cash or Shares), Performance Shares, Deferred Awards, Dividend Equivalents, and Other Stock-Based Awards granted under this Plan.

2.4 "Award Agreement" means the written agreement (which may be in paper or electronic form as determined by the Committee) by which an Award shall be evidenced.

2.5 "Board" means the Board of Directors of the Company.

2.6 "Cashless Exercise" means a program approved by the Committee in which payment of the Option exercise price or tax withholding obligations may be satisfied, in whole or in part, with Shares subject to the Option, including by delivery of an irrevocable direction to a securities broker (on a form prescribed by the Committee) to sell Shares and to deliver all or part of the sale proceeds to the Company in payment of the aggregate exercise price and, if applicable, the amount necessary to satisfy the Company's withholding obligations.

2.7 "Cause" means, unless otherwise defined in an Award Agreement or a Participant's employment agreement with the Company, in which case such alternative definition will control, Participant's action or inaction that is materially adverse to the interests of the Company or any Affiliate, as determined by the Committee in good faith, and in its sole discretion, including, but not limited to Participant's:

(i) neglect of his or her duties and responsibilities to the Company or its Affiliates, after notice and a reasonable opportunity to cure (not to exceed ten (10) days);

(ii) misappropriation of funds, properties or assets of the Company or its Affiliates, intentional tort(s), fraud or other material dishonesty with respect to the Company or its Affiliates, or other willful misconduct that could reasonably be expected to be materially harmful to the business, interests or reputation of the Company or its Affiliates;

(iii) conviction of a crime constituting a felony, including the entry of a plea of guilty or no contest by the Participant to a charge of a crime constituting a felony, or materially and adversely affecting the Company, or the Participant's prior or future pre-trial diversion, conviction, or plea of guilty or no contest to any crime which constitutes a crime of breach of trust or dishonesty;

(iv) removal from the Participant's position with the Company or any Affiliate by action of any regulatory authority;

(v) actions or inactions resulting in the imposition of fines, penalties or assessments against the Company and/or any of its Affiliates by any regulatory authority or material injury to the Company or an Affiliate;

(vi) breach of any employment, non-competition or non-solicitation agreement entered into by the Participant for the benefit of the Company and its Affiliates;

(vii) breach of fiduciary duties to the Company or any Affiliate; or

(viii) commission of a crime which, in the judgment of the Committee, resulted or is likely to result in damage or injury, financial or otherwise, to the Company or an Affiliate.

2.8 "Change of Control," unless otherwise defined in the Award Agreement, shall be deemed to have occurred if:

(i) Continuity Directors cease to constitute a majority of the members of the Board;

(ii) any person or group (as such terms are defined in Section 13(d) of the Exchange Act) has acquired ownership of stock of the Company that constitutes more than 50% of the total fair market value or total voting power of the outstanding stock of the Company, but a Change of Control will not be deemed to have occurred if such acquisition is for the purpose of providing financing to the Company, is by a group that consists solely of beneficial owners of the Company as of the effective date of the Plan, is the result of a repurchase by the Company of its voting securities, or is by an entity owned in substantially the same proportions by the persons who own the Company's voting capital stock immediately before the transaction;

(iii) a sale, transfer or disposition of all or substantially all of the Company's assets other than to (a) a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company, (b) a corporation or other entity owned directly or indirectly by the holders of capital stock of the Company in substantially the same proportions as their ownership of Common Stock (or imputed ownership of Common Stock through the ownership of preferred stock of the Company), or (c) an entity in which the holders of a majority of the Company's voting shares immediately prior to the transaction continue to hold a majority of the total voting power represented by the shares of the Company's (or the surviving entity's) voting capital stock immediately after the transaction;

(iv) a merger, consolidation, or other business combination transaction of the Company with or into another corporation, entity or person other than an entity in which the holders of a majority of the Company's voting shares immediately prior to the transaction continue to hold a majority of the total voting power represented by the shares of the Company's (or the surviving entity's) voting capital stock immediately after the transaction.

Notwithstanding the foregoing, to the extent that a change in the form or time of payment of an Award that constitutes deferred compensation under Code Section 409A is required upon a Change of Control, no Change of Control will be considered to have occurred for purposes of determining the form or time of payment unless such event constitutes a permissible payment event under Code Section 409A.

2.9 "Code" means the Internal Revenue Code of 1986 (and any successor Internal Revenue Code), as amended from time to time. References to a particular section of the Code include references to regulations and rulings thereunder and to successor provisions.

2.10 "Committee" means a committee established by the Board to administer the Plan under Article 3, and so long as the Company has a class of its equity securities registered under Section 12 of the Exchange Act, it shall consist of two or more Non-Employee Directors, each of whom shall be (a) an independent director within the meaning of the stock exchange rules and regulations, and (b) a non-employee director within the meaning of Exchange Act Rule 16b-3.

2.11 "Common Stock" means the common stock of the Company, $0.00001 par value.

2.12 "Company" means Vireo Health, Inc., a Delaware corporation.

2.13 "Consultant" means a person, excluding employees and non-employee directors, who performs bona fide services (other than capital-raising services) for the Company or an Affiliate as a consultant or advisor.

2.14 "Continuity Directors" of the Company means any individuals who are members of the Board on the Effective Date and any individual who subsequently becomes a member of the Board whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the Continuity Directors (either by specific vote or by approval of the Company's proxy statement in which such individual is named as a nominee for director without objection to such nomination) or by shareholders representing a majority of the issued and outstanding shares of the capital stock of the Company as of the date of the adoption of this Plan.

2.15 "Deferred Award" means a right granted under Article 10.

2.16 "Disability" means the disability of the Participant such as would entitle the Participant to receive disability income benefits pursuant to the long-term disability plan of the Company or Subsidiary then covering the Participant or, if no such plan exists or is applicable to the Participant, the permanent and total disability of the Participant within the meaning of Section 22(e)(3) of the Code. Notwithstanding the foregoing, to the extent an Award that constitutes deferred compensation under Code Section 409A provides for a change in the form or time of payment upon a Participant's disability, a Participant will only be considered to have a Disability if the disability constitutes a permissible payment event under Code Section 409A.

2.17 "Dividend Equivalent" means a right, subject to any limitations in this Plan, to receive payments equal to dividends or property, if and when paid or distributed, on Shares.

2.18 "Effective Date" means the date the Plan is effective, as described in Section 1.2.

2.19 "Eligible Person" means any employee (including any officer) or non-employee director of, or non-employee Consultant to, the Company or any Affiliate, or potential employee (including a potential officer) of, non-employee director of, or non-employee Consultant to, the Company or an Affiliate.

2.20 "Employee" means an employee of the Company or an Affiliate.

2.21 "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time. References to a particular section of the Exchange Act include references to successor provisions.

2.22 "Fair Market Value" means (a) with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee, and (b) with respect to Shares, as of any date, the value of a Share determined in good faith, from time to time, by the Committee in its sole discretion, based on a reasonable application of a reasonable valuation method, provided that if the Shares are readily tradable on an established securities exchange, the Fair Market Value of the Share shall be based upon the closing price on the principal securities market on which it trades on the date for which it is being determined, or if no sale of Shares occurred on that date, on the next preceding date on which a sale of Shares occurred, as reported in The Wall Street Journal or such other source as the Committee deems reliable.

2.23 "Good Reason" means, unless otherwise defined in an Award Agreement or employment agreement between the Participant and the Company or an Affiliate, the existence of any of the following conditions without the consent of the Participant, but only if the Participant provides written notice to the Company or the Affiliate of the existence of the condition within 30 days of its initial existence and neither the Company nor the Affiliate remedies the condition within 30 days after receiving such notice: (a) a material reduction in the Participant's base salary or target incentive opportunity, (b) a requirement that the Participant be based more than fifty (50) miles from where the Participant's office is located immediately prior to the Change of Control, (c) a material adverse change in the Participant's status or position as an executive of the Company or an Affiliate as in effect immediately prior to the Change of Control, meaning, without limitation, any adverse change in the Participant's status or position(s) as a result of a material diminution in the Participant's authority, duties or responsibilities, or (d) the Company's or Affiliate's material breach of any agreement under which the Participant provides services to the Company or an Affiliate.

2.24 "Grant Date" means the date on which the Committee (or its proper delegate) adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

2.25 "Incentive Stock Option" means an Option that is intended to meet the requirements of Code Section 422.

2.26 "Minimum Consideration" means $.001 per Share or such other amount that is from time to time considered to be capital for purposes of Section 154 of the Delaware General Corporation Law.

2.27 "Non-Employee Director" means a member of the Board who is not an Employee.

2.28 "Option" means an option granted under Article 6 of this Plan.

2.29 "Option Price" means the price at which a Share may be purchased by a Participant pursuant to an Option.

2.30 "Option Term" means the period beginning on the Grant Date of an Option and ending on the date such Option expires, terminates or is cancelled.

2.31 "Other Stock-Based Award" means a right granted under Article 12 hereof that relates to or is valued by reference to Shares or other Awards relating to Shares.

2.32 "Participant" means a person who has been granted an Award.

2.33 "Performance Measures" has the meaning set forth in Section 4.5.

2.34 "Performance Period" means the time period during which performance goals must be met.

2.35 "Performance Share" and "Performance Unit" have the respective meanings set forth in Article 9.

2.36 "Period of Restriction" means the period during which, if conditions specified in the Award Agreement are not satisfied, Restricted Shares are subject to forfeiture or the transfer of Restricted Shares is limited, or both.

2.37 "Person" means any individual, sole proprietorship, partnership, joint venture, limited liability company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government instrumentality, division, agency, body or department.

2.38 "Restricted Share Units" means rights to receive, in cash and/or Shares as determined by the Committee, the Fair Market Value of a Share, subject to such restrictions on transfer, vesting conditions, and other restrictions or limitations as may be set forth in this Plan and the applicable Award Agreement.

2.39 "Restricted Shares" means Shares that are initially both subject to a risk of forfeiture and are nontransferable until the conditions applicable to such Shares specified in the Award Agreement are satisfied.

2.40 "Rule 16b-3" means Rule 16b-3 promulgated by the SEC under the Exchange Act, as amended from time to time, together with any successor rule, as in effect from time to time.

2.41 "SEC" means the United States Securities and Exchange Commission, or any successor thereto.

2.42 "Section 16 Person" means a person who is subject to potential liability under Section 16(b) of the Exchange Act with respect to transactions involving equity securities of the Company.

2.43 "Securities Act" means the Securities Act of 1933, as amended from time to time. References to a particular section of the Securities Act include references to successor provisions.

2.44 "Share" means a share of Common Stock, and such other securities of the Company as may be substituted or resubstituted for Shares pursuant to Section 4.2 hereof.

2.45 "Stock Appreciation Right" or "SAR" means a right granted to an Eligible Person pursuant to Article 7.

2.46 "Surviving Company" means the Company or the surviving corporation in any merger or consolidation, including the Company if the Company is the surviving corporation, or the direct or indirect parent company of the Company or such surviving corporation following a Change of Control.

2.47 "Termination of Service" occurs, except where otherwise provided in the Award Agreement, on the first day on which an individual is for any reason no longer providing services to the Company or an Affiliate in the capacity of an employee, officer or non-employee director or with respect to an individual who is an employee, officer or non-employee director of or a Consultant to an Affiliate, the first day on which such entity ceases to be an Affiliate of the Company. A Termination of Service will occur on account of, or by reason of, a Change of Control if within two (2) years (or such other shorter period specified in the Award Agreement) following the Change of Control the Participant is involuntarily terminated by the Company or an Affiliate (other than for Cause) or voluntarily terminates employment for Good Reason. To the extent that an Award that constitutes deferred compensation under Code Section 409A provides for payment upon a Participant's Termination of Service, a Participant will be considered to have a Termination of Service if the Participant has a "separation from service," as defined under Code Section 409A.

2.48 "Vesting Date" means a date specified in the Award Agreement on which the Award or a portion thereof is eligible to become nonforfeitable subject to any conditions specified therein.

ARTICLE 3.
ADMINISTRATION

3.1 General. The Plan will be administered by the Board or by a Committee, or a combination thereof. Such Committee, if established, will act by majority approval of the members (but may also take action with the written consent of a majority of the members of such committee), and a majority of the members of such Committee will constitute a quorum. To the extent consistent with corporate law, the Committee may delegate to any officers of the Company the duties, power and authority of the Committee under the Plan pursuant to such conditions or limitations as the Committee may establish; provided, however, that only the Committee may exercise such duties, power and authority with respect to Eligible Recipients who are subject to Section 16 of the Exchange Act. The Committee may exercise its duties, power and authority under the Plan in its sole and absolute discretion without the consent of any Participant or other party, unless the Plan specifically provides otherwise. Each determination, interpretation or other action made or taken by the Committee pursuant to the provisions of the Plan will be final, conclusive and binding for all purposes and on all persons, including, without limitation, the Company, the shareholders of the Company, the Participants and their respective successors-in-interest. No member of the Committee will be liable for any action or determination made in good faith with respect to the Plan or any Award granted under the Plan.

3.2 Authority of Committee. Subject to and to the extent consistent with the provisions of this Plan, the Committee has full and final authority and sole discretion to:

(i) determine when, to whom and in what types and amounts Awards should be granted;

(ii) grant Awards in any number, and, in the Award Agreements, to determine the terms and conditions applicable to each Award (including (a) the number of Shares or the amount of cash or other property to which an Award will relate, (b) any exercise price, grant price or purchase price, (c) any limitation, restriction, or condition of exercise, (d) any schedule for or performance conditions relating to the earning of the Award or the lapse of limitations, forfeiture restrictions, restrictions on exercisability or transferability, (e) any performance goals including those relating to the Company and/or an Affiliate and/or any division or department thereof and/or an individual, and/or (f) vesting based on the passage of time, based in each case on such considerations as the Committee shall determine);

(iii) determine the benefit payable under any Performance Unit, Performance Share, Dividend Equivalent, or Other Stock-Based Award and whether any performance or vesting conditions have been satisfied;

(iv) determine whether or not specific Awards shall be granted in connection with other specific Awards and, if so, whether they shall be exercisable cumulatively with, or alternatively to, such other specific Awards and all other matters to be determined in connection with an Award;

(v) determine the term of an Option or Stock Appreciation Right;

(vi) determine the amount, if any, that a Participant shall pay for Restricted Shares, when Restricted Shares (including Restricted Shares acquired upon the exercise of an Option) shall be forfeited, and whether such shares shall be held in escrow;

(vii) determine whether, to what extent and under what circumstances an Award may be settled, or the exercise price of an Award may be paid, in cash, Shares, other Awards or other property, or an Award may be accelerated, vested, canceled, forfeited or surrendered or any terms of the Award may be waived, and to accelerate the exercisability of, and to accelerate or waive any or all of the terms and conditions applicable to, any Award or any group of Awards for any reason;

(viii) determine with respect to Awards whether, to what extent and under what circumstances cash, Shares, other Awards, other property and other amounts payable with respect to an Award will be deferred, either at the election of the Participant or if and to the extent specified in the Award Agreement automatically or at the election of the Committee;

(ix) offer to exchange or buy out any previously granted Award for a payment in cash, Shares or other Award;

(x) construe and interpret this Plan and to make all determinations, including factual determinations, necessary or advisable for the administration of this Plan;

(xi) make, amend, suspend, waive and rescind rules, regulations, policies and procedures relating to this Plan, including rules relating to electronic Award Agreements, rules with respect to the exercisability and nonforfeitability of Awards upon the Termination of Service of a Participant, and rules (including special definitions where applicable) established for the compliance of this Plan, Awards and Award Agreements with Code Section 409A;

(xii) appoint such agents as the Committee may deem necessary or advisable to administer this Plan;

(xiii) with the consent of the Participant, amend any such Award Agreement at any time, among other things, change the Option Price or grant price for an SAR (but if such amendment reduces the Option Price or the SAR grant price or has the effect of "repricing" an Option or SAR, as defined under applicable rules of the established stock exchange or quotation system on which the Company Stock is then listed or traded, then such amendment may be made only with shareholder approval); provided that the consent of the Participant shall not be required for any amendment to the extent it (a) does not materially adversely affect the rights of the Participant, with such materiality determined without regard to any tax consequences of such amendment, (b) is necessary or advisable (as determined by the Committee) to cause the Plan or the Award to comply with Applicable Laws or accounting or tax rules and regulations, (c) imposes any "clawback" or recoupment provisions on any Awards in accordance with Section 5.8, or (d) is specifically permitted by this Plan or an Award Agreement;

(xiv) cancel, with the consent of the Participant, outstanding Awards and grant new Awards in substitution therefor, or amend outstanding Awards, subject to the limitations on actions having the effect of "repricing," as defined in (xiii), above and to Section 5.3;

(xv) make adjustments in the terms and conditions of, and the criteria in, Awards including in recognition of unusual or nonrecurring events (including events described in Section 4.2) affecting the Company or an Affiliate or the financial statements of the Company or an Affiliate, upon a Change of Control, or in response to changes in applicable laws, regulations or accounting principles;

(xvi) delegate its authority to one or more officers of the Company with respect to Awards that do not involve Section 16 Persons;

(xvii) determine whether each Option is to be an Incentive Stock Option or a non-qualified stock option;

(xviii) designate that the Performance-Based Exception shall apply to an Award (including a cash bonus) and select the Performance Measures that will be used;

(xix) grant Awards to Eligible Persons who are foreign nationals, located outside of the United States, not compensated from a United States payroll, or otherwise subject to (or could cause the Company to be subject to) legal or regulatory requirements of countries outside of the United States, on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to comply with applicable foreign laws and regulatory requirements and to promote achievement of the purposes of the Plan, and, in connection therewith, establish such subplans and modify exercise procedures and other Plan rules and procedures to the extent deemed necessary or desirable, and take any other action it deems advisable to obtain local regulatory approvals or comply with any necessary local governmental regulatory exemptions;

(xx) correct any defect or supply any omission or reconcile any inconsistency, and construe and interpret this Plan, the rules and regulations, any Award Agreement or any other instrument entered into or relating to an Award under this Plan; and

(xxi) take any other action with respect to any matters relating to this Plan for which it is responsible and make all other decisions and determinations as may be required under the terms of this Plan or as the Committee may deem necessary or advisable for the administration of this Plan.

All determinations on all matters relating to this Plan or any Award Agreement may be made in the sole and absolute discretion of the Committee. If not specified in this Plan, the time at which the Committee must or may make any determination shall be determined by the Committee, and any such determination may thereafter be modified by the Committee. Any action of the Committee with respect to this Plan or any Award Agreement shall be final, conclusive and binding on all persons, including the Company, its Affiliates, any Participant, any person claiming any rights under this Plan from or through any Participant, and shareholders, except to the extent the Committee subsequently modifies its prior action or takes further action that is inconsistent with its prior action. The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee. The Committee may delegate to officers or managers of the Company or any Affiliate the authority, subject to such terms as the Committee shall determine, to perform specified functions under this Plan (subject to Section 5.6(iii)). No member of the Committee shall be liable for any action or determination made with respect to this Plan or any Award.

3.3 Indemnification. To the maximum extent permitted by Applicable Laws, each member of the Committee (including officers of the Company, if applicable), or of the Board, as applicable, shall be indemnified and held harmless by the Company against and from (a) any loss, cost, liability or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit or proceeding to which such person may be a party or in which such person may be involved by reason of such person's action or failure to act under the Plan or pursuant to the terms and conditions of any Award except for actions taken in bad faith or failures to act in bad faith, and (b) any and all amounts paid by such person in settlement thereof, with the Company's approval, or paid by such person in satisfaction of any judgment in any such claim, action, suit or proceeding; provided that such person shall give the Company an opportunity, at its own expense, to handle and defend any such claim, action, suit or proceeding before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation, Certificate of Incorporation or Bylaws, by contract, as a matter of law or otherwise, or under any other power that the Company may have to indemnify or hold harmless each such person.

ARTICLE 4.
SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS

4.1 Number of Shares Available for Grants. Subject to adjustment as provided in Section 4.2, the number of Shares hereby reserved for issuance under this Plan shall be one million (1,000,000) Shares ("Share Limit"). Shares issued pursuant to Awards made pursuant to Section 5.5(ii) will not be charged against the Shares authorized for issuance under this Plan. The Shares may be divided among various types of Awards as the Committee determines, but the maximum number of Shares that may be issued pursuant to Incentive Stock Options shall be the Share Limit.

Only Shares actually issued shall be charged against the Shares authorized for issuance under this Plan. If any Shares subject to an Award granted hereunder are forfeited or such Award otherwise terminates without the delivery of such Shares, the Shares subject to such Award, to the extent of any such forfeiture or termination, shall again be available for grant under this Plan. Notwithstanding anything to the contrary contained herein, Shares subject to an Award under this Plan shall not again be made available for issuance or delivery under this Plan if such shares are (a) tendered in payment of an Option, (b) delivered or withheld by the Company to satisfy any tax withholding obligation, or (c) covered by a stock-settled Stock Appreciation Right or other Award that were not issued upon the settlement of the Award.

Shares delivered pursuant to this Plan may be, in whole or in part, authorized and unissued Shares, or treasury Shares, including Shares repurchased by the Company for purposes of this Plan.

4.2 Adjustment to Share Limit and Awards.

(i) If the Committee (or if the Company is not the surviving corporation in a corporation transaction, the board of directors of the surviving corporation) determines that any extraordinary dividend or other distribution (whether in the form of cash, Shares, or other property), recapitalization, forward or reverse stock split, subdivision, consolidation or reduction of capital, reorganization, merger, consolidation, scheme of arrangement, split-up, spin-off or combination involving the Company or repurchase or exchange of Shares or other securities of the Company or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares, such that the Committee (or the board of directors of the surviving corporation, if applicable) determines that an adjustment is appropriate to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan, then the Committee (or the board of directors of the surviving corporation, if applicable) shall, in such manner as it may deem equitable, and in a manner consistent with and not in violation of Code Section 409A, adjust any or all of (a) the number and type of Shares (or other securities or property) with respect to which Awards may be granted, (b) the number and type of Shares (or other securities or property) subject to outstanding Awards, (c) the grant or exercise price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award, (d) the number and kind of Shares of outstanding Restricted Shares or relating to any other outstanding Award in connection with which Shares are subject, and (e) the number of Shares with respect to which Awards may be granted to a Participant, as set forth in Section 4.3. No adjustment may result in creation of a fractional Share under any Award, and any adjustment affecting an Option or a SAR (including a Nonqualified Stock Option) shall be made in a manner that is in accordance with the substitution and assumption rules set forth in Treasury Regulations 1.424-1 and the applicable guidance relating to Code section 409A.

(ii) Except as provided in Section 4.2(i), a Participant shall have no rights by reason of (i) any subdivision or consolidation of Shares of any class, (ii) the payment of any dividend, or (iii) any other increase or decrease in the number of shares of any class. Any issuance by the Company of Shares of any class, or securities convertible into Shares of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to any Award (including the Option Price or SAR exercise price of Shares subject to an Option or an SAR). The grant of an Award pursuant to this Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, to merge or consolidate, or to dissolve, liquidate, sell, or transfer all or any part of its business or assets.

ARTICLE 5.
ELIGIBILITY AND GENERAL CONDITIONS OF AWARDS

5.1 Eligibility. The Committee may in its discretion grant Awards to any Eligible Person, whether or not he or she has previously received an Award.

5.2 Award Agreement. To the extent not set forth in this Plan, the terms and conditions of each Award shall be set forth in an Award Agreement.

5.3 Vesting and Termination of Service. Each Award Agreement will set forth the conditions under which the Award will vest. Except as provided in an Award Agreement or as otherwise provided in Section 6.6, Section 7.4, and Section 16, all Options or SARs that have not been exercised, or any other Awards that remain subject to a risk of forfeiture or which are not otherwise vested, or which have outstanding Performance Periods, at the time of a Termination of Service shall be forfeited. The Committee may impose such restrictions on any Shares acquired pursuant to the exercise or vesting of an Award as it may deem advisable, including restrictions under applicable federal securities laws.

5.4 Transferability of Awards. Except as provided in this Section 5.4, (a) during the lifetime of a Participant, only the Participant or the Participant's guardian or legal representative may exercise an Option or SAR, or receive payment with respect to any other Award; and (b) no Award may be sold, assigned, transferred, exchanged or encumbered, voluntarily or involuntarily, other than by will or the laws of descent and distribution. Any attempted transfer in violation of this Section 5.4 shall be of no effect. The Committee may, however, provide in an Agreement or otherwise that an Award (other than an Incentive Stock Option) may be transferred pursuant to a domestic relations order or may be transferable by gift to any "family member" (as defined in General Instruction A(5) to Form S-8 under the Securities Act of 1933) of the Participant. Any Award held by a transferee shall continue to be subject to the same terms and conditions that were applicable to that Award immediately before the transfer thereof. For purposes of any provision of the Plan relating to notice to a Participant or to acceleration or termination of an Award upon the death or Termination of Service of a Participant, the references to "Participant" shall mean the original grantee of an Award and not any transferee.

5.5 Stand-Alone and Substitute Awards.

(i) Subject to all Awards being granted in compliance with Code Section 409A, Awards granted under this Plan may, in the discretion of the Committee, be granted either alone, in addition to, or in substitution for, any other Award granted under this Plan or any award or benefit granted by the Company or any Affiliate under any other plan, program, arrangement, contract or agreement (a "Non- Plan Award"); provided that if the stand-alone or Substitute Award is intended to qualify for the Performance-Based Exception, it must separately satisfy the requirements of the Performance-Based Exception. If an Award is granted in substitution for another Award or any Non-Plan Award, the Committee shall require the surrender of such other Award or Non-Plan Award in consideration for the grant of the new Award. Awards granted in addition to other Awards or Non-Plan Awards may be granted either at the same time as or at a different time from the grant of such other Awards or Non-Plan Awards.

(ii) The Committee may, in its discretion and on such terms and conditions as the Committee considers appropriate in the circumstances, grant Awards under this Plan ("Substitute Awards") in substitution for stock and stock-based awards ("Acquired Entity Awards") held by current and former employees or non-employee directors of, or Consultants to, another corporation or entity who become Eligible Persons as the result of a merger or consolidation of the employing corporation or other entity (the "Acquired Entity") with the Company or an Affiliate or the acquisition by the Company or an Affiliate of property or stock of the Acquired Entity immediately prior to such merger, consolidation or acquisition ("Acquisition Date") in order to preserve for the Participant the economic value of all or a portion of such Acquired Entity Award at such price as the Committee determines necessary to achieve preservation of economic value and in a manner consistent with and not in violation of Code Section 409A. The Share Limit of Article 4, and the limitations under Sections 6.3 and 7.3 with respect to Option Prices and grant prices for SARs, shall not apply to Substitute Awards granted under this subsection (ii).

5.6 Compliance with Rule 16b-3.

(i) Six-Month Holding Period Advice. Unless a Participant could otherwise dispose of or exercise a derivative security or dispose of Shares delivered under this Plan without incurring liability under Section 16(b) of the Exchange Act, the Committee may advise or require a Participant to comply with the following in order to avoid incurring liability under Section 16(b): (a) at least six months must elapse from the date of acquisition of a derivative security under this Plan to the date of disposition of the derivative security (other than upon exercise or conversion) or its underlying equity security, and (b) Shares granted or awarded under this Plan other than upon exercise or conversion of a derivative security must be held for at least six months from the date of grant of an Award.

(ii) Reformation to Comply with Exchange Act Rules. To the extent the Committee determines that a grant or other transaction by a Section 16 Person should comply with applicable provisions of Rule 16b-3 (except for transactions exempted under alternative Exchange Act rules), the Committee shall take such actions as necessary to make such grant or other transaction so comply, and if any provision of this Plan or any Award Agreement relating to a given Award does not comply with the requirements of Rule 16b-3 as then applicable to any such grant or transaction, such provision will be construed or deemed amended, if the Committee so determines, to the extent necessary to conform to the then applicable requirements of Rule 16b-3.

(iii) Rule 16b-3 Administration. Any function relating to a Section 16 Person shall be performed solely by the Committee if necessary to ensure compliance with applicable requirements of Rule 16b-3, to the extent the Committee determines that such compliance is desired. Each member of the Committee or person acting on behalf of the Committee shall be entitled to, in good faith, rely or act upon any report or other information furnished to him by any officer, manager or other employee of the Company or any Affiliate, the Company's independent certified public accountants or any executive compensation consultant or attorney or other professional retained by the Company to assist in the administration of this Plan.

5.7 Cancellation and Rescission of Awards. Unless the Award Agreement specifies otherwise, the Committee may cancel, rescind, suspend, withhold, or otherwise limit or restrict any unexercised Award at any time if the Participant is not in compliance with all applicable provisions of the Award Agreement and this Plan or if the Participant has a Termination of Service for Cause.

5.8 Clawback Policy. Notwithstanding any other provision in this Plan or in any Award Agreement, any Award may be subject to recovery under any law, governmental regulation or stock exchange listing requirement, including certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or certain recovery provisions of the Sarbanes-Oxley Act of 2002, or any other compensation clawback policy that is adopted by the Committee and that will require the Company to be able to claw back compensation paid to an executive under certain circumstances. Any Participant or beneficiary receiving an Award acknowledges that the Award may be clawed back by the Company in accordance with any policies and procedures adopted by the Committee in order to comply with any law, governmental regulation or stock exchange listing requirement or as set forth in an Award Agreement.

5.9 Restrictive Covenants and Forfeiture Events. The Committee may, in its sole and absolute discretion, place certain restrictive covenants in an Award Agreement requiring the Participant to agree to refrain from certain actions, including certain actions following a Termination of Service. The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, the Participant's Termination of Service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.

5.10 No Dividends or Dividend Equivalents on Unvested Awards. Notwithstanding any other provision in this Plan to the contrary, in no event may cash or stock dividends or Dividend Equivalents relating to an unvested portion of an Award be paid to a Participant before that portion of the Award becomes vested.

ARTICLE 6.
STOCK OPTIONS

6.1 Grant of Options. Subject to and consistent with the provisions of this Plan, Options may be granted to any Eligible Person in such number, and upon such terms, and at any time and from time to time as determined by the Committee. Without in any manner limiting the generality of the foregoing, the Committee may grant to any Eligible Person, or permit any Eligible Person to elect to receive, an Option in lieu of or in substitution for any other compensation (whether payable currently or on a deferred basis, and whether payable under this Plan or otherwise) which such Eligible Person may be eligible to receive from the Company or an Affiliate.

6.2 Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the Option Term (not to exceed ten (10) years from its Grant Date), the number of Shares to which the Option pertains, the time or times at which such Option shall be exercisable and such other provisions as the Committee shall determine.

6.3 Option Price. Except with respect to Substitute Awards, the Option Price of an Option under this Plan shall be determined in the sole discretion of the Committee, but in no case shall the Option Price be less than 100% of the Fair Market Value of a Share on the Grant Date.

6.4 Grant of Incentive Stock Options. At the time of the grant of any Option, the Committee may in its discretion designate that such Option shall be made subject to additional restrictions to permit it to qualify as an Incentive Stock Option. Any Option designated as an Incentive Stock Option shall:

(i) be granted only to an employee of the Company or a Subsidiary Corporation (as defined below);

(ii) be granted within ten (10) years from the earlier of the date this Plan is adopted or the date this Plan is approved by shareholders of the Company;

(iii) have an Option Price of not less than 100% of the Fair Market Value of a Share on the Grant Date, and, if granted to a person who owns capital stock (including stock treated as owned under Code Section 424(d)) possessing more than 10% of the total combined voting power of all classes of capital stock of the Company or any Subsidiary Corporation (a "10% Owner"), have an Option Price not less than 110% of the Fair Market Value of a Share on its Grant Date;

(iv) have an Option Term of not more than ten (10) years (five years if the Participant is a 10% Owner) from its Grant Date, and shall be subject to earlier termination as provided herein or in the applicable Award Agreement;

(v) not have an aggregate Fair Market Value (as of the Grant Date) of the Shares with respect to which Incentive Stock Options (whether granted under this Plan or any other stock option plan of the Participant's employer or any parent or Subsidiary Corporation ("Other Plans")) are exercisable for the first time by such Participant during any calendar year ("Current Grant"), determined in accordance with the provisions of Code Section 422, which exceeds $100,000 (the "$100,000 Limit");

(vi) if the aggregate Fair Market Value of the Shares (determined on the Grant Date) with respect to the Current Grant and all Incentive Stock Options previously granted under this Plan and any Other Plans which are exercisable for the first time during a calendar year ("Prior Grants") would exceed the $100,000 Limit, be, as to the portion in excess of the $100,000 Limit, exercisable as a separate option that is not an Incentive Stock Option at such date or dates as are provided in the Current Grant;

(vii) require the Participant to notify the Committee of any disposition of any Shares delivered pursuant to the exercise of the Incentive Stock Option under the circumstances described in Code Section 421(b) (relating to holding periods and certain disqualifying dispositions) ("Disqualifying Disposition") within 10 days of such a Disqualifying Disposition;

(viii) by its terms not be assignable or transferable other than by will or the laws of descent and distribution and may be exercised, during the Participant's lifetime, only by the Participant; provided, however, that the Participant may, to the extent provided in this Plan in any manner specified by the Committee, designate in writing a beneficiary to exercise his or her Incentive Stock Option after the Participant's death; and

(ix) if such Option nevertheless fails to meet the foregoing requirements, or otherwise fails to meet the requirements of Code Section 422 for an Incentive Stock Option, be treated for all purposes of this Plan, except as otherwise provided in subsections (iv) and (v) above, as an Option that is not an Incentive Stock Option.

Notwithstanding the foregoing and Section 3.2, the Committee may, without the consent of the Participant, at any time before the exercise of an Option (whether or not an Incentive Stock Option), take any action necessary to prevent such Option from being treated as an Incentive Stock Option.

For purposes of this Section 6.4, "Subsidiary Corporation" means a corporation other than the Company in an unbroken chain of corporations beginning with the Company if, at the time of granting the Option, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

6.5 Payment. Except as otherwise provided by the Committee in an Award Agreement, Options shall be exercised by the delivery of a written notice of exercise to the Company, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares made by any one or more of the following means subject to the approval of the Committee:

(i) cash, personal check or wire transfer;

(ii) Shares, valued at their Fair Market Value on the date of exercise (or by delivering a certification or attestation of ownership of such Shares);

(iii) with the approval of the Committee, Restricted Shares held by the Participant, with each Share valued at the Fair Market Value of a Share on the date of exercise;

(iv) with the approval of the Committee, for any Option other than an Incentive Stock Option, by a "net exercise" arrangement pursuant to which the Company will not require a payment for the Shares with respect to which the Option is being exercised but will reduce the number of Shares upon the exercise by the smallest number of whole Shares having a Fair Market Value on the date of exercise necessary to cover the aggregate payment amount; or

(v) subject to applicable law (including the prohibited loan provisions of Section 402 of the Sarbanes-Oxley Act of 2002), pursuant to procedures approved by the Committee, through the sale of the Shares acquired on exercise of the Option through a broker-dealer to whom the Participant has submitted an irrevocable notice of exercise and irrevocable instructions to deliver promptly to the Company the amount of sale proceeds sufficient to pay for such Shares, together with, if requested by the Company, the amount of federal, state, local or foreign withholding taxes payable by Participant by reason of such exercise.

The Committee may in its discretion specify that, if any Restricted Shares ("Tendered Restricted Shares") are used to pay the Option Price, (a) all the Shares acquired on exercise of the Option shall be subject to the same restrictions as the Tendered Restricted Shares, determined as of the date of exercise of the Option, or (b) a number of Shares acquired on exercise of the Option equal to the number of Tendered Restricted Shares shall be subject to the same restrictions as the Tendered Restricted Shares, determined as of the date of exercise of the Option.

6.6 Exercise. Each Option shall set the terms under which the Option shall become exercisable, provided that, except as otherwise provided in an Award Agreement:

(i) If Termination of Service occurs for a reason other than death, Disability or Cause, Options that were vested and exercisable immediately before such Termination of Service, or become exercisable upon such Termination of Service, shall remain exercisable for a period of three (3) months following such Termination of Service (but not for more than ten (10) years from the Grant Date of the Award or expiration of the Option Term, if earlier) and shall then terminate.

(ii) If Termination of Service occurs by reason of death, or if the Participant dies in the three-month (3-month) period following Termination of Service for a reason other than Disability or Cause, Options that were vested and exercisable immediately before death, or become exercisable upon death may be exercised for a period of nine (9) months following death (but not for more than ten (10) years from the Grant Date of the Award or expiration of the Option Term, if earlier) and shall then terminate.

(iii) If a Termination of Service occurs by reason of Disability, all Options that were vested and exercisable immediately before such Termination of Service, or become exercisable upon such Termination of Service, shall remain exercisable for a period of six (6) months following Termination of Service (but not for more than ten (10) years from the Grant Date of the Award or expiration of the Option Term, if earlier) and shall then terminate.

(iv) If Termination of Service is for Cause, then any unexercised Options shall be thereupon cancelled.

6.7 Shareholder Privileges. No Participant shall have any rights as a shareholder with respect to any Shares covered by an Option until the Participant becomes the holder of record of such Shares, and no adjustments shall be made for dividends or other distributions or other rights as to which there is a record date preceding the date such Participant becomes the holder of record of such Shares, except as provided in Section 4.2.

ARTICLE 7.
STOCK APPRECIATION RIGHTS

7.1 Grant of SARs. Subject to and consistent with the provisions of this Plan, the Committee, at any time and from time to time, may grant SARs to any Eligible Person either alone or in addition to other Awards granted under this Plan. The Committee may impose such conditions or restrictions on the exercise of any SAR as it shall deem appropriate.

7.2 Award Agreements. Each SAR grant shall be evidenced by an Award Agreement in such form as the Committee may approve and shall contain such terms and conditions not inconsistent with other provisions of this Plan as determined from time to time by the Committee; provided that no SAR grant shall have a term of more than ten (10) years from the date of grant of the SAR.

7.3 Grant Price. The grant price of an SAR shall be determined by the Committee in its sole discretion; provided that the grant price shall not be less than the lesser of 100% of the Fair Market Value of a Share on the date of the grant of the SAR.

7.4 Exercise. Each SAR shall set the terms under which the SAR shall become exercisable, provided that, except as otherwise provided in an Award Agreement:

(i) If Termination of Service occurs for a reason other than death, Disability or Cause, SARs that were vested and exercisable immediately before such Termination of Service, or become exercisable upon such Termination of Service, shall remain exercisable for a period of three (3) months following such Termination of Service (but not for more than ten (10) years from the Grant Date of the Award or expiration of the SAR Term, if earlier) and shall then terminate.

(ii) If Termination of Service occurs by reason of death, or if the Participant dies in the three-month (3-month) period following Termination of Service for a reason other than Disability or Cause, SARs that were vested and exercisable immediately before death, or become exercisable upon death may be exercised for a period of nine (9) months following death (but not for more than ten (10) years from the Grant Date of the Award or expiration of the SAR Term, if earlier) and shall then terminate.

(iii) If a Termination of Service occurs by reason of Disability, all SARs that were vested and exercisable immediately before such Termination of Service, or become exercisable upon such Termination of Service, shall remain exercisable for a period of six (6) months following Termination of Service (but not for more than ten (10) years from the Grant Date of the Award or expiration of the SAR Term, if earlier) and shall then terminate.

(iv) If Termination of Service is for Cause, then any unexercised SARs shall be thereupon cancelled.

7.5 Payment. Upon the exercise of SARs, the Participant shall be entitled to receive payment from the Company in an amount determined by multiplying: (a) the excess of the Fair Market Value of a Share on the date of exercise over 100% of the Fair Market Value of a Share on the Grant Date of the SAR (or such higher strike price as specified in the Award Agreement), by (b) the number of Shares with respect to which the SAR is exercised; provided that the Committee may provide in the Award Agreement that the benefit payable on exercise of a SAR shall not exceed such percentage of the Fair Market Value of a Share on the Grant Date as the Committee shall specify. The Fair Market Value of a Share on the Grant Date and date of exercise of SARs shall be determined in the same manner as the Fair Market Value of a Share on the date of grant of an Option is determined. SARs shall be deemed exercised on the date written notice of exercise in a form acceptable to the Committee is received by the Secretary of the Company. Unless the Award Agreement provides otherwise, the Company shall make payment in respect of any SAR within five (5) days of the date the SAR is exercised. Any payment by the Company in respect of an SAR may be made in cash, Shares, other property, or any combination thereof, as the Committee, in its sole discretion, shall determine.

7.6 Grant Limitations. The Committee may at any time impose any other limitations upon the exercise of SARs which, in the Committee's sole discretion, are necessary or desirable in order for Participants to qualify for an exemption from Section 16(b) of the Exchange Act.

7.7 Shareholder Privileges. No Participant shall have any rights as a shareholder with respect to any Shares covered by a SAR until the Participant becomes the holder of record of such Shares, and no adjustments shall be made for dividends or other distributions or other rights as to which there is a record date preceding the date such Participant becomes the holder of record of such Shares, except as provided in Section 4.2.

ARTICLE 8.
RESTRICTED SHARES AND RESTRICTED SHARE UNITS

8.1 Grant of Restricted Shares and Restricted Share Units. Subject to and consistent with the provisions of this Plan, the Committee, at any time and from time to time, may grant Restricted Shares and Restricted Share Units to any Eligible Person in such amounts as the Committee shall determine.

8.2 Award Agreement. Each grant of Restricted Shares and Restricted Share Units shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Shares or Restricted Share Units granted, and such other provisions as the Committee shall determine. The Committee may impose such conditions and/or restrictions on any Restricted Shares and Restricted Share Units granted pursuant to this Plan as it may deem advisable, including, but not limited to, restrictions based upon the achievement of specific performance goals, time-based restrictions, time-based restrictions following the attainment of the performance goals, and/or restrictions under applicable securities laws.

8.3 Consideration for Restricted Shares. The Committee shall determine the amount of consideration, if any, other than services, that a Participant shall pay for Restricted Shares, which shall be (except with respect to Restricted Shares that are treasury shares) at least the Minimum Consideration for each Restricted Share, to the extent required by Applicable Law. Such payment shall be made in full by the Participant before the delivery of the shares and in any event no later than 10 business days after the Grant Date for such shares.

8.4 Effect of Forfeiture of Restricted Shares. If Restricted Shares are forfeited, and if the Participant was required to pay for such shares or acquired such Restricted Shares upon the exercise of an Option, the Participant shall be deemed to have resold such Restricted Shares to the Company at a price equal to the lesser of (a) the amount paid by the Participant for such Restricted Shares, or (b) the Fair Market Value of a Share on the date of such forfeiture. The Company shall pay to the Participant the deemed sale price as soon as is administratively practical. Such Restricted Shares shall cease to be outstanding, and shall no longer confer on the Participant thereof any rights as a shareholder of the Company, from and after the date of the event causing the forfeiture, whether or not the Participant accepts the Company's tender of payment for such Restricted Shares.

8.5 Restricted Shares Book Entry, Escrow, Certificate Legends. The Committee may provide that Restricted Shares be held in book entry with the transfer agent until there is a lapse of the Period of Restriction with respect to such Restricted Shares and certificates are issued or until such Restricted Shares are forfeited, or the Committee may provide that the certificates for any Restricted Shares (a) shall be held (together with a stock power executed in blank by the Participant) in escrow by the Secretary of the Company until such Restricted Shares become nonforfeitable or are forfeited and/or (b) shall bear an appropriate legend restricting the transfer of such Restricted Shares under this Plan. If any Restricted Shares become nonforfeitable, the Company shall cause certificates for such shares to be delivered without such legend.

ARTICLE 9.
PERFORMANCE UNITS AND PERFORMANCE SHARES

9.1 Grant of Performance Units and Performance Shares. Subject to and consistent with the provisions of this Plan, Performance Units or Performance Shares may be granted to any Eligible Person in such amounts and upon such terms, and at any time and from time to time, as determined by the Committee.

9.2 Value/Performance Goals. The Committee shall set performance goals in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units or Performance Shares that will be paid to the Participant.

(i) Performance Unit. Each Performance Unit may be denominated in cash and shall have an initial value that is established by the Committee at the time of grant.

(ii) Performance Share. Each Performance Share shall have an initial value equal to the Fair Market Value of a Share on the date of grant.

9.3 Earning, Form and Timing of Payment of Performance Units and Performance Shares. After the applicable Performance Period has ended, the amount earned by the Participant shall be based on the level of achievement of performance goals set by the Committee. If a Performance Unit or Performance Share Award is intended to comply with the Performance-Based Exception, the Committee shall certify the level of achievement of the performance goals in writing before the Award is settled.

If a Participant is promoted, demoted or transferred to a different business unit of the Company during a Performance Period, then, to the extent the Committee determines that the Award, the performance goals, or the Performance Period are no longer appropriate, the Committee may adjust, change, eliminate or cancel the Award, the performance goals, or the applicable Performance Period, as it deems appropriate in order to make them appropriate and comparable to the initial Award, the performance goals, or the Performance Period.

Settlement of Performance Units or Performance Shares shall be in Shares, unless at the discretion of the Committee and as set forth in the Award Agreement, settlement is to be in cash or in some combination of cash and Shares. Such Shares may be granted subject to any restrictions deemed appropriate by the Committee.

Payment of earned Performance Units or Performance Shares shall be made in a lump sum following the latest to occur of (a) the vesting event, or (b) the determination of the level of achievement of the performance goals for the applicable Performance Period, but in no event later than two and one-half (2-1/2) months following the year in which the Performance Units or Performance Shares vest; provided, however, payment may be deferred to a later date in accordance with a deferral rule, policy or procedure established pursuant to Article 14.

Subject to Section 5.10, at the discretion of the Committee, a Participant may be entitled to receive any dividends or Dividend Equivalents declared with respect to Shares deliverable in connection with grants of Performance Units or Performance Shares which have been earned, but not yet delivered to the Participant.

ARTICLE 10.
DEFERRED AWARDS

The Committee is authorized, subject to limitations under Applicable Laws, to grant to Participants Deferred Awards, which may be a right to receive Shares or cash under the Plan (either independently or as an element of or supplement to any other Award under the Plan), including, as may be determined by the Committee, in lieu of any annual bonus that may be payable to a Participant under any applicable bonus plan or arrangement. The Committee shall determine the terms and conditions of such Deferred Awards, including, without limitation, the method of converting the amount of annual bonus into a Deferred Award, if applicable, and the form, vesting, settlement, forfeiture and cancellation provisions or any other criteria, if any, applicable to such Deferred Awards. Shares shall not be issued with respect to a Deferred Award until any vesting or other conditions and criteria applicable to the Award have been satisfied. Deferred Awards shall be subject to such restrictions as the Committee may impose (including any limitation on the right to vote a Share underlying a Deferred Award or the right to receive any dividend, dividend equivalent or other right). The Committee may determine the form or forms (including cash, Shares, other Awards, other property or any combination thereof) in which payment of the amount owing upon settlement of any Deferred Award may be made.

ARTICLE 11.
DIVIDEND EQUIVALENTS

The Committee is authorized to grant Awards of Dividend Equivalents alone or in conjunction with another Award. Subject to Section 5.10, the Committee may provide that Dividend Equivalents be paid or distributed when accrued or deemed to have been reinvested in additional Shares or additional Awards or otherwise reinvested.

ARTICLE 12.
OTHER STOCK-BASED AWARDS

The Committee is authorized, subject to limitations under applicable law, to grant such other incentive awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares, as deemed by the Committee to be consistent with the purposes of this Plan including, subject to Section 17.2, Shares awarded which are not subject to any restrictions or conditions and Awards valued by reference to the value of securities of or the performance of specified Affiliates. Subject to and consistent with the provisions of this Plan, the Committee shall determine the terms and conditions of such Awards. Except as provided by the Committee, Shares delivered pursuant to a purchase right granted under this Article 12 shall be purchased for such consideration, paid for by such methods and in such forms, including cash, Shares, outstanding Awards or other property, as the Committee shall determine. Payment of Other Stock- Based Awards shall be made in a lump sum following the latest to occur of (a) the vesting event, or, if applicable, (b) the determination of the level of achievement of the performance goals for the applicable Performance Period, but in no event later than two and one-half (2-1/2) months following the year in which the Award vests; provided, however, payment may be deferred to a later date in accordance with a deferral rule, policy or procedure established pursuant to Article 14.

ARTICLE 13.
BENEFICIARY DESIGNATION

Each Participant under this Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Plan is to be paid in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

ARTICLE 14.
DEFERRALS

The Committee may permit or require a Participant to defer receipt of the payment of cash or the delivery of Shares or cash that would otherwise be due by virtue to settle an Award. If any such deferral is required or permitted, such deferral shall be in accordance with applicable rules, policies and/or procedures established by the Committee, including, but not limited to, those rules established to comply with Code Section 409A. Except as otherwise provided in the Award Agreement or pursuant to applicable Participant elections, and subject to rules established in compliance with Code Section 409A, any payment or any Shares that are subject to such deferral shall be made or delivered to the Participant upon the Participant's Termination of Service.

ARTICLE 15.
REORGANIZATION, CHANGE IN CONTROL OR LIQUIDATION

15.1 Change of Control.

(i) Vesting on Change of Control; Termination. An Award Agreement or other agreement between the Participant and the Company or an Affiliate may provide that an Award vests upon the occurrence of Termination of Service on Account of a Change of Control, and, unless the Award Agreement or other agreement between the Participant and the Company or an Affiliate provides otherwise, any Awards that vest based on satisfaction of performance criteria and for which the performance period is not complete at the time of Participant's Termination of Service will vest as if the performance criteria were met at the target level.

(ii) Award Continuation, Assumption, or Replacement. In the case of any Change of Control of the Company, unless the Award Agreement or other agreement between the Participant and the Company or an Affiliate provides otherwise, any or all outstanding Awards may be continued or assumed or an equivalent award may be substituted by the successor corporation.

(iii) Vesting and Payment if Awards are not Continued, Assumed, or Replaced. To the extent Awards are not assumed or continued or replaced with an equivalent award, the Committee shall, in its discretion either (i) fully vest the Awards upon a Change of Control, with Awards that vest based upon satisfaction of performance goals and for which the performance period has not ended as of the Change of Control vesting as if such performance criteria were satisfied at the target level, and provide for a period of exercise of Options and SARS, conditioned on, and effective immediately before, a Change of Control, or (ii) cancel such Awards in exchange for an amount that the Participant would have received if such Awards were vested, exercised (other than Options if at the time of such cancellation the Option Price with respect to such Option exceeds the Fair Market Value of the Shares subject to the Option at the time of such cancellation), and fully settled immediately prior to the Change of Control, and payment of which the Committee may subject to vesting conditions comparable to those of the cancelled Award. Awards fully vested pursuant to clause (i) of the preceding sentence may also be cancelled in exchange for a payment (in cash, or in securities or other property) in the amount that the Participant would have received (net of any exercise price payable) if such Awards were vested, exercised (other than Options if at the time of such cancellation the Option Price with respect to such Option exceeds the Fair Market Value of the Shares subject to the Option at the time of such cancellation), and fully settled immediately prior to the Change of Control. To the extent consistent with and not in violation of Code Section 409A, payments with respect to Awards that are cancelled pursuant to this Section 16.1 may be made in any form, and subject to such conditions as the Committee determines in its discretion, which may or may not be the same as the form and conditions applicable to payments to the Company's shareholders in connection with the Change of Control and may include subjecting such payments to escrow or holdback terms comparable to those imposed upon on payments to the Company's shareholders in connection with Change of Control. Any payments made in respect of a termination or cancellation of an Award shall be reduced in each case by any applicable federal, state and local taxes required to be withheld by the Company.

15.2 Dissolution or Liquidation. Unless otherwise provided in an applicable Agreement, in the event of a proposed dissolution or liquidation of the Company, the Committee will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. An Award will terminate immediately prior to the consummation of such proposed action.

15.3 Parachute Limitation. Notwithstanding any other provision of this Plan or of any other agreement, contract, or understanding heretofore or hereafter entered into by a participant with the Company or an Affiliate, except an agreement, contract, or understanding that expressly addresses Code Section 280G or Code Section 4999 (an "Other Agreement"), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to a Participant (a "Benefit Arrangement"), if the Participant is a "disqualified individual," as defined in Code Section 280G(c), any Award held by that Participant and any right to receive any payment or other benefit under this Plan shall not become exercisable or vested to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for the Participant under this Plan, all Other Agreements, and all Benefit Arrangements, would cause any payment or benefit to the Participant under this Plan to be considered a "parachute payment" within the meaning of Code Section 280G(b)(2) as then in effect (a "Parachute Payment"). Parachute Payments shall be reduced, if at all, pursuant to this Section 15.3, in accordance with Code Section 409A and in the following order:

(i) First, payments that do not constitute nonqualified deferred compensation subject to Code Section 409A shall be reduced first.

(ii) Second, all other payments that are cash payments shall be reduced.

(iii) Third, all other payments that are not cash shall be reduced in reverse order of scheduled payment date.

To the extent that an Other Agreement exists, payments under the Plan shall be governed by the provisions in the Other Agreement that apply to payments that are contingent on a Change of Control.

ARTICLE 16.
AMENDMENT, MODIFICATION, AND TERMINATION

16.1 Amendment, Modification, and Termination. Subject to Section 16.3, the Board may, at any time and from time to time, alter, amend, suspend, discontinue or terminate this Plan in whole or in part without the approval of the Company's shareholders, except that any amendment or alteration shall be subject to the approval of the Company's shareholders if (a) such shareholder approval is required by any federal or state law or regulation or the rules of any stock exchange or automated quotation system on which the Shares may then be listed or quoted, or (b) the Board, in its discretion, determines to submit such amendments or alterations to shareholders for approval. The Board may delegate to the Committee any or all of the authority of the Board under this Section 16.1.

16.2 Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including the events described in Section 4.2) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan; provided that to the extent an Award is intended to meet the requirements of the Performance-Based Exception no such adjustment shall be authorized to the extent that such authority would be inconsistent with this Plan's meeting such requirements.

16.3 Awards Previously Granted. Except as otherwise specifically permitted in this Plan or an Award Agreement, no termination, amendment, or modification of this Plan shall adversely affect in any material way any Award previously granted under this Plan, without the written consent of the Participant of such Award.

16.4 Contemplated Amendments. It is expressly contemplated that the Board may amend this Plan in any respect the Board deems necessary or advisable to provide Eligible Persons with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to Incentive Stock Options or to the nonqualified deferred compensation provisions of Code Section 409A and Code Section 457A and/or to bring this Plan and/or Awards granted under it into compliance therewith.

ARTICLE 17.
WITHHOLDING

17.1 Withholding.

(i) The Committee in its sole discretion may provide that when taxes are to be withheld in connection with the exercise of an Option or SAR, or upon the lapse of restrictions on Restricted Shares, or upon the transfer of Deferred Stock, or upon payment of any other benefit or right under this Plan (the date on which such exercise occurs or such restrictions lapse or such payment of any other benefit or right occurs hereinafter referred to as the "Tax Date"), the Participant may elect to make payment for the withholding of federal, state, local and foreign taxes, including Social Security and Medicare ("FICA") taxes by one or a combination of the following methods:

(a) payment of an amount in cash equal to the amount to be withheld;

(b) delivering part or all of the amount to be withheld in the form of Shares valued at their Fair Market Value on the Tax Date;

(c) requesting the Company to withhold from those Shares that would otherwise be received upon exercise of the Option or SAR, upon the lapse of restrictions on Restricted Shares, upon the transfer of Deferred Stock, or upon the settlement and payment of a Performance Shares Award or Restricted Share Unit Award, a number of Shares having a Fair Market Value on the Tax Date equal to the amount to be withheld; or

(d) withholding from any compensation otherwise due to the Participant.

With respect to any Awards to be satisfied by withholding Shares pursuant to clause (c) above, the number of Shares withheld shall be equal to the number of whole Shares (rounded up to the nearest whole Share) necessary to meet the amount of taxes, including FICA taxes, to be withheld under federal, state, local and foreign law. An election by Participant under this subsection is irrevocable. Any additional withholding not paid by the withholding or surrender of Shares or delivery of Shares must be paid in cash or withheld from a Participant's other compensation from the Company or an Employer.

(ii) Any Participant who makes a Disqualifying Disposition (as defined in Section 6.4(vii)) or an election under Code Section 83(b) shall remit to the Company, and the Company shall have the right to withhold, an amount sufficient to satisfy all resulting tax withholding amounts in the same manner as set forth in subsection (i).

17.2 Notification under Code Section 83(b). If the Participant, in connection with the exercise of any Option, or the grant of Restricted Shares, makes the election permitted under Code Section 83(b) to include in such Participant's gross income in the year of transfer the amounts specified in Code Section 83(b), then such Participant shall notify the Company of such election within 10 days of filing the notice of the election with the Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under Code Section 83(b). The Committee may, in connection with the grant of an Award or at any time thereafter, prohibit a Participant from making the election described above.

ARTICLE 18.
ADDITIONAL PROVISIONS

18.1 Successors. All obligations of the Company under this Plan and any Award Agreement with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise of all or substantially all of the business and/or assets of the Company.

18.2 Code Section 409A and Taxation of Plan Awards Generally. Awards under this Plan are intended to either be exempt from, or comply with, Code Section 409A and Code Section 457A, and, to the maximum extent permitted, this Plan shall be interpreted and administered in accordance with this intent. Specifically, it is intended that all Awards of Options, SARs, and Restricted Stock not provide for the deferral of compensation within the meaning of Code Section 409A or Code Section 457A. Any payments described in this Plan that are due within the "short-term deferral period" as defined in Code Section 409A shall not be treated as deferred compensation unless applicable laws require otherwise. Notwithstanding anything to the contrary in this Plan, to the extent required to avoid accelerated taxation and tax penalties under Code Section 409A, amounts that are payable upon the "separation from service" of a Participant who is a "specified employee," as such terms are defined for purposes of Code Section 409A, then no payment shall be made, except as permitted under Code Section 409A, prior to the first business day that is after the earlier of the date that is six months after the Participant's Separation from Service or the Participant's death. "Specified employees" shall be identified under the default provisions under Code Section 409A, unless the Company or the Committee establishes alternate rules that comply with Code Section 409A. Notwithstanding the foregoing, neither the Company nor the Committee shall have any obligation to take any action to prevent the assessment of any excise tax or penalty on any Participant under Code Section 409A and neither the Company nor the Committee will have any liability to any Participant for such tax or penalty; nor shall the Company or the Committee have any obligation to design or administer the Plan or Awards granted thereunder in a manner that minimizes a Participant's tax liability.

18.3 Severability. If any part of this Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any other part of this Plan. Any section or part of a section so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such section or part of a section to the fullest extent possible while remaining lawful and valid.

18.4 Requirements of Law. The granting of Awards and the delivery of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. Notwithstanding any provision of this Plan or any Award, Participants shall not be entitled to exercise, or receive benefits under, any Award, and the Company (and any Affiliate) shall not be obligated to deliver any Shares or deliver benefits to a Participant, if such exercise or delivery would constitute a violation by the Participant or the Company of any Applicable Laws.

18.5 Securities Law Compliance.

(i) If the Committee deems it necessary to comply with any applicable securities law, or the requirements of any stock exchange upon which Shares may be listed, the Committee may impose any restriction on Awards or Shares acquired pursuant to Awards under this Plan as it may deem advisable. All certificates for Shares delivered under this Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the SEC, any stock exchange upon which Shares are then listed, any applicable securities law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions. If so requested by the Company, the Participant shall make a written representation to the Company that he or she will not sell or offer to sell any Shares unless a registration statement shall be in effect with respect to such Shares under the Securities Act of 1993, as amended, and any applicable state securities law or unless he or she shall have furnished to the Company, in form and substance satisfactory to the Company, that such registration is not required.

(ii) If the Committee determines that the exercise or nonforfeitability of, or delivery of benefits pursuant to, any Award would violate any applicable provision of securities laws or the listing requirements of any national securities exchange or national market system on which are listed any of the Company's equity securities, then the Committee may postpone any such exercise, nonforfeitability or delivery, as applicable, but the Company shall use all reasonable efforts to cause such exercise, nonforfeitability or delivery to comply with all such provisions at the earliest practicable date.

18.6 No Rights as a Shareholder. No Participant shall have any rights as a shareholder of the Company with respect to the Shares (other than Restricted Shares) which may be deliverable upon exercise or payment of such Award until such Shares have been delivered to him or her. Restricted Shares, whether held by a Participant or in escrow by the Secretary of the Company, shall confer on the Participant all rights of a shareholder of the Company, except as otherwise provided in this Plan or Award Agreement. At the time of a grant of Restricted Shares, the Committee may require the payment of cash dividends thereon to be deferred and, if the Committee so determines, reinvested in additional Restricted Shares. Stock dividends and deferred cash dividends issued with respect to Restricted Shares shall be subject to the same restrictions and other terms as apply to the Restricted Shares with respect to which such dividends are issued. The Committee may in its discretion provide for payment of interest on deferred cash dividends.

18.7 Nature of Payments. Unless otherwise specified in the Award Agreement, Awards shall be special incentive payments to the Participant and shall not be taken into account in computing the amount of salary or compensation of the Participant for purposes of determining any pension, retirement, death or other benefit under (a) any pension, retirement, profit sharing, bonus, insurance or other employee benefit plan of the Company or any Affiliate, except as such plan shall otherwise expressly provide, or (b) any agreement between the Company or any Affiliate and the Participant, except as such agreement shall otherwise expressly provide.

18.8 Non-Exclusivity of Plan. Neither the adoption of this Plan by the Board nor its submission to the shareholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other compensatory arrangements for employees as it may deem desirable.

18.9 Governing Law. This Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the State of Delaware, other than its laws respecting choice of law.

18.10 Share Certificates. All certificates for Shares delivered under the terms of this Plan shall be subject to such stop-transfer orders and other restrictions as the Committee may deem advisable under federal or state securities laws, rules and regulations thereunder, and the rules of any national securities laws, rules and regulations thereunder, and the rules of any national securities exchange or automated quotation system on which Shares are listed or quoted. The Committee may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions or any other restrictions or limitations that may be applicable to Shares. In addition, during any period in which Awards or Shares are subject to restrictions or limitations under the terms of this Plan or any Award Agreement, or during any period during which delivery or receipt of an Award or Shares has been deferred by the Committee or a Participant, the Committee may require any Participant to enter into an agreement providing that certificates representing Shares deliverable or delivered pursuant to an Award shall remain in the physical custody of the Company or such other person as the Committee may designate.

18.11 Unfunded Status of Awards; Creation of Trusts. This Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in this Plan or any Award Agreement shall give any such Participant any rights that are greater than those of a general creditor of the Company; provided, however, that the Committee may authorize the creation of trusts or make other arrangements to meet the Company's or an Employer's obligations under this Plan to deliver cash, Shares or other property pursuant to any Award which trusts or other arrangements shall be consistent with the "unfunded" status of this Plan unless the Committee otherwise determines.

18.12 Sub-plans. The Committee may from time to time establish sub-plans under this Plan for purposes of satisfying blue sky, securities, tax or other laws of various jurisdictions in which the Company intends to grant Awards. Any sub-plans shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable. All sub-plans shall be deemed a part of this Plan, but each sub-plan shall apply only to the Participants in the jurisdiction for which the sub-plan was designed.

18.13 Use of Proceeds from Shares. Proceeds from the sale of Shares pursuant to Awards, or upon exercise thereof, shall constitute general funds of the Company.

18.14 Affiliation. Nothing in this Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or any Affiliate to terminate any Participant's employment or consulting contract at any time, nor confer upon any Participant the right to continue in the employ of or as an officer of or as a Consultant to the Company or any Affiliate.

18.15 Participation. No employee or officer shall have the right to be selected to receive an Award under this Plan or, having been so selected, to be selected to receive a future Award.

18.16 Military Service. Notwithstanding any provision in this Plan or an Award Agreement to the contrary, Awards shall at all times be administered and interpreted in accordance with Code Section 414(u) and the Uniformed Services Employment and Reemployment Rights Act of 1994 as amended, supplemented or replaced from time to time.

18.17 Construction. The following rules of construction will apply to this Plan: (a) the word "or" is disjunctive but not necessarily exclusive, (b) words in the singular include the plural, words in the plural include the singular, and words in the neuter gender include the masculine and feminine genders and words in the masculine or feminine gender include the other neuter genders; and (c) "including" or "includes" means "including, without limitation," or "includes, without limitation," respectively.

18.18 Headings. The headings of articles and sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.

18.19 Obligations. Unless otherwise specified in the Award Agreement, the obligation to deliver, pay or transfer any amount of money or other property pursuant to Awards under this Plan shall be the sole obligation of a Participant's employer; provided that the obligation to deliver or transfer any Shares pursuant to Awards under this Plan shall be the sole obligation of the Company.

Exhibit 10.3

VIREO HEALTH INTERNATIONAL INC.
2019 EQUITY INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are:

(a) to attract and retain the best available personnel for positions of substantial responsibility,

(b) to provide additional incentive to Employees, Directors, and Consultants, and

(c) to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, and Restricted Stock Units.

2. Definitions. As used herein, the following definitions will apply:

(a) "Administrator" means the Board or any of its committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(b) "Applicable Laws" means the requirements relating to the administration of equity- based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Subordinate Voting Shares are listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

(c) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, or Restricted Stock Units.

(d) "Award Agreement" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) "Board" means the Board of Directors of the Company.

(f) "Change in Control" means the occurrence of any of the following events:

(i) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company, except that any change in the ownership of the stock of the Company as a result of a private financing of the Company that is approved by the Board will not be considered a Change in Control; or

(ii) Change in Effective Control of the Company. If the Company has a class of securities registered pursuant to Section 12 of the Exchange Act, a change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

(iv) For purposes of this Section 2(f), persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase, or acquisition of stock, or similar business transaction with the Company.

(v) Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

(vi) Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (A) its sole purpose is to change the jurisdiction of the Company's incorporation, or (B) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(g) "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein will be a reference to any successor or amended section of the Code.

(h) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board, or by the compensation committee of the Board, in accordance with Section 4 hereof.

(i) "Company" means Vireo Health International Inc., a British Columbia Corporation.

(j) "Consultant" means any person, including an advisor, engaged by the Company or a Parent or Subsidiary to render services to such entity.

(k) "Director" means a member of the Board.

(l) "Disability" means total and permanent disability as defined in Code Section 22(e)(3), provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(m) "Employee" means any person, including officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(n) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(o) "Exchange Program" means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for Awards of the same type (which may have higher or lower exercise prices and different terms), Awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the exercise price of an outstanding Award is reduced or increased. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(p) "Fair Market Value" means, as of any date, the value of the Subordinate Voting Shares determined as follows:

(i) If the Subordinate Voting Shares are listed on any established stock exchange or a national market system, including without limitation the Canadian Securities Exchange (the "CSE"), the New York Stock Exchange, the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market of The Nasdaq Stock Market, or the NYSE American its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable Notwithstanding the foregoing, in the event that the Shares are listed on the CSE, for the purposes of establishing the exercise price of any Options, the Fair Market Value shall not be lower than the greater of the closing market price of the Shares on the CSE on (i) the trading day prior to the date of grant of the Options, and (ii) the date of grant of the Options;;

(ii) If the Subordinate Voting Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Subordinate Voting Shares on the day of determination (or, if no bids and asks were reported on that date, as applicable, on the last trading date such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Subordinate Voting Shares, the Fair Market Value will be determined in good faith by the Administrator.

(q) "Incentive Stock Option" means an Option that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Code Section 422 and the regulations promulgated thereunder.

(r) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(s) "Option" means a stock option granted pursuant to the Plan.

(t) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Code Section 424(e).

(u) "Participant" means the holder of an outstanding Award.

(v) "Period of Restriction" means the period during which the transfer of Shares of Restricted Stock is subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(w) "Plan" means this 2019 Equity Incentive Plan.

(x) "Restricted Stock" means Shares issued pursuant to an Award of Restricted Stock under Section 8 of the Plan, or issued pursuant to the early exercise of an Option.

(y) "Restricted Stock Unit" means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 9. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(z) "Service Provider" means an Employee, Director, or Consultant.

(aa) "Share" means a Subordinate Voting Share, which is intended to qualify as service recipient stock under Treasury Regulation 1.409A-1(b)(5)(iii), as adjusted in accordance with Section 13 of the Plan.

(bb) "Stock Appreciation Right" means an Award, granted alone or in connection with an Option, that pursuant to Section 7 is designated as a Stock Appreciation Right.

(cc) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Code Section 424(f).

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Section 13 of the Plan, the maximum aggregate number of Shares that may be subject to Awards and sold under the Plan is ten percent (10%) of the number of Shares outstanding (assuming conversion of all Super Voting Shares and Multiple Voting Shares into Shares). The Shares may be authorized but unissued, or reacquired Subordinate Voting Shares.

(b) Lapsed Awards. If an Award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an Exchange Program, or, with respect to Restricted Stock or Restricted Stock Units, is forfeited to or repurchased by the Company due to the failure to vest, the unpurchased Shares (or, for Awards other than Options or Stock Appreciation Rights, the forfeited or repurchased Shares) which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to Stock Appreciation Rights, only Shares actually issued pursuant to a Stock Appreciation Right will cease to be available under the Plan; all remaining Shares under Stock Appreciation Rights will remain available for future grant or sale under the Plan (unless the Plan has terminated). Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock or Restricted Stock Units are repurchased by the Company or are forfeited to the Company due to the failure to vest, such Shares will become available for future grant under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Notwithstanding the foregoing and, subject to adjustment as provided in Section 13, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a) as at the close of business on March 18, 2019, plus, to the extent allowable under Code Section 422 and the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to Section 3(b).

(c) Share Reserve. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure. the Plan will be administered by (i) the Board or (ii) a Committee, which Committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) to institute and determine the terms and conditions of an Exchange Program;

(vii) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(viii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws;

(ix) to modify or amend each Award (subject to Section 18(c) of the Plan), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards and to extend the maximum term of an Option (subject to Section 6(d));

(x) to allow Participants to satisfy withholding tax obligations in a manner prescribed in Section 14;

(xi) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xii) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that otherwise would be due to such Participant under an Award; and

(xiii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, and Restricted Stock Units may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Grant of Options. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Options in such amounts as the Administrator, in its sole discretion, will determine.

(b) Option Agreement. Each Award of an Option will be evidenced by an Award Agreement that will specify the exercise price, the term of the Option, the number of Shares subject to the Option, the exercise restrictions, if any, applicable to the Option, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(c) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. Notwithstanding such designation, however, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars ($100,000), such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(c), Incentive Stock Options will be taken into account in the order in which they were granted, the Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted, and calculation will be performed in accordance with Code Section 422 and Treasury Regulations promulgated thereunder.

(d) Term of Option. The term of each Option will be stated in the Award Agreement; provided, however, that the term will be no more than ten (10) years from the date of grant thereof. In the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(e) Option Exercise Price and Consideration.

(i) Exercise Price. The per Share exercise price for the Shares to be issued pursuant to the exercise of an Option will be determined by the Administrator, but will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. In addition, in the case of an Incentive Stock Option granted to an Employee who owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant. Notwithstanding the foregoing provisions of this Section 6(e)(i), Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Code Section 424(a).

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of: (A) cash; (B) check; (C) promissory note, to the extent permitted by Applicable Laws, (D) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided further that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (E) consideration received by the Company under cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (F) by net exercise, (G) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws, or (H) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator will consider if acceptance of such consideration may be reasonably expected to benefit the Company.

(f) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

(A) An Option will be deemed exercised when the Company receives: (I) notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (II) full payment for the Shares with respect to which the Option is exercised (together with applicable tax withholding). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 13 of the Plan.

(B) Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within thirty (30) days of termination, or such longer period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent that the Option is vested on the date of termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within six (6) months of termination, or such longer period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent the Option is vested on the date of termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised within six (6) months following the Participant's death, or within such longer period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent that the Option is vested on the date of death, by the Participant's designated beneficiary, provided such beneficiary has been designated prior to the Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

7. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Shares subject to any Award of Stock Appreciation Rights.

(c) Exercise Price and Other Terms. The per Share exercise price for the Shares that will determine the amount of the payment to be received upon exercise of a Stock Appreciation Right as set forth in Section 7(f) will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 6(d) relating to the maximum term and Section 6(f) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

8. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 8 or as the Administrator determines, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 8, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may not exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

9. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(e) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

10. Compliance With Code Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Code Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Code Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Code Section 409A the Award will be granted, paid, settled, or deferred in a manner that will meet the requirements of Code Section 409A, such that the grant, payment, settlement, or deferral will not be subject to the additional tax or interest applicable under Code Section 409A.

11. Leaves of Absence/Transfer Between Locations. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence. A Participant will not cease to be an Employee in the case of (a) any leave of absence approved by the Company or (b) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first (1^{st}) day of such leave, any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

12. Limited Transferability of Awards.

(a) Unless determined otherwise by the Administrator, Awards may not be sold, pledged, assigned, hypothecated, or otherwise transferred in any manner other than by will or by the laws of descent and distribution, and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award may only be transferred (i) by will, (ii) by the laws of descent and distribution, or (iii) as permitted by Rule 701 of the Securities Act of 1933, as amended (the "Securities Act") and section 2.27 of National Instrument 45-106 *Prospectus Exemptions*, to the extent applicable.

(b) Further, until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or after the Administrator determines that it is, will, or may no longer be relying upon the exemption from registration under the Exchange Act as set forth in Rule 12h-1(f) promulgated under the Exchange Act, an Option, or prior to exercise, the Shares subject to the Option, may not be pledged, hypothecated or otherwise transferred or disposed of, in any manner, including by entering into any short position, any "put equivalent position" or any "call equivalent position" (as defined in Rule 16a-1(h) and Rule 16a-1(b) of the Exchange Act, respectively), other than to (i) persons who are "family members" (as defined in Rule 701(c)(3) of the Securities Act) through gifts or domestic relations orders, or (ii) to an executor or guardian of the Participant upon the death or disability of the Participant. Notwithstanding the foregoing sentence, the Administrator, in its sole discretion, may determine to permit transfers to the Company or in connection with a Change in Control or other acquisition transactions involving the Company to the extent permitted by Rule 12h-1(f).

13. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of shares of stock that may be delivered under the Plan and/or the number, class, and price of shares of stock covered by each outstanding Award.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Merger or Change in Control.

(i) In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding Award will be treated as the Administrator determines (subject to the provisions of the following paragraph) without a Participant's consent, including, without limitation, that (A) Awards will be assumed, or substantially equivalent Awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments as to the number and kind of shares and prices; (B) upon written notice to a Participant, that the Participant's Awards will terminate upon or immediately prior to the consummation of such merger or Change in Control; (C) outstanding Awards will vest and become exercisable, realizable, or payable, or restrictions applicable to an Award will lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (D) (I) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Administrator determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment), or (II) the replacement of such Award with other rights or property selected by the Administrator in its sole discretion; or (E) any combination of the foregoing. In taking any of the actions permitted under this Section 13(c), the Administrator will not be obligated to treat all Awards, all Awards held by a Participant, or all Awards of the same type, similarly.

(ii) In the event that the successor corporation does not assume or substitute for the Award (or portion thereof), the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a merger or Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

(iii) For the purposes of this Section 13(c), an Award will be considered assumed if, following the merger or Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the merger or Change in Control, the consideration (whether stock, cash, or other securities or property) received in the merger or Change in Control by holders of Subordinate Voting Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or Change in Control is not solely common shares of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, for each Share subject to such Award, to be solely common shares of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Subordinate Voting Shares in the merger or Change in Control.

(iv) Notwithstanding anything in this Section 13(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

(v) Notwithstanding anything in this Section 13(c) to the contrary, if a payment under an Award Agreement is subject to Code Section 409A and if the change in control definition contained in the Award Agreement does not comply with the definition of "change of control" for purposes of a distribution under Code Section 409A, then any payment of an amount that is otherwise accelerated under this Section will be delayed until the earliest time that such payment would be permissible under Code Section 409A without triggering any penalties applicable under Code Section 409A.

14. Tax Withholding.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof), the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld, (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the statutory amount required to be withheld, provided the delivery of such Shares will not result in any adverse accounting consequences, as the Administrator determines in its sole discretion, or (iv) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. The amount of the withholding requirement will be deemed to include any amount which the Administrator agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state, or local marginal income tax rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined. The Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

15. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider with the Company, nor will they interfere in any way with the Participant's right or the Company's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

16. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

17. Term of Plan. Subject to Section 21 of the Plan, the Plan will become effective upon its adoption by the Board. Unless sooner terminated under Section 18, it will continue in effect for a term of ten (10) years from the later of (a) the effective date of the Plan, or (b) the earlier of the most recent Board or stockholder approval of an increase in the number of Shares reserved for issuance under the Plan.

18. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend, or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension, or termination of the Plan will impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

19. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

(c) No Right to Employment or Engagement. The grant of an Award shall not be construed as giving a Participant the right to be retained as an employee, officer of consultant of the Company or any Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate a Participant's employment or engagement at any time, with or without cause, in accordance with applicable law. In addition, the Company or an Affiliate may at any time dismiss a Participant from employment or engagement free from any liability or any claim under the Plan or any Award, unless otherwise expressly provided in the Plan or in any Award Agreement. Nothing in this Plan shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. Under no circumstances shall any person ceasing to be an employee, officer or consultant of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under the Plan which such employee might otherwise have enjoyed but for termination of employment or engagement, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, each Participant shall be deemed to have accepted all the conditions of the Plan and the terms and conditions of any rules and regulations adopted by the Committee and shall be fully bound thereby.

20. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority will not have been obtained.

21. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

22. Governing Law. The validity and construction of this Plan and the instruments evidencing the Awards hereunder shall be governed by the laws of the State of Delaware, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan and the instruments evidencing the Awards hereunder to the substantive laws of any other jurisdiction.

23. Information to Participants. Beginning on the earlier of (a) the date that the aggregate number of Participants under this Plan is five hundred (500) or more and the Company is relying on the exemption provided by Rule 12h-1(f)(1) under the Exchange Act and (b) the date that the Company is required to deliver information to Participants pursuant to Rule 701 under the Securities Act, and until such time as the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, is no longer relying on the exemption provided by Rule 12h-1(f)(1) under the Exchange Act or is no longer required to deliver information to Participants pursuant to Rule 701 under the Securities Act, the Company shall provide to each Participant the information described in paragraphs (e)(3), (4), and (5) of Rule 701 under the Securities Act not less frequently than every six (6) months with the financial statements being not more than 180 days old and with such information provided either by physical or electronic delivery to the Participants or by written notice to the Participants of the availability of the information on an Internet site that may be password-protected and of any password needed to access the information. The Company may request that Participants agree to keep the information to be provided pursuant to this section confidential. If a Participant does not agree to keep the information to be provided pursuant to this section confidential, then the Company will not be required to provide the information unless otherwise required pursuant to Rule 12h-1(f)(1) under the Exchange Act or Rule 701 of the Securities Act.

Exhibit 10.4

VIREO HEALTH, INC.
INCENTIVE STOCK OPTION AGREEMENT
PURSUANT TO 2018 EQUITY INCENTIVE PLAN

Unless the context indicates otherwise, all capitalized terms not defined herein shall have the same meanings as set forth in the Vireo Health, Inc. 2018 Equity Incentive Plan (the "***Plan***").

I. NOTICE OF GRANT

Name of Grantee:

Number of Shares:

Date of Grant: _____, 2018

Exercise Price per Share: $10.00

Expiration Date: 5:00 p.m., Central Time on the day preceding the tenth anniversary of the Date of Grant.

Exercise Schedule: Subject to Section 4 hereof and the terms of the Plan, Options with respect to 25% of the Number of Shares shall become exercisable and vest on December 31, 2019, and an additional 6.25% of the Number of Shares shall become exercisable and vest on the last day of each subsequent calendar quarter. In no case shall Options on more than 100% of the Number of Shares vest.

This is an Incentive Stock Option Agreement (the "***Agreement***") between Vireo Health, Inc. (the "***Company***") and the grantee identified above (the "***Grantee***") is entered into and effective as of date of grant identified above (the "***Grant Date***").

II. BACKGROUND

1. The Company has adopted and maintains the Plan authorizing the Board or a committee thereof to grant incentive stock options to employees, directors and other persons providing services to the Company and its Subsidiaries.

2. The Board has determined that Grantee is eligible to receive an award under the Plan in the form of an incentive stock option.

III. AGREEMENT. The Company hereby grants the Option to Grantee under the terms and conditions as follows.

1. Grant of Option. The Company hereby grants to the Grantee the right, privilege, and option (the "***Option***") to purchase FIVE HUNDRED (500) shares (the "***Option Shares***") of the Company's common stock (the "***Common Stock***"), according to the terms and subject to the conditions hereinafter set forth and as set forth in the Plan. The Option is intended to be an “incentive stock option” as that term is defined in Section 422 of the Internal Revenue Code and is subject to the $100,000 limitation described in Section 6.4 of the Plan, including the provisions of that Section 6.4 that treat any portion of the Option that exceed such limitation, or does not otherwise qualify as an incentive stock option as a separate option that is not an incentive stock option but otherwise exercisable on, and subject to, the same terms as the Option.

2. Option Exercise Price. The per share price to be paid by Grantee in the event of an exercise of the Option shall be the exercise price specified above in the Notice of Grant, which price shall not be less than the Fair Market Value as of the Grant Date, or if the Grantee is a 10% Owner, 110% of the Fair Market Value as of the Grant Date.

3. Expiration. The Option shall expire at 5:00 p.m. Central Time on the earliest of (i) the expiration date set forth in the Notice of Grant, above (which date may be no later than ten years after the Grant Date, or, for 10% Owners, five years after the Grant Date), (ii) the expiration of the exercise period following termination of employment, as set forth in Section 4, (iii) the termination of the Grantee for Cause, (iv) the date fixed, if any, for termination of the Option pursuant to Section 15.1(iii) or 15.2 of the Plan, or (v) for unvested Options, upon Termination of Service for any reason.

4. Vesting and Exercise.

4.1 Vesting Schedule. The Option will vest and become exercisable as to the number of Shares and on the dates specified in the Notice of Grant, but only if the Grantee is employed by the Company on such dates. The exercise schedule will be cumulative, meaning that to the extent the Option has not been exercised and has not expired, terminated, or been cancelled, the Option may be exercised to purchase all or any portion of the Shares available under the exercise schedule.

4.2 Accelerated Vesting. If a Change in Control occurs, effective upon such Change in Control, the Option shall become vested and be exercisable as to all otherwise unvested Option Shares.

4.3 Termination of Service. Any unvested Options will be forfeited upon the Grantee's Termination of Service for any reason. Following the Grantee's Termination of Service, any Options vested and exercisable as of the date of Termination of Service may be exercised for a period of three months after such termination (but in no event after the expiration date ("***Expiration Date***") in the Notice of Grant), and thereafter terminate. If Grantee has a Termination of Service by reason of death or if Grantee dies in the three month period following Termination of Service, the Option may be exercised for a period of nine months following the Grantee's death but not after the Expiration Date. If Grantee has a Termination of Service due to Disability, the Option may be exercised for a period of six months following Termination of Service, but not after the Expiration Date. If Grantee has a Termination of Service for Cause, any unexercised Options expire immediately.

4.4 Termination of Option under Certain Circumstances. The Option may be terminated or forfeited upon the occurrence of certain circumstances, including without limitation, a Change in Control of the Company, as more fully set forth in the Plan.

5. Manner of Option Exercise.

5.1 Notice. This Option may be exercised by Grantee in whole or in part from time to time, subject to the conditions contained in the Plan and in this Agreement, by delivery, in person, by electronic transmission, or through the mail, to the Company at its principal executive office in Minneapolis, Minnesota (Attention: Chief Financial Officer), of a written notice of exercise. Such notice must be in a form satisfactory to the Committee, must identify the Option, must specify the number of Option Shares with respect to which the Option is being exercised, and must be signed by the person or persons so exercising the Option. Such notice must be accompanied by payment in full of the total exercise price of the Option Shares purchased. In the event that the Option is being exercised, as provided by the Plan and Section 6 below, by any person or persons other than the Grantee, the notice must be accompanied by appropriate proof of right of such person or persons to exercise the Option.

5.2 Payment. At the time of exercise of this Option, the Grantee shall pay the total exercise price of the Option Shares to be purchased entirely in cash (including a check, bank draft or money order, payable to the order of the Company); provided, however, that the Committee, in its sole discretion and to the extent permitted by law, may allow such payment to be made, in whole or in part, through a broker-assisted cashless exercise in which the Grantee simultaneously exercises the Option and sells all or a portion of the Shares thereby acquired; by delivery to the Company of unencumbered Shares having an aggregate Fair Market Value on the date of exercise equal to the exercise price of such Shares; or by authorizing the Company to retain, from the total number of Shares as to which the Option is exercised, that number of Shares having a Fair Market Value on the date of exercise equal to the exercise price for the total number of Shares as to which the Option is exercised.

5.3 Delivery of Certificates. As soon as practicable after the effective exercise of the Option, Grantee shall be recorded on the stock transfer books of the Company as the owner of the Option Shares purchased, and the Company shall deliver to Grantee one or more duly issued stock certificates evidencing such ownership. Notwithstanding anything to the contrary in this Agreement, no certificate for Shares distributable under the Plan shall be issued and delivered unless the issuance of such certificate complies with all applicable legal requirements including, without limitation, compliance with the provisions of applicable state securities laws, the Securities Act and the Exchange Act.

6. Transferability. During the lifetime of the Grantee, only the Grantee or his/her guardian or legal representative may exercise the Option. The Option may not be assigned or transferred by the Grantee otherwise than by will or the laws of descent and distribution.

7. No Shareholder Rights. No person shall have any of the rights of a stockholder of the Company with respect to any Share subject to the Option until the Share actually is issued to him/her upon exercise of the Option.

8. Engagement or Employment. Nothing in this Agreement shall interfere with or limit in any way the right of the Company or any Subsidiary Corporation to terminate the engagement or employment of the Grantee at any time, nor confer upon the Grantee any right to continue in the service or employ of the Company or any Subsidiary Corporation at any particular position or rate of pay or for any particular period of time.

9. Breach of Confidentiality or Non-Compete Agreements. Notwithstanding anything in this Agreement or the Plan to the contrary, if Grantee materially breaches the terms of any confidentiality, proprietary rights or non-compete provisions of any agreement entered into with the Company or any Subsidiary (including any confidentiality, proprietary rights or non-compete agreement made in connection with the grant of this Option), whether such breach occurs before or after termination of the Grantee's employment with the Company or any Subsidiary, the Committee in its sole discretion may immediately terminate all rights of the Grantee under the Plan and this Agreement without notice of any kind and may require the Grantee to disgorge any profits (however defined by the Committee) made by the Grantee relating to this Option or any Option Shares.

10. Securities Law and Other Restrictions. Notwithstanding any other provision of the Plan or this Agreement, the Company shall not be required to issue, and Grantee may not sell, assign, transfer or otherwise dispose of, any Option Shares, unless (a) there is in effect with respect to the Option Shares a registration statement under the Securities Act of 1933, as amended, and any applicable state or foreign securities laws or an exemption from such registration, and (b) there has been obtained any other consent, approval or permit from any other regulatory body that the Committee, in its sole discretion, deems necessary or advisable. The Company may condition such issuance, sale or transfer upon the receipt of any representations or agreements from the parties involved, and the placement of any legends on certificates representing the Option Shares, as may be deemed necessary or advisable by the Company in order to comply with such securities law or other restrictions.

11. Tax Withholding. The Company is entitled to (a) withhold and deduct from future fees or wages of the Grantee (or from other amounts that may be due and owing to the Grantee from the Company), or make other arrangements for the collection of, all legally required amounts necessary to satisfy any federal, state or local withholding and employment-related tax requirements attributable to the Option, including, without limitation, the grant or exercise of this Option or a disqualifying disposition of any Option Shares, or (b) require the Grantee promptly to remit the amount of such withholding to the Company before acting on the Grantee's notice of exercise of this Option. In the event that the Company is unable to withhold such amounts, for whatever reason, the Grantee agrees to pay to the Company an amount equal to the amount the Company would otherwise be required to withhold under federal, state or local law.

12. Adjustments. In the event of any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, divestiture or extraordinary dividend (including a spin-off), or any other change in the corporate structure or shares of the Company, the Committee (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation), in order to prevent dilution or enlargement of the rights of the Grantee, shall make appropriate adjustment (which determination shall be conclusive) as to the number and kind of securities or other property (including cash) subject to, and the exercise price of, this Option.

13. Subject to Plan. The Option and the Option Shares granted and issued pursuant to this Agreement have been granted and issued under, and are subject to the terms of, the Plan. The terms of the Plan are incorporated by reference in this Agreement in their entirety, and the Grantee, by execution of this Agreement, acknowledges having received a copy of the Plan. The provisions of this Agreement shall be interpreted as to be consistent with the Plan, and any ambiguities in this Agreement shall be interpreted by reference to the Plan. In the event that any provisions of this Agreement are inconsistent with the terms of the Plan, the terms of the Plan shall prevail.

14. Shareholder Agreements. Upon the exercise of the Option, the Grantee shall, at the request of the Company, execute and deliver such voting, co-sale and other agreements as the Company requests generally of holders of amounts of stock corresponding to that of such Grantee; and if the Grantee fails to execute and deliver any such agreement, such Grantee shall nevertheless hold all stock subject to, and be bound by, such agreement.

15. Lock-Up Agreement. In connection with any initial public offering of the Company’s securities and upon request of the Company or the underwriters managing any underwritten offering of the Company’s securities, Grantee hereby agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, during the period commencing as of 18 days prior to and ending 180 days, or such lesser period of time as the relevant underwriters may permit, after the effective date of a registration statement covering any public offering of the Company’s securities or, if required by such underwriter, such longer period of time as is necessary to enable such underwriter to issue a research report or make a public appearance that relates to an earnings release or announcement by the Company within 18 days before or after the date that is 180 days after the effective date of the registration statement relating to such initial public offering, but in any event not to exceed 198 days following the effective date of the registration statement relating to such initial public offering and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering. The Company is hereby authorized to impose stock transfer instructions to its transfer agent (which may be the Company itself) in order to enforce the above restrictions.

16. General Terms.

16.1 Binding Effect. This Agreement shall be binding upon the heirs, executors, administrators and successors of the parties to this Agreement.

16.2 Governing Law. This Agreement and all rights and obligations under this Agreement shall be construed in accordance with the Plan and governed by the laws of the State of Delaware, without regard to conflicts of laws provisions.

16.3 Entire Agreement. This Agreement and the Plan set forth the entire agreement and understanding of the parties to this Agreement with respect to the grant and exercise of this Option and the administration of the Plan and supersede all prior agreements, arrangements, plans and understandings relating to the grant and exercise of this Option and the administration of the Plan.

16.4 Amendment and Waiver. Other than as provided in the Plan, this Agreement may be amended, waived, modified or canceled only by a written instrument executed by the parties to this Agreement or, in the case of a waiver, by the party waiving compliance. Notwithstanding the preceding, the Participant agrees that the Board may amend the Plan or this Agreement, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or the Agreement to any present or future law relating to plans of this or similar nature (including, but not limited to, Code Section 409A), and to the administrative regulations and rulings promulgated thereunder.

16.5 Tax Consequences. The Grantee acknowledges that the Grantee may incur tax liability as a result of the purchase or disposition of the Shares and that if any Shares received upon exercise of the Option are sold within one year of exercise or two years of the Grant Date, the Option will not be treated as an incentive stock option for tax purposes under the Internal Revenue Code. The Company shall not be liable in the event the Option is for any reason deemed not to be an incentive stock option. In addition, although the Option is intended to be exempt from Section 409A of the Internal Revenue Code, the Company shall not be liable to the Participant in the event the Option is considered to be subject to Section 409A, which may subject the Grantee to additional taxes, interest, and possible penalties. Grantee should seek professional tax advice before exercising the Option or disposing of the Shares.

The parties to this Agreement have executed this Agreement effective the day and year first above written.

VIREO HEALTH, INC.

By: _____

Its: Chief Executive Officer

By execution of this Agreement, the Grantee acknowledges having received a copy of the Plan.

GRANTEE

_____

Exhibit 10.5

VIREO HEALTH INTERNATIONAL, INC.
INCENTIVE STOCK OPTION AGREEMENT
UNDER THE 2019 EQUITY INCENTIVE PLAN
(DIRECTORS)

I. NOTICE OF GRANT

Name of Optionee: [NAME]

Number of Shares: [•]

Date of Grant: [•]

Exercise Price per Share: $[•]

Expiration Date: [•]

Exercise Schedule: Subject to Section 4 hereof and the terms of the Vireo Health International, Inc. 2019 Equity Incentive Plan (the "***Plan***"), 100% of the Shares shall become exercisable and vest on the one-year anniversary of the date of grant identified above (the "***Grant Date***").

This is an Incentive Stock Option Agreement (the "***Agreement***"), by and between Vireo Health International, Inc., a British Columbia corporation and successor to Vireo Health, Inc. (the "***Company***"), and the optionee identified above ("***Optionee***"), entered into and effective as of Grant Date. Any capitalized term that is not defined in this Agreement shall have the meaning set forth in the Plan as it currently exists or as it is amended in the future.

II. BACKGROUND

1. The Company has adopted and maintains the Plan authorizing the Administrator to, among other things, grant Incentive Stock Options to certain Employees, Directors, Consultants and other persons providing services to the Company and its Subsidiaries.

2. The Administrator has determined that Optionee is eligible to receive an award under the Plan in the form of an Incentive Stock Option (the "***Option***") to purchase shares of the Company's common stock (the "***Common Stock***"), as further described in this Agreement.

III. AGREEMENT. Subject to the Plan, the Company hereby grants the Option to Optionee under the terms and conditions as follows.

11. Grant of Option. The Company hereby grants to Optionee an Option to purchase the Shares specified above, according to the terms and subject to the conditions hereinafter set forth and as set forth in the Plan. The Option is intended to be an "incentive stock option" as that term is defined in Section 422 of the Code and is subject to the $100,000 limitation described in Section 6(c) of the Plan, including the provisions of that Section 6(c) that treat any portion of the Option that exceeds such limitation, or does not otherwise qualify as an incentive stock option, as a Nonstatutory Stock Option that is not an incentive stock option but otherwise exercisable on, and subject to, the same terms as the Option.

12. Exercise Price per Share. The Exercise Price per Share shall not be less than the Fair Market Value per Share as of the Grant Date, or if Optionee owns stock representing greater than 10% of the voting power of the Company or any Parent or Subsidiary (a "***10% Owner***"), 110% of the Fair Market Value per Share as of the Grant Date, as may be further adjusted pursuant to the Plan.

3. Expiration. The Option shall expire at 5:00 p.m. Central Time on the earliest of (i) the Expiration Date (which date may be no later than ten years after the Grant Date, or, for a 10% Owner, five years after the Grant Date), (ii) upon the expiration of any termination set forth in Section 6(f) of the Plan, or (iv) pursuant to Section 13(a) or (c) of the Plan; provided, that unless otherwise provided by the Administrator, if on the date of termination Optionee is not vested as to the entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan.

4. Vesting and Exercise.

4.1 Vesting Schedule. The Option will vest and become exercisable as to the number of Shares and on the dates specified in the Notice of Grant above, but only if Optionee is employed by the Company on such dates. The exercise schedule will be cumulative, meaning that to the extent the Option has not been exercised and has not expired, terminated, or been cancelled, the Option may be exercised to purchase all or any portion of the Shares available under the exercise schedule.

4.2 Change in Control. If a Change in Control occurs, effective upon such Change in Control, the Option shall be treated as determined by the Administrator under Section 13(c) of the Plan.

4.3 Termination of Relationship as a Service Provider. If Optionee ceases to be a Service Provider, other than upon Optionee's termination as the result of Optionee's Disability or death, the Option shall be treated as set forth under Section 6(f)(ii) of the Plan.

4.4 Disability or Death of Optionee. If Optionee ceases to be a Service Provider as a result of Optionee's death or Disability, the Option shall be treated as set forth under Section 6(f)(iii) or (iv) of the Plan, respectively.

5. Manner of Option Exercise.

5.1 Notice. This Option may be exercised by Optionee in whole or in part from time to time, subject to the conditions contained in the Plan and in this Agreement, by delivery, in person, by electronic transmission, or through the mail, to the Company at its principal executive office in Minneapolis, Minnesota (Attention: Chief Financial Officer), of a written notice of exercise. Such notice must be in a form satisfactory to the Administrator, must identify the Option, must specify the number of Shares with respect to which the Option is being exercised, and must be signed by the person so exercising the Option. Such notice must be accompanied by payment in full of the total exercise price of the Shares purchased based on the Exercise Price per Share. In the event that the Option is being exercised, as provided by the Plan and Section 6 below, by any person or persons other than Optionee, the notice must be accompanied by appropriate proof of right of such person or persons to exercise the Option.

5.2 Payment. At the time of exercise of this Option, Optionee shall pay the total exercise price of the Shares to be purchased entirely in cash (including a check, bank draft or money order, payable to the order of the Company); provided, however, that the Administrator, in its sole discretion and to the extent permitted by law, may allow such payment to be made, in whole or in part, through a cashless exercise in which Optionee simultaneously exercises the Option and sells all or a portion of the Shares thereby acquired; by delivery to the Company of unencumbered Shares having an aggregate Fair Market Value on the date of exercise equal to the exercise price of such Shares; or by authorizing the Company to retain, from the total number of Shares as to which the Option is exercised, that number of Shares having a Fair Market Value on the date of exercise equal to the exercise price for the total number of Shares as to which the Option is exercised.

5.3 Delivery of Certificates. As soon as practicable after the effective exercise of the Option, Optionee shall be recorded on the stock transfer books of the Company as the owner of the Shares purchased, and the Company shall deliver to Optionee one or more duly issued stock certificates evidencing such ownership, electronic delivery of such Shares to a brokerage account designated by such person, or book-entry registration of such Shares with the Company's transfer agent. Notwithstanding anything to the contrary in this Agreement, no certificate, electronic delivery or book-entry registration representing the Shares distributable under the Plan shall be issued and delivered unless the issuance thereof complies with all applicable legal requirements including, without limitation, compliance with the provisions of applicable state securities laws, the Securities Act and the Exchange Act. All Shares so issued shall be fully paid and nonassessable

6. Transferability. During the lifetime of Optionee, only Optionee or his/her guardian or legal representative may exercise the Option. The Option may not be assigned or transferred by Optionee otherwise than by will or the laws of descent and distribution. The Option held by any such transferee will continue to be subject to the same terms and conditions that were applicable to the Option immediately prior to its transfer and may be exercised by such transferee as and to the extent that the Option has become exercisable and has not terminated in accordance with the provisions of the Plan and this Agreement.

7. No Shareholder Rights. Neither Optionee nor any permitted transferee of this Option will have any of the rights of a stockholder of the Company with respect to any Shares subject to this Option until a certificate evidencing such Shares has been issued, electronic delivery of such Shares has been made to Optionee's designated brokerage account, or an appropriate book entry in the Company's stock register has been made. No adjustments shall be made for dividends or other rights if the applicable record date occurs before a stock certificate has been issued, electronic delivery of the Shares has been made to Optionee's designated brokerage account, or an appropriate book entry in the Company's stock register has been made, except as otherwise described in the Plan.

8. Service Provider Status. Nothing in this Agreement shall interfere with or limit in any way the right of the Company or any Subsidiary to terminate Optionee as a Service Provider at any time, nor confer upon Optionee any right to continue in the service or employ of the Company or any Subsidiary at any particular position or rate of pay or for any particular period of time.

9. Securities Law and Other Restrictions. Notwithstanding any other provision of the Plan or this Agreement, the Company shall not be required to issue, and Optionee may not sell, assign, transfer or otherwise dispose of, any Shares, unless (a) there is in effect with respect to the Shares a registration statement under the Securities Act and any applicable state or foreign securities laws or an exemption from such registration, and (b) there has been obtained any other consent, approval or permit from any other regulatory body that the Administrator, in its sole discretion, deems necessary or advisable. The Company may condition such issuance, sale or transfer upon the receipt of any representations or agreements from the parties involved, and the placement of any legends on certificates representing the Option, as may be deemed necessary or advisable by the Company in order to comply with such securities law or other restrictions.

10. Tax Withholding. The Company is entitled to (a) withhold and deduct from future fees or wages of Optionee (or from other amounts that may be due and owing to Optionee from the Company), or make other arrangements for the collection of, all legally required amounts necessary to satisfy any federal, state or local withholding and employment-related tax requirements attributable to the Option, including, without limitation, the grant or exercise of this Option or a disqualifying disposition of any Shares, or (b) require Optionee promptly to remit the amount of such withholding to the Company before acting on Optionee's notice of exercise of this Option. In the event that the Company is unable to withhold such amounts, for whatever reason, Optionee agrees to pay to the Company an amount equal to the amount the Company would otherwise be required to withhold under federal, state or local law.

11. Adjustments. Subject to the terms and conditions set forth in the Plan, in the event of any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, divestiture or extraordinary dividend (including a spin-off), or any other change in the corporate structure or shares of the Company, the Administrator, in order to prevent dilution or enlargement of the rights of Optionee, shall make appropriate adjustment (which determination shall be conclusive) as to the number and kind of securities or other property (including cash) subject to, and the exercise price of, this Option.

12. Subject to Plan. The Option and the Shares granted and issued pursuant to this Agreement have been granted and issued under, and are subject to the terms of, the Plan. The terms of the Plan are incorporated by reference in this Agreement in their entirety, and Optionee, by execution of this Agreement, acknowledges having received a copy of the Plan. The provisions of this Agreement shall be interpreted as to be consistent with the Plan, and any ambiguities in this Agreement shall be interpreted by reference to the Plan. If any provisions of this Agreement are inconsistent with the terms of the Plan, the terms of the Plan shall prevail.

13. Shareholder Agreements. Upon the exercise of the Option, Optionee shall, at the request of the Company, execute and deliver such voting, co-sale and other agreements as the Company requests generally of holders of amounts of stock corresponding to that of such Optionee; and if Optionee fails to execute and deliver any such agreement, such Optionee shall nevertheless hold all stock subject to, and be bound by, such agreement.

14. Market Stand-off Agreement. In connection with any underwritten public offering by the Company of its equity securities, including the initial public offering of the Company’s securities on a U.S. exchange, and upon request of the Company or the underwriters managing such underwritten offering, you agree not to sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose of or transfer for value any securities of the Company (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) after the effective date of such registration as may be requested by the Company or such managing underwriters, and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of such public offering.

15. General Terms.

15.1 Binding Effect. This Agreement shall be binding upon the heirs, executors, administrators and successors of the parties to this Agreement.

15.2 Governing Law. This Agreement and all rights and obligations under this Agreement shall be construed in accordance with the Plan and governed by the laws of the State of Delaware, without regard to conflicts of laws provisions.

15.3 Entire Agreement. This Agreement and the Plan set forth the entire agreement and understanding of the parties to this Agreement with respect to the grant and exercise of this Option and the administration of the Plan and supersede all prior agreements, arrangements, plans and understandings relating to the grant and exercise of this Option and the administration of the Plan.

15.4 Amendment and Waiver. Other than as provided in the Plan and subject to applicable law, this Agreement may be amended, waived, modified or canceled only by a written instrument executed by the parties to this Agreement or, in the case of a waiver, by the party waiving compliance. Notwithstanding the preceding, the Optionee agrees that the Administrator may amend the Plan or this Agreement, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or the Agreement to any present or future law relating to plans of this or similar nature (including, but not limited to, Section 409A of the Code), and to the administrative regulations and rulings promulgated thereunder.

15.5 Tax Consequences. Optionee acknowledges that Optionee may incur tax liability as a result of the purchase or disposition of the Shares and that if any Shares received upon exercise of the Option are sold within one year of exercise or two years of the Grant Date, the Option will not be treated as an incentive stock option for tax purposes under the Code. The Company shall not be liable in the event the Option is for any reason deemed not to be an incentive stock option. In addition, although the Option is intended to be exempt from Section 409A of the Code, the Company shall not be liable to the Optionee in the event the Option is considered to be subject to Section 409A, which may subject Optionee to additional taxes, interest, and possible penalties. Optionee should seek professional tax advice before exercising the Option or disposing of the Shares.

15.6 Electronic Delivery and Acceptance. The Company may deliver any documents related to this Agreement by electronic means and request Optionee's acceptance of this Agreement by electronic means. Optionee hereby consents to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line (and/or voice activated) system established and maintained by the Company or the Company's third-party stock plan administrator.

[Signature Page Follows]

The parties hereto have executed this Agreement effective as of the Grant Date.

VIREO HEALTH INTERNATIONAL, INC.

By: /s/ Kyle Kingsley
Kyle Kingsley

Its: Chief Executive Officer

By execution of this Agreement, Optionee acknowledges having received a copy of the Plan and agrees to all of the terms and conditions described in this Agreement and in the Plan.

OPTIONEE

[Name]

Exhibit 10.6

VIREO HEALTH INTERNATIONAL, INC.
INCENTIVE STOCK OPTION AGREEMENT

I. NOTICE OF GRANT

Name of Optionee:	[insert name]
Number of Shares:	[XX,XXX] Subordinate Voting Shares (US residents may be required to receive Multiple Voting Shares in a quantity equal to 1/100 of the Subordinate Voting Share quantity, at the Company's reasonable discretion)
Date of Grant:	[month] __, 202_
Exercise Price per Share:	USD$[amount] (Multiple Voting Shares have an exercise price equal to 100x this number)
Expiration Date:	[month] __, 203_ (5:00 p.m., Central Time on the day preceding the tenth anniversary of the Date of Grant.)

Exercise Schedule: Subject to Section 4 hereof and the terms of the Vireo Health International, Inc. 2019 Equity Incentive Plan (the "***Plan***"), 25% of the Shares covered by the Option shall become exercisable and vest on [end of calendar quarter 1 year after Date of Grant], 202_, and an additional 6.25% of the Shares covered by the Option shall become exercisable and vest on the last day of each subsequent calendar quarter, such that 100% of the Shares covered by the Option shall be exercisable and vested on [end of calendar quarter 4 years after Date of Grant], 202_. In no case shall greater than 100% of the Shares covered by the Option vest.

This is an Incentive Stock Option Agreement (the "***Agreement***"), by and between Vireo Health International, Inc., a British Columbia corporation and successor to Vireo Health, Inc. (the "***Company***"), and the optionee identified above ("***Optionee***"), entered into and effective as of date of grant identified above (the "***Grant Date***"). Any capitalized term that is not defined in this Agreement shall have the meaning set forth in the Plan as it currently exists or as it is amended in the future.

II. BACKGROUND

1. The Company has adopted and maintains the Plan authorizing the Administrator to, among other things, grant Incentive Stock Options to certain Employees, Directors, Consultants and other persons providing services to the Company and its Subsidiaries.

2. The Administrator has determined that Optionee is eligible to receive an Award under the Plan in the form of an Option, as further described in this Agreement.

III. AGREEMENT. Subject to the Plan, the Company hereby grants the Option to Optionee under the terms and conditions as follows.

1. Grant of Option. The Company hereby grants to Optionee an Option to purchase the Shares specified above, according to the terms and subject to the conditions hereinafter set forth and as set forth in the Plan. The Option is intended to be an "incentive stock option" as that term is defined in Section 422 of the Code and is subject to the $100,000 limitation described in Section 6(c) of the Plan, including the provisions of that Section 6(c) that treat any portion of the Option that exceeds such limitation, or does not otherwise qualify as an incentive stock option, as a Nonstatutory Stock Option that is not an incentive stock option but otherwise exercisable on, and subject to, the same terms as the Option.

2. Exercise Price per Share. The Exercise Price per Share shall not be less than the Fair Market Value per Share as of the Grant Date, or if Optionee owns stock representing greater than 10% of the voting power of the Company or any Parent or Subsidiary (a "***10% Owner***"), 110% of the Fair Market Value per Share as of the Grant Date, as may be further adjusted pursuant to the Plan.

3. Expiration. The Option shall expire at 5:00 p.m. Central Time on the earliest of (i) the Expiration Date (which date may be no later than ten years after the Grant Date, or, for a 10% Owner, five years after the Grant Date), (ii) upon the expiration of any termination set forth in Section 6(f) of the Plan, or (iii) pursuant to Section 13(a) or (c) of the Plan; provided, that unless otherwise provided by the Administrator, if on the date of termination Optionee is not vested as to the entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan.

4. Vesting and Exercise.

4.1 Vesting Schedule. The Option will vest and become exercisable as to the number of Shares and on the dates specified in the Notice of Grant above, but only if Optionee is employed by the Company on such dates. The exercise schedule will be cumulative, meaning that to the extent the Option has not been exercised and has not expired, terminated, or been cancelled, the Option may be exercised to purchase all or any portion of the Shares available under the exercise schedule.

4.2 Change in Control. If a Change in Control occurs, effective upon such Change in Control, the Option shall be treated as determined by the Administrator under Section 13(c) of the Plan.

4.3 Termination of Relationship as a Service Provider. If Optionee ceases to be a Service Provider, other than upon Optionee's termination as the result of Optionee's Disability or death, the Option shall be treated as set forth under Section 6(f)(ii) of the Plan.

4.4 Disability or Death of Optionee. If Optionee ceases to be a Service Provider as a result of Optionee's death or Disability, the Option shall be treated as set forth under Section 6(f)(iii) or (iv) of the Plan, respectively.

5. Manner of Option Exercise.

5.1 Notice. This Option may be exercised by Optionee in whole or in part from time to time, subject to the conditions contained in the Plan and in this Agreement, by delivery, in person, by electronic transmission, or through the mail, to the Company at its principal executive office in Minneapolis, Minnesota (Attention: Chief Financial Officer), of a written notice of exercise. Such notice must be in a form satisfactory to the Administrator, must identify the Option, must specify the number of Shares with respect to which the Option is being exercised, and must be signed by the person so exercising the Option. Such notice must be accompanied by payment in full of the total exercise price of the Shares purchased based on the Exercise Price per Share. In the event that the Option is being exercised, as provided by the Plan and Section 6 below, by any person or persons other than Optionee, the notice must be accompanied by appropriate proof of right of such person or persons to exercise the Option.

5.2 Payment. At the time of exercise of this Option, Optionee shall pay the total exercise price of the Shares to be purchased entirely in cash (including a check, bank draft or money order, payable to the order of the Company); provided, however, that the Administrator, in its sole discretion and to the extent permitted by law, may allow such payment to be made, in whole or in part, through a cashless exercise in which Optionee simultaneously exercises the Option and sells all or a portion of the Shares thereby acquired; by delivery to the Company of unencumbered Shares having an aggregate Fair Market Value on the date of exercise equal to the exercise price of such Shares; or by authorizing the Company to retain, from the total number of Shares as to which the Option is exercised, that number of Shares having a Fair Market Value on the date of exercise equal to the exercise price for the total number of Shares as to which the Option is exercised.

5.3 Delivery of Certificates. As soon as practicable after the effective exercise of the Option, Optionee shall be recorded on the stock transfer books of the Company as the owner of the Shares purchased, and the Company shall deliver to Optionee one or more duly issued stock certificates evidencing such ownership, electronic delivery of such Shares to a brokerage account designated by such person, or book-entry registration of such Shares with the Company's transfer agent. Notwithstanding anything to the contrary in this Agreement, no certificate, electronic delivery or book-entry registration representing the Shares distributable under the Plan shall be issued and delivered unless the issuance thereof complies with all applicable legal requirements including, without limitation, compliance with the provisions of applicable state securities laws, the Securities Act and the Exchange Act. All Shares so issued shall be fully paid and nonassessable. Notwithstanding anything to the contrary, the Company may deliver the Company's multiple voting shares ("MVS") (which are equivalent in right to 100 Shares) in a quantity equal to the number of Shares as to which the Option is exercised, divided by 100. In this instance, no partial MVS will be delivered and, instead, the Optionee shall receive cash for any fractional MVS that would otherwise be provided. As an example, an Optionee gives a notice pursuant to section 5.1 that she intends to exercise the Option for 2,170 shares. The Company then elects to provide MVS to the Optionee 21 MVS and cash equal to 70 (leftover Shares) multiplied by the closing price of the Shares on the trading day immediately preceding the notice of exercise.

6. Transferability. During the lifetime of Optionee, only Optionee or his/her guardian or legal representative may exercise the Option. The Option may not be assigned or transferred by Optionee otherwise than by will or the laws of descent and distribution. The Option held by any such transferee will continue to be subject to the same terms and conditions that were applicable to the Option immediately prior to its transfer and may be exercised by such transferee as and to the extent that the Option has become exercisable and has not terminated in accordance with the provisions of the Plan and this Agreement.

7. No Shareholder Rights. Neither Optionee nor any permitted transferee of this Option will have any of the rights of a stockholder of the Company with respect to any Shares subject to this Option until a certificate evidencing such Shares has been issued, electronic delivery of such Shares has been made to Optionee's designated brokerage account, or an appropriate book entry in the Company's stock register has been made. No adjustments shall be made for dividends or other rights if the applicable record date occurs before a stock certificate has been issued, electronic delivery of the Shares has been made to Optionee's designated brokerage account, or an appropriate book entry in the Company's stock register has been made, except as otherwise described in the Plan.

8. Restrictive Covenants Agreement. As an inducement to the Company to enter into this Agreement and grant the Option to Optionee, Optionee has executed or shall duly execute a Confidential Information, Intellectual Property Rights, Non-Competition and Non-Solicitation Agreement (the "**Restrictive Covenants Agreement**"), in a form approved by the Company. Optionee acknowledges and agrees that the Company's execution of this Agreement and the grant of the Option to Optionee are conditioned upon Optionee executing the Restrictive Covenants Agreement.

9. Securities Law and Other Restrictions. Notwithstanding any other provision of the Plan or this Agreement, the Company shall not be required to issue, and Optionee may not sell, assign, transfer or otherwise dispose of, any Shares, unless (a) there is in effect with respect to the Shares a registration statement under the Securities Act and any applicable state or foreign securities laws or an exemption from such registration, and (b) there has been obtained any other consent, approval or permit from any other regulatory body that the Administrator, in its sole discretion, deems necessary or advisable. The Company may condition such issuance, sale or transfer upon the receipt of any representations or agreements from the parties involved, and the placement of any legends on certificates representing the Option, as may be deemed necessary or advisable by the Company in order to comply with such securities law or other restrictions.

10. Tax Withholding. The Company is entitled to (a) withhold and deduct from future fees or wages of Optionee (or from other amounts that may be due and owing to Optionee from the Company), or make other arrangements for the collection of, all legally required amounts necessary to satisfy any federal, state or local withholding and employment-related tax requirements attributable to the Option, including, without limitation, the grant or exercise of this Option or a disqualifying disposition of any Shares, or (b) require Optionee promptly to remit the amount of such withholding to the Company before acting on Optionee's notice of exercise of this Option. If the Company is unable to withhold such amounts, for whatever reason, Optionee agrees to pay to the Company an amount equal to the amount the Company would otherwise be required to withhold under federal, state or local law.

11. Adjustments. Subject to the terms and conditions set forth in the Plan, in the event of any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, divestiture or extraordinary dividend (including a spin-off), or any other change in the corporate structure or shares of the Company, the Administrator, in order to prevent dilution or enlargement of the rights of Optionee, shall make appropriate adjustment (which determination shall be conclusive) as to the number and kind of securities or other property (including cash) subject to, and the exercise price of, this Option.

12. Subject to Plan. The Option and the Shares granted and issued pursuant to this Agreement have been granted and issued under, and are subject to the terms of, the Plan. The terms of the Plan are incorporated by reference in this Agreement in their entirety, and Optionee, by execution of this Agreement, acknowledges having received a copy of the Plan. The provisions of this Agreement shall be interpreted as to be consistent with the Plan, and any ambiguities in this Agreement shall be interpreted by reference to the Plan. If any provisions of this Agreement are inconsistent with the terms of the Plan, the terms of the Plan shall prevail.

13. Shareholder Agreements. Upon the exercise of the Option, Optionee shall, at the request of the Company, execute and deliver such voting, co-sale and other agreements as the Company requests generally of holders of amounts of stock corresponding to that of such Optionee; and if Optionee fails to execute and deliver any such agreement, such Optionee shall nevertheless hold all stock subject to, and be bound by, such agreement.

14. Binding Effect. This Agreement shall be binding upon the heirs, executors, administrators and successors of the parties to this Agreement.

15. Governing Law. This Agreement and all rights and obligations under this Agreement shall be construed in accordance with the Plan and governed by the laws of the State of Delaware, without regard to conflicts of laws provisions.

16. Entire Agreement. This Agreement, the Restrictive Covenants Agreement the Plan set forth the entire agreement and understanding of the parties to this Agreement with respect to the grant and exercise of this Option and the administration of the Plan and supersede all prior agreements, arrangements, plans and understandings relating to the grant and exercise of this Option and the administration of the Plan.

17. Amendment and Waiver. Other than as provided in the Plan and subject to applicable law, this Agreement may be amended, waived, modified or canceled only by a written instrument executed by the parties to this Agreement or, in the case of a waiver, by the party waiving compliance. Notwithstanding the preceding, the Optionee agrees that the Administrator may amend the Plan or this Agreement, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or the Agreement to any present or future law relating to plans of this or similar nature (including, but not limited to, Section 409A of the Code), and to the administrative regulations and rulings promulgated thereunder.

18. Tax Consequences. Optionee acknowledges that Optionee may incur tax liability as a result of the purchase or disposition of the Shares and that if any Shares received upon exercise of the Option are sold within one year of exercise or two years of the Grant Date, the Option will not be treated as an incentive stock option for tax purposes under the Code. The Company shall not be liable in the event the Option is for any reason deemed not to be an incentive stock option. In addition, although the Option is intended to be exempt from Section 409A of the Code, the Company shall not be liable to the Optionee in the event the Option is considered to be subject to Section 409A, which may subject Optionee to additional taxes, interest, and possible penalties. Optionee should seek professional tax advice before exercising the Option or disposing of the Shares.

19. Electronic Delivery and Acceptance. The Company may deliver any documents related to this Agreement by electronic means and request Optionee's acceptance of this Agreement by electronic means. Optionee hereby consents to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line (and/or voice activated) system established and maintained by the Company or the Company's third-party stock plan administrator.

[Signature Page Follows]

The parties hereto have executed this Agreement effective as of the Grant Date.

VIREO HEALTH INTERNATIONAL, INC.

By: /s/ Kyle Kingsley
Kyle Kingsley

Its: Chief Executive Officer

By execution of this Agreement, Optionee acknowledges having received a copy of the Plan and agrees to all of the terms and conditions described in this Agreement and in the Plan.

OPTIONEE

[NAME]

Exhibit 10.7

VIREO HEALTH INTERNATIONAL, INC.
INCENTIVE STOCK OPTION AGREEMENT

I. NOTICE OF GRANT

Name of Optionee:	Kyle Kingsley
Number of Shares:	51,008 Super Voting Shares (the "Shares")
Date of Original Grant:	May 1, 2018
Date of Replacement Grant:	March 18, 2019
Exercise Price per Share:	$3.30
Expiration Date:	May 1, 2023 (five years after Date of Original Grant)

Exercise Schedule: Subject to Section 4 hereof and the terms of the Vireo Health International, Inc. 2019 Equity Incentive Plan (the **"*Plan*"**), 45,008 of the Shares covered by the Option are vested and immediately exercisable, an additional 1,500 of the Shares covered by the Option shall become exercisable and vest on March 31, 2019, and an additional 375 of the Shares covered by the Option shall become exercisable and vest on the last day of each subsequent calendar quarter, such that 100% of the Shares covered by the Option shall be exercisable and vested on June 30, 2022. In no case shall greater than 100% of the Shares covered by the Option vest.

This is an Incentive Stock Option Agreement (the **"*Agreement*"**), by and between Vireo Health International, Inc., a British Columbia corporation and successor to Vireo Health, Inc. (the **"*Company*"**), and the optionee identified above (**"*Optionee*"**), entered into and effective as of date of grant identified above (the **"*Grant Date*"**). Any capitalized term that is not defined in this Agreement shall have the meaning set forth in the Plan as it currently exists or as it is amended in the future.

The Option being granted under this Agreement is being issued in exchange for all options held by Optionee by virtue of one or more grants made to Optionee by a predecessor entity to the Company. All such options are listed on Schedule A to this Agreement and are extinguished by virtue of the grant of the Option.

II. BACKGROUND

1. The Company has adopted and maintains the Plan authorizing the Administrator to, among other things, grant Incentive Stock Options to certain Employees, Directors, Consultants and other persons providing services to the Company and its Subsidiaries.

2. The Administrator has determined that Optionee is eligible to receive an Award under the Plan in the form of an Option, as further described in this Agreement.

III. **AGREEMENT.** Subject to the Plan, the Company hereby grants the Option to Optionee under the terms and conditions as follows.

11. Grant of Option. The Company hereby grants to Optionee an Option to purchase the Shares specified above, according to the terms and subject to the conditions hereinafter set forth and as set forth in the Plan. The Option is intended to be an "incentive stock option" as that term is defined in Section 422 of the Code and is subject to the $100,000 limitation described in Section 6(c) of the Plan, including the provisions of that Section 6(c) that treat any portion of the Option that exceeds such limitation, or does not otherwise qualify as an incentive stock option, as a Nonstatutory Stock Option that is not an incentive stock option but otherwise exercisable on, and subject to, the same terms as the Option.

12. Exercise Price per Share. The Exercise Price per Share shall not be less than the Fair Market Value per Share as of the Grant Date, or if Optionee owns stock representing greater than 10% of the voting power of the Company or any Parent or Subsidiary (a **"*10% Owner*"**), 110% of the Fair Market Value per Share as of the Grant Date, as may be further adjusted pursuant to the Plan.

3. Expiration. The Option shall expire at 5:00 p.m. Central Time on the earliest of (i) the Expiration Date (which date may be no later than ten years after the Grant Date, or, for a 10% Owner, five years after the Grant Date), (ii) upon the expiration of any termination set forth in Section 6(f) of the Plan, or (iv) pursuant to Section 13(a) or (c) of the Plan; provided, that unless otherwise provided by the Administrator, if on the date of termination Optionee is not vested as to the entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan.

4. Vesting and Exercise.

4.1 Vesting Schedule. The Option will vest and become exercisable as to the number of Shares and on the dates specified in the Notice of Grant above, but only if Optionee is employed by the Company on such dates. The exercise schedule will be cumulative, meaning that to the extent the Option has not been exercised and has not expired, terminated, or been cancelled, the Option may be exercised to purchase all or any portion of the Shares available under the exercise schedule.

4.2 Change in Control. If a Change in Control occurs, effective upon such Change in Control, the Option shall be treated as determined by the Administrator under Section 13(c) of the Plan.

4.3 Termination of Relationship as a Service Provider. If Optionee ceases to be a Service Provider, other than upon Optionee's termination as the result of Optionee's Disability or death, the Option shall be treated as set forth under Section 6(f)(ii) of the Plan.

4.4 Disability or Death of Optionee. If Optionee ceases to be a Service Provider as a result of Optionee's death or Disability, the Option shall be treated as set forth under Section 6(f)(iii) or (iv) of the Plan, respectively.

5. Manner of Option Exercise.

5.1 Notice. This Option may be exercised by Optionee in whole or in part from time to time, subject to the conditions contained in the Plan and in this Agreement, by delivery, in person, by electronic transmission, or through the mail, to the Company at its principal executive office in Minneapolis, Minnesota (Attention: Chief Financial Officer), of a written notice of exercise. Such notice must be in a form satisfactory to the Administrator, must identify the Option, must specify the number of Shares with respect to which the Option is being exercised, and must be signed by the person so exercising the Option. Such notice must be accompanied by payment in full of the total exercise price of the Shares purchased based on the Exercise Price per Share. In the event that the Option is being exercised, as provided by the Plan and Section 6 below, by any person or persons other than Optionee, the notice must be accompanied by appropriate proof of right of such person or persons to exercise the Option.

5.2 Payment. At the time of exercise of this Option, Optionee shall pay the total exercise price of the Shares to be purchased entirely in cash (including a check, bank draft or money order, payable to the order of the Company); provided, however, that the Administrator, in its sole discretion and to the extent permitted by law, may allow such payment to be made, in whole or in part, through a cashless exercise in which Optionee simultaneously exercises the Option and sells all or a portion of the Shares thereby acquired; by delivery to the Company of unencumbered Shares having an aggregate Fair Market Value on the date of exercise equal to the exercise price of such Shares; or by authorizing the Company to retain, from the total number of Shares as to which the Option is exercised, that number of Shares having a Fair Market Value on the date of exercise equal to the exercise price for the total number of Shares as to which the Option is exercised.

5.3 Delivery of Certificates. As soon as practicable after the effective exercise of the Option, Optionee shall be recorded on the stock transfer books of the Company as the owner of the Shares purchased, and the Company shall deliver to Optionee one or more duly issued stock certificates evidencing such ownership, electronic delivery of such Shares to a brokerage account designated by such person, or book-entry registration of such Shares with the Company's transfer agent. Notwithstanding anything to the contrary in this Agreement, no certificate, electronic delivery or book-entry registration representing the Shares distributable under the Plan shall be issued and delivered unless the issuance thereof complies with all applicable legal requirements including, without limitation, compliance with the provisions of applicable state securities laws, the Securities Act and the Exchange Act. All Shares so issued shall be fully paid and nonassessable.

6. Transferability. During the lifetime of Optionee, only Optionee or his/her guardian or legal representative may exercise the Option. The Option may not be assigned or transferred by Optionee otherwise than by will or the laws of descent and distribution. The Option held by any such transferee will continue to be subject to the same terms and conditions that were applicable to the Option immediately prior to its transfer and may be exercised by such transferee as and to the extent that the Option has become exercisable and has not terminated in accordance with the provisions of the Plan and this Agreement.

7. No Shareholder Rights. Neither Optionee nor any permitted transferee of this Option will have any of the rights of a stockholder of the Company with respect to any Shares subject to this Option until a certificate evidencing such Shares has been issued, electronic delivery of such Shares has been made to Optionee's designated brokerage account, or an appropriate book entry in the Company's stock register has been made. No adjustments shall be made for dividends or other rights if the applicable record date occurs before a stock certificate has been issued, electronic delivery of the Shares has been made to Optionee's designated brokerage account, or an appropriate book entry in the Company's stock register has been made, except as otherwise described in the Plan.

8. Restrictive Covenants Agreement. As an inducement to the Company to enter into this Agreement and grant the Option to Optionee, Optionee has executed or shall duly execute a Confidential Information, Intellectual Property Rights, Non-Competition and Non-Solicitation Agreement (the ***"Restrictive Covenants Agreement"),*** in a form approved by the Company. Optionee acknowledges and agrees that the Company's execution of this Agreement and the grant of the Option to Optionee are conditioned upon Optionee executing the Restrictive Covenants Agreement.

9. Securities Law and Other Restrictions. Notwithstanding any other provision of the Plan or this Agreement, the Company shall not be required to issue, and Optionee may not sell, assign, transfer or otherwise dispose of, any Shares, unless (a) there is in effect with respect to the Shares a registration statement under the Securities Act and any applicable state or foreign securities laws or an exemption from such registration, and (b) there has been obtained any other consent, approval or permit from any other regulatory body that the Administrator, in its sole discretion, deems necessary or advisable. The Company may condition such issuance, sale or transfer upon the receipt of any representations or agreements from the parties involved, and the placement of any legends on certificates representing the Option, as may be deemed necessary or advisable by the Company in order to comply with such securities law or other restrictions.

10. Tax Withholding. The Company is entitled to (a) withhold and deduct from future fees or wages of Optionee (or from other amounts that may be due and owing to Optionee from the Company), or make other arrangements for the collection of, all legally required amounts necessary to satisfy any federal, state or local withholding and employment-related tax requirements attributable to the Option, including, without limitation, the grant or exercise of this Option or a disqualifying disposition of any Shares, or (b) require Optionee promptly to remit the amount of such withholding to the Company before acting on Optionee's notice of exercise of this Option. If the Company is unable to withhold such amounts, for whatever reason, Optionee agrees to pay to the Company an amount equal to the amount the Company would otherwise be required to withhold under federal, state or local law.

11. Adjustments. Subject to the terms and conditions set forth in the Plan, in the event of any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, divestiture or extraordinary dividend (including a spin-off), or any other change in the corporate structure or shares of the Company, the Administrator, in order to prevent dilution or enlargement of the rights of Optionee, shall make appropriate adjustment (which determination shall be conclusive) as to the number and kind of securities or other property (including cash) subject to, and the exercise price of, this Option.

12. Subject to Plan. The Option and the Shares granted and issued pursuant to this Agreement have been granted and issued under, and are subject to the terms of, the Plan. The terms of the Plan are incorporated by reference in this Agreement in their entirety, and Optionee, by execution of this Agreement, acknowledges having received a copy of the Plan. The provisions of this Agreement shall be interpreted as to be consistent with the Plan, and any ambiguities in this Agreement shall be interpreted by reference to the Plan. If any provisions of this Agreement are inconsistent with the terms of the Plan, the terms of the Plan shall prevail.

13. Shareholder Agreements. Upon the exercise of the Option, Optionee shall, at the request of the Company, execute and deliver such voting, co-sale and other agreements as the Company requests generally of holders of amounts of stock corresponding to that of such Optionee; and if Optionee fails to execute and deliver any such agreement, such Optionee shall nevertheless hold all stock subject to, and be bound by, such agreement.

14. Binding Effect. This Agreement shall be binding upon the heirs, executors, administrators and successors of the parties to this Agreement.

15. Governing Law. This Agreement and all rights and obligations under this Agreement shall be construed in accordance with the Plan and governed by the laws of the State of Delaware, without regard to conflicts of laws provisions.

16. Entire Agreement. This Agreement, the Restrictive Covenants Agreement the Plan set forth the entire agreement and understanding of the parties to this Agreement with respect to the grant and exercise of this Option and the administration of the Plan and supersede all prior agreements, arrangements, plans and understandings relating to the grant and exercise of this Option and the administration of the Plan.

17. Amendment and Waiver. Other than as provided in the Plan and subject to applicable law, this Agreement may be amended, waived, modified or canceled only by a written instrument executed by the parties to this Agreement or, in the case of a waiver, by the party waiving compliance. Notwithstanding the preceding, the Optionee agrees that the Administrator may amend the Plan or this Agreement, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or the Agreement to any present or future law relating to plans of this or similar nature (including, but not limited to, Section 409A of the Code), and to the administrative regulations and rulings promulgated thereunder.

18. Tax Consequences. Optionee acknowledges that Optionee may incur tax liability as a result of the purchase or disposition of the Shares and that if any Shares received upon exercise of the Option are sold within one year of exercise or two years of the Grant Date, the Option will not be treated as an incentive stock option for tax purposes under the Code. The Company shall not be liable in the event the Option is for any reason deemed not to be an incentive stock option. In addition, although the Option is intended to be exempt from Section 409A of the Code, the Company shall not be liable to the Optionee in the event the Option is considered to be subject to Section 409A, which may subject Optionee to additional taxes, interest, and possible penalties. Optionee should seek professional tax advice before exercising the Option or disposing of the Shares.

19. Electronic Delivery and Acceptance. The Company may deliver any documents related to this Agreement by electronic means and request Optionee's acceptance of this Agreement by electronic means. Optionee hereby consents to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line (and/or voice activated) system established and maintained by the Company or the Company's third-party stock plan administrator.

[Signature Page Follows]

The parties hereto have executed this Agreement effective as of the Grant Date.

VIREO HEALTH INTERNATIONAL, INC.

By: /s/ Amber Shimpa
Amber Shimpa

Its: Chief Financial Officer

By execution of this Agreement, Optionee acknowledges having received a copy of the Plan and agrees to all of the terms and conditions described in this Agreement and in the Plan

OPTIONEE

/s/ Kyle Kingsley
Kyle Kingsley

SCHEDULE A
PRE-EXISTING OPTIONS

Original Number of Shares: 150,000
Price Per Share: $10.00
Original Grant Date: May 1, 2018

Original Number of Shares: 20,000
Price Per Share: $10.00
Original Grant Date: May 1, 2018

Exhibit 10.8

Execution version

AMENDED & RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

This Amended & Restated Executive Employment Agreement is made as of 9th day of March, 2020, between

VIREO HEALTH INTERNATIONAL, INC.
(the "**Company**")

and

BRUCE LINTON
(the "**Executive**")

RECITALS

A. The Company and the Executive have an employment relationship pursuant to an employment agreement between the Company and the Executive dated November 6, 2019 (the "**Original Employment Agreement**");

B. The Company and the Executive and wish to amend the terms of the Original Employment Agreement for their mutual benefit;

C. The Company and the Executive wish to enter into this Agreement respecting the Executive's terms and conditions of employment, including the agreement of the Executive to be bound by the restrictive covenants set out in Article 7 hereof;

NOW THEREFORE, in consideration of the mutual covenants and promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Company and the Executive, the parties hereby covenant and agree as follows:

ARTICLE 1 – INTERPRETATION

Section 1.1 Definitions.

In this Agreement:

(1) "**Affiliate**" of a person means any person that directly or indirectly controls, is controlled by, or is under common control with, that person;

(2) "**Agreement**" means this agreement, including any schedules hereto, as amended, supplemented, or modified in writing from time to time;

(3) "**Board**" means the Company's board of directors;

(4) "**Business**" means the business of growing, processing and dispensing medical marijuana in multiple U.S. states outside of the State of Michigan;

(5) "**Change of Control**" means any of the following:

(a) any transaction at any time and by whatever means pursuant to which any person or any group of two or more persons acting jointly or in concert (other than the Company or any wholly owned subsidiary of the Company) thereafter acquires the direct or indirect "beneficial ownership" (as defined in the *Business Corporations Act* (British Columbia)) of, or acquires the right to exercise control or direction over, securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company in any manner whatsoever, including, without limitation, as a result of a Take-Over Bid, an issuance or exchange of securities, an amalgamation of the Company with any other person, an arrangement, a capital reorganization or any other business combination or reorganization;

(b) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a person or any group of two or more persons acting jointly or in concert (other than a wholly-owned subsidiary of the Company);

(c) the date which is 10 business days prior to the consummation of a complete dissolution or liquidation of the Company, except in connection with the distribution of assets of the Company to one or more persons which were wholly- owned subsidiaries of the Company prior to such event;

(d) the occurrence of a transaction requiring approval of the Company's security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any person or any group of two or more persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company);

(e) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred; or

(f) a majority of the members of the Board are replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the Board before the date of appointment or election;

(6) "**Company Works**" means any works of authorship, inventions, intellectual property, materials, documents or other work product that the Executive creates, invents, designs, develops, contributes to or improves, either alone or jointly with others, at any time during Executive's employment by the Company and within the scope of such employment and/or with the use of the Confidential Information or other resources of the Company and/or its Affiliates.

(7) "**Confidential Information**" means information disclosed or readily accessible to the Executive or acquired by the Executive as a result of the Executive's employment with the Company and which is not in the public domain or otherwise required to be publicly disclosed by applicable law and includes, but is not limited to, information relating to the Company's or any of its Affiliates' current, future or proposed products/services or development of new or improved products/services, marketing strategies, sales or business plans, the names and information about the Company's past, present and prospective customers and clients, technical data, records, reports, presentation materials, interpretations, forecasts, test results, formulae, projects, research data, personnel data, compensation arrangements, budgets, financial statements, and any information received by the Company from third parties pursuant to an obligation of confidentiality;

(8) "**Date of Termination**" means the Executive's last active day of employment with the Company without regard to any notice of termination or pay in lieu thereof, deemed or notional notice period, or period during which the Executive receives pay in lieu of notice, termination pay, severance payments, or salary continuance, whether pursuant to statute, this Agreement, common law or otherwise;

(9) "**Triggering Transaction**" means: (a) a Change of Control or (b) a debt, equity or hybrid financing transaction, regardless of whether secured or unsecured, whether publicly or privately sourced, and whether the proceeds are paid to the Company or any subsidiary of the Company for aggregate gross proceeds of at least $8 million. A Triggering Transaction can be comprised of a single transaction or multiple, related transactions.

(10) "**Just Cause**" means any one or more of the following committed by the Executive: willful misconduct in the performance of the Executive's duties or other intentional and material violation of the Company's policies and procedures; breach of any fiduciary duty the Executive owes to the Company; conviction of the Executive of any criminal offence involving an act of dishonesty, deceit or fraud, or the commission of acts that could reasonably be expected to result in such a conviction; any neglect of duty, wilful failure to perform the essential duties of the Executive's position in a reasonably satisfactory manner (other than any such neglect or failure resulting from disability), or other material breach of any material provision of this Agreement by the Executive which is not cured after 30 days' written notice by the Company to the Executive; or any other act or omission that amounts to just cause for summary dismissal at common law;

(11) "**Take-Over Bid**" means a take-over bid as defined in National Instrument 62-104 – *Take- Over Bids and Issuer Bids*;

(12) "**Territory**" means the United States of America; and

(13) "**Total Disability**" means any physical or mental incapacity, disease or affliction of the Executive (as determined by a legally qualified medical practitioner) which has prevented or which will prevent the Executive from performing the essential duties of the Executive's position (taking into account accommodation by the Company in accordance with applicable human rights legislation) for a continuous period of six (6) months or any cumulative period of 180 days in any 12 consecutive month period.

ARTICLE 2 – TERM

This Agreement, and the Executive's employment with the Company hereunder, shall commence effective November 7, 2019 (the "**Effective Date**") and will continue until the three (3) year anniversary of the Effective Date (the "**End Date**"), unless terminated earlier in accordance with Article 6 of this Agreement.

ARTICLE 3 – EMPLOYMENT AND POSITION

Section 3.1 Position.

Subject to the terms and conditions set out in this Agreement, the Company hereby agrees to employ the Executive, and the Executive hereby agrees to serve the Company, in the position of Executive Chairman.

Section 3.2 Travel.

The Executive acknowledges that the duties of the Executive's position may require some travel within and outside Canada.

Section 3.3 Representations and Warranties of Executive.

The Executive represents and warrants to the Company that the execution and performance of this Agreement will not result in or constitute a default, breach, or violation, or an event that, with notice or lapse of time or both, would be a default, breach, or violation, of any understanding, agreement or commitment, written or oral, express or implied, to which the Executive is a party, provided that during the period commencing as of the date hereof and ending on the earlier of (i) July 3, 2021; and (ii) the termination of this Agreement in accordance with its terms, neither the Company nor any of its Affiliates, alone or in partnership or association with any other person, corporation, partnership, business, or entity, shall be engaged in the growing, extraction, and sales of cannabis and cannabis related products within Canada.

Section 3.4 Representations and Warranties of the Company.

The Company represents and warrants to the Executive that neither the Company nor any of its Affiliates, alone or in partnership or association with any other person, corporation, partnership, business, or entity, is engaged in the growing, extraction, and sales of cannabis and cannabis related products within Canada.

Section 3.5 Company's Covenant.

The Company covenants and agrees that during the period commencing as of the date hereof and ending on the earlier of (i) July 3, 2021; and (ii) the termination of this Agreement in accordance with its terms, neither the Company nor any of its Affiliates, alone or in partnership or association with any other person, corporation, partnership, business, or entity, shall be engaged in the growing, extraction, and sales of cannabis and cannabis related products within Canada.

ARTICLE 4 – DUTIES

Section 4.1 Not Full-Time Employment; Outside Activities.

The Executive's position with the Company does not constitute the Executive's full-time employment. Throughout the duration of the Executive's employment, the Executive shall devote reasonable time and attention to the business and affairs of the Company, acting in the best interests of the Company. Notwithstanding the foregoing, the parties mutually agree that the Executive shall be permitted to engage in other directorship, consulting or other business activity (collectively, the "**Outside Activities**"), subject to compliance with applicable law and so long as such activities do not interfere with the Executive's ability to fulfill his obligations to the Company under this Agreement or place the Executive into any conflict of interest in respect of his duties hereunder. In the event of an actual or potential conflict of interest vis-à-vis the Outside Activities and the Executive's duties hereunder (a "**Conflict of Interest**"), the Executive shall immediately upon becoming aware of such Conflict of Interest recuse himself from all discussions, decisions and actions taken by or on behalf of the Company, on one hand, and the Outside Activities, on the other hand, which relate to the Conflict of Interest. For greater certainty, a Conflict of Interest includes any situation, whether actual or perceived, where the Executive's ability to fulfill his obligations to the Company under this Agreement (including without limitation his fiduciary duty to act honestly, in good faith and with a view to the best interests of the Company) could reasonably be expected to be compromised.

Section 4.2 Duties; Reporting.

The Executive shall report to and be subject to the direction of the Board. The Executive's role will initially consist primarily of leading the Company's strategic and capital markets activities, and shall include but not be limited to the following:

(a) The Executive shall use reasonable efforts to mention the Company favorably to reputable, broadly distributed media;

(b) The Executive shall use reasonable efforts to attend conferences, analyst/investor calls and earnings calls as reasonably requested by the Company;

(c) The Executive shall use reasonable efforts to assist in all of the Company's capital raises and other financing activities; and

(d) The Executive shall use reasonable efforts to facilitate the Company entering into beneficial relationships with domestic and international investors, lenders, customers, suppliers, joint venture partners, co-marketing partners and co- branding partners.

The Executive shall have other duties and responsibilities consistent with the Executive's position as may reasonably be assigned to the Executive by the Board from time to time. The Executive shall comply with all applicable laws in the performance of the Executive's duties. For greater clarity, the Executive shall not be obligated to carry on any of the activities set out in this Section 4.2 if such activities would violate applicable laws, "quiet period" policies or any other governance policies of the Company that are applicable to the Executive. Except for the Executive's duties as a member of the Board, the Executive's duties and responsibilities shall be undertaken at the Executive's reasonable discretion during the period commencing on December 15 and ending on January 15 (the "**Holiday Period**") of any particular year during the term of this Agreement, provided that if the Company is actively engaged in capital raising, other financing activity or M&A activity during the Holiday Period, the Executive shall use all reasonable efforts to assist the Company in such capital raising, other financing activity or M&A activity.

ARTICLE 5 – COMPENSATION AND BENEFITS

Section 5.1 Base Salary.

The Executive's base salary shall be US$250,000 per year (the "**Base Salary**"). During the period commencing on the Effective Date and ending on the date of closing a Triggering Transaction (the "**Salary Trigger Date**"), the Company shall pay the Executive only that portion of the Executive's Base Salary that is equal to the minimum wage rate required by the *Employment Standards Act*, *2000*, as amended (the "**Act**"). On the Salary Trigger Date, all accrued, unpaid Base Salary due to the Executive shall promptly, and in no event later than 5 business days following closing of such Triggering Transaction, be paid to the Executive and for each successive year that the Executive is employed with the Company following the Salary Trigger Date, the Executive shall be paid the full amount of the Base Salary. All payments to the Executive of Base Salary shall be made less applicable deductions and withholdings, in accordance with the Company's standard payroll practices and prorated in any year where the Executive is not actively employed with the Company for the full calendar year. The Company has the sole discretion to increase the Executive's Base Salary annually or on some other basis, based on personal and corporate achievements and the overall financial performance of the Company.

Section 5.2 [Intentionally deleted.]

[Intentionally deleted.]

Section 5.3 Incentive Warrants.

The Company approved the grant to the Executive of an aggregate of 15,000,000 non- transferrable share purchase warrants (the "**Incentive Warrants**") on November 6, 2019, with each Incentive Warrant entitling the Executive to acquire one subordinate voting share of the Company (a "**Share**") at the following exercise prices:

(a) 10,000,000 Incentive Warrants at an exercise price of US$1.02 per Share (the "**First Tranche Incentive Warrants**");

(b) 2,500,000 Incentive Warrants at an exercise price of US$3.81 per Share (the "**Second Tranche Incentive Warrants**"); and

(c) 2,500,000 Incentive Warrants at an exercise price of US$5.86 per Share (the "**Third Tranche Incentive Warrants**").

The Incentive Warrants have a term expiring on November 6, 2024 (the "**Incentive Warrant Expiry Date**") and vest as follows: (i) 5,000,000 First Tranche Incentive Warrants, 1,250,000 Second Tranche Incentive Warrants and 1,250,000 Third Tranche Incentive Warrants vest on November 6, 2020; and (ii) 5,000,000 First Tranche Incentive Warrants, 1,250,000 Second Tranche Incentive Warrants and 1,250,000 Third Tranche Incentive Warrants vest on November 6, 2021, subject to the provisions of this Section 5.3.

During the term of the Incentive Warrants, should the Executive's employment be terminated pursuant to Section 6.1(3) or Section 6.1(5) (i) any Incentive Warrants which have then vested and which have not been duly and properly exercised prior to such time will have their term and the Incentive Warrant Expiry Date accelerated to the date that is one year from the Date of Termination (the "**Accelerated Expiry Date**") and such vested Incentive Warrants will remain exercisable until the Accelerated Expiry Date and any Incentive Warrants not so exercised by the Accelerated Expiry Date will cease to be exercisable and will expire and become null and void and (ii) any Incentive Warrants which have not then vested will immediately cease to be exercisable and will expire and become null and void as of the Date of Termination.

During the term of the Incentive Warrants, should the Executive cease to be an employee of the Company for any reason, other than as a result of a termination pursuant to Section 6.1(3) or Section 6.1(5), the Incentive Warrants which have not then vested will immediately prior to the Date of Termination be deemed to become vested and such Incentive Warrants will remain exercisable until the Accelerated Expiry Date.

In the event of a Change of Control during the term of the Incentive Warrants, the Incentive Warrants which have not then vested will immediately prior to the Change of Control be deemed to become vested and such Incentive Warrants will remain exercisable until the Incentive Warrant Expiry Date.

Section 5.4 Exemption from Prospectus Requirements.

On or prior to the issuance of the Incentive Warrants, the Executive executed and delivered a Form 45-106F12 – *Risk Acknowledgement Form for Family, Friends and Business Associates* in the form attached as Schedule D.

The Executive hereby represents, warrants to, and covenants with, the Company (which representations, warranties and covenants will survive the issuance of the Incentive Warrants) as follows:

a) no prospectus has been filed by the Company with any securities commission or similar authority, in connection with the issuance of the Incentive Warrants, and the issuance of the Incentive Warrants is subject to such issue being exempt from the prospectus/registration requirements under applicable securities laws and accordingly:

    i. the Executive is restricted from using certain of the civil remedies available under such legislation;

    ii. the Executive may not receive information that might otherwise be required to be provided to it under such legislation; and

    iii. the Company is relieved from certain obligations that would otherwise apply under such legislation;

b) the Executive has been advised to consult its own legal advisors with respect to the merits and risks of an investment in the Incentive Warrants and with respect to applicable resale restrictions and the Executive is solely responsible (and the Company is in no way responsible) for compliance with applicable resale restrictions;

c) to the knowledge of the Executive, the issue of the Incentive Warrants was not accompanied by any advertisement;

d) the Executive acknowledges and consents to the collection and retention by the Company of certain information, including personal information, regarding the Executive and the issuance of the Incentive Warrants. The Executive acknowledges and agrees that this information will be retained on the warrant register of the Company which may be available for inspection by the public. The Executive further consents and agrees to the release of this information to the securities regulatory authorities and any securities exchange the Company may become listed on, as required by law, and regulatory and exchange policies;

e) the Executive is sophisticated in financial investments, has had access to and has received all such information concerning the Company that the Executive has considered necessary in connection with the issuance of the Incentive Warrants;

f) no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities made any recommendation or endorsement with respect to, the Incentive Warrants;

g) the Executive acknowledges that the Company may complete additional financings in the future which may have a dilutive effect on existing shareholders at such time, including the Executive;

h) to the knowledge of the Executive, no commission or finder's fee was paid to any director, officer, founder, or control person of an issuer or an affiliate of the Company in connection with the issue of the Incentive Warrants; and

i) the Company will rely on the representations and warranties made herein or otherwise provided by the Executive to the Company in completing the issue of the Incentive Warrants to the Executive.

The Company hereby represents, warrants to, and covenants with, the Executive (which representations, warranties and covenants will survive the issuance of the Incentive Warrants) as follows:

a) the Company has the power and authority to create, issue and deliver the Incentive Warrants;

b) the Shares will, at the time of exercise of the Incentive Warrants, be duly allotted, validly issued, fully paid and non-assessable and will be free of all liens, charges and encumbrances and the Company will reserve sufficient shares in the treasury of the Company to enable it to issue the Shares;

c) the Company has complied, or will comply, with all applicable securities laws in connection with the issuance of the Incentive Warrants;

d) the Company has complied and will comply fully with the requirements of all applicable corporate and securities laws and administrative policies and directions, in relation to the issuance of the Incentive Warrants and the trading of its securities;

e) the issue and sale of the Incentive Warrants by the Company does not and will not conflict with, and do not and will not result in a breach of, or constitute a default under (A) any law, statute, rule or regulation applicable to the Company including, without limitation, the applicable securities laws; (B) the constating documents, articles or resolutions of the Company which are in effect at the date hereof; (C) any agreement, debt instrument, mortgage, note, indenture, instrument, lease or other document to which the Company is a party or by which it is bound; or (D) any judgment, decree or order binding the Company or the property or assets of the Company; and

j) the Company shall not take any action which would be reasonably expected to result in the delisting or suspension of the Shares on or from the Canadian Securities Exchange or on or from any stock exchange, market or trading or quotation facility on which its common shares are listed or quoted and the Company shall comply, in all material respects, with the rules and regulations thereof.

Section 5.5 Loan.

Provided that (i) the Company receives binding commitments from subscribers for a Triggering Transaction on or before March 7, 2020, which Triggering Transaction is thereafter completed on or before March 9, 2020; and (ii) in connection with the Triggering Transaction, the Executive subscribes, directly or indirectly, for equity securities of the Company in an amount no less than $1,000,000 and delivers the full amount due under the subscription agreement on or before March 9, 2020, the Company shall advance to the Executive, in one or more tranches, an amount equal to US$10,200,000 by way of a loan (the "**Loan**") pursuant to the terms of the promissory note (the "**Note**") attached hereto as Schedule B. The Company shall make the Loan effective as of March 9, 2020, provided that (i) the Company receives binding commitments from subscribers for a Triggering Transaction on or before March 7, 2020, which Triggering Transaction is thereafter completed on or before March 9, 2020; and (ii) in connection with the Triggering Transaction, the Executive subscribes, directly or indirectly, for equity securities of the Company in an amount no less than $1,000,000 and delivers the full amount due under the subscription agreement on or before March 9, 2020. The Executive agrees to draw down on the Loan, in whole or in part, solely to exercise the First Tranche Incentive Warrants that at the time of exercise are beneficially owned by the Executive.

Section 5.6 Insider Lock-Up Agreements.

On or prior to the Effective Date, the Company obtained a lock-up agreement, in a form acceptable to the Executive, acting reasonably, from each of the directors and officers of the Company and its Affiliates (collectively, the "**Insiders**") whereby the Insiders agree not to sell, transfer, pledge or otherwise dispose of any Shares of the Company or securities exchangeable or convertible into Shares of the Company until November 6, 2020.

Section 5.7 Service Bonus.

Provided that (i) the Company receives binding commitments from subscribers for a Triggering Transaction on or before March 7, 2020, which Triggering Transaction is thereafter completed on or before March 9, 2020; and (ii) the Executive subscribes, directly or indirectly, for equity securities of the Company in an amount no less than $1,000,000 in connection with the Triggering Transaction and delivers the full amount due under the subscription agreement on or before March 9, 2020, the Executive shall be eligible to receive one or more bonuses (each a "**Service Bonus**") for services performed on behalf of the Company during the term of this Agreement which, in the aggregate, shall be equal to the total amount of Eligible Draw Downs made by the Executive. Each Service Bonus shall be earned by and payable to the Executive on the one-year anniversary of the date that the Executive makes an Eligible Draw Down.

For the purposes of this Section 5.7, an "Eligible Draw Down" means a draw down on the Loan by the Executive in order to exercise First Tranche Incentive Warrants on a date when the Company's market capitalization, calculated on an as-converted subordinate voting share basis based on the volume weighted average trading price of the subordinate voting shares during the 20-day period immediately preceding the date of exercise of such Incentive Warrants, equals or exceeds $275,831,882.50 (being two times the Company's market capitalization, calculated on an as-converted subordinate voting share basis based on the closing price of the subordinate voting shares on the close of trading on February 14, 2020).

Notwithstanding the immediately preceding paragraph, upon the occurrence of a Change of Control, an Eligible Draw Down shall mean any draw down on the Loan by the Executive in order to exercise Incentive Warrants irrespective of the Company's market capitalization on the date of such draw down.

For illustrative purposes, if the Executive makes an Eligible Draw Down in the amount of $100,000 on July 1, 2020, he shall be entitled to receive a Service Bonus of $100,000, less applicable deductions and withholdings, on July 1, 2021. In the event that the Executive does not make any Eligible Draw Downs, the Executive shall not be entitled to receive a Service Bonus.

Section 5.8 Benefits.

The Executive shall be eligible to participate in the Company's group insured benefit plan, subject to the terms and conditions of such plan and applicable policies, as may be amended from time to time without advance notice. The Company reserves the right to change its benefit plan or carrier in its sole and absolute discretion.

Section 5.9 Vacation.

The Executive shall be entitled to four (4) weeks of vacation per calendar year, such vacation to extend for such periods and to be taken at such intervals as shall be appropriate and consistent with the proper performance of the Executive's duties and as agreed upon between the Executive and the Company. Vacation must be used every year and cannot be carried-forward or paid out at year end (except as required in order to comply with applicable employment standards legislation).

Section 5.10 Reimbursement of Expenses.

The Executive will be eligible for reimbursement of reasonable and necessary business and travel expenses actually incurred by the Executive directly in connection with the business affairs of the Company and the performance of the Executive's duties hereunder, upon presentation of proper receipts or other proof of expenditure acceptable to the Company, in accordance with the Company's expense reimbursement policy. The Executive shall comply with such reasonable limitations and reporting requirements with respect to such expenses as the Company may establish from time to time.

Section 5.11 No Other Benefits.

The Executive is not entitled to any other payment, benefit, perquisite, allowance or entitlement other than as specifically set out in this Agreement, or as mandated by applicable laws, or as otherwise approved in writing and signed by the Company and the Executive.

ARTICLE 6 – TERMINATION OF EMPLOYMENT

Section 6.1 Termination.

The Executive's employment will automatically terminate on the End Date without any further obligation from the Company to the Executive, whether on account of notice of termination, payment in lieu of notice of termination, severance or termination pay, benefits or any damages whatsoever, except as may be required by the Act; provided, however, that the Executive's employment may be terminated earlier as follows:

(1) **Death**. This Agreement and the Executive's employment shall automatically terminate upon the death of the Executive.

(2) **Total Disability**. The Company may terminate this Agreement and the Executive's employment at any time as a result of Total Disability in accordance with Section 6.4.

(3) **Just Cause**. The Company may terminate this Agreement and the Executive's employment at any time for Just Cause in accordance with Section 6.3.

(4) **Without Just Cause**. The Company may terminate this Agreement and the Executive's employment at any time without Just Cause, for any reason or no reason whatsoever, by providing written notice to the Executive specifying the effective Date of Termination (which may be forthwith). In such event, the Company shall provide, and the Executive shall be entitled to receive the notice, payments, benefits and/or entitlements set out in Section 6.5 below.

(5) **Resignation**. The Executive may terminate this Agreement and the Executive's employment at any time by providing three (3) months' advance written notice to the Company. The Company may elect to waive all or part of such notice, to the extent permitted by applicable employment standards legislation.

(6) **Material Breach**. The Executive may terminate this Agreement and the Executive's employment hereunder upon a material breach by the Company of a fundamental term or condition of this Agreement ("**Material Breach**") if, upon, giving 30 days' written notice to the Company of the Material Breach, the Company does not rectify the Material Breach within 30 days of receiving notice from the Executive. If the Company does not rectify the Material Breach within the 30-day period, the Company shall provide, and the Executive shall be entitled to receive the notice, payments, benefits and/or entitlements set out in Section 6.5 below.

Section 6.2 Termination by Reason of Death or Resignation.

If this Agreement and the Executive's employment is terminated pursuant to Sections 6.1(1) or 6.1(5) above, then the Company shall pay to the Executive (or, in the case of the Executive's death, to the Executive's estate) an amount equal to the base salary, vacation pay and any other accrued unpaid compensation fully earned by and payable to the Executive up to the Date of Termination, and the Executive shall have no entitlement to any further notice of termination, payment in lieu of notice of termination, severance or termination pay, benefits or any damages whatsoever. Participation in all equity or profit participation plans (if any) terminates immediately upon the Date of Termination and the Executive shall not be entitled to any additional bonus or incentive award, *pro rata* or otherwise.

Section 6.3 Termination by Reason of Just Cause.

If this Agreement and the Executive's employment is terminated pursuant to Section 6.1(3) above, then the Company shall pay to the Executive an amount equal to the base salary, vacation pay and any other accrued unpaid compensation fully earned by and payable to the Executive up to the Date of Termination, and the Executive shall have no entitlement to any further notice of termination, payment in lieu of notice of termination, severance or termination pay, benefits or any damages whatsoever, except as may be required by the Act. Participation in all equity or profit participation plans (if any) terminates immediately upon the Date of Termination and the Executive shall not be entitled to any additional bonus or incentive award, *pro rata* or otherwise, except as required by the Act.

Section 6.4 Termination by Reason of Total Disability.

If this Agreement and the Executive's employment is terminated pursuant to Section 6.1(2) above, then the Company shall pay to the Executive an amount equal to the base salary, vacation pay and any other accrued unpaid compensation earned by and payable to the Executive up to the Date of Termination, and the Company shall provide to the Executive only the minimum payment in lieu of notice of termination, severance pay, benefits and other entitlements required by the Act (if any).

Section 6.5 Termination Without Just Cause or for Material Breach.

If this Agreement and the Executive's employment is terminated by the Company without Just Cause pursuant to Section 6.1(4) above or by the Executive for Material Breach pursuant to Section 6.1(6), then the following provisions shall apply:

(1) The Company shall pay to the Executive an amount equal to the base salary, vacation pay and any other accrued unpaid compensation fully earned by and payable to the Executive up to the Date of Termination.

(2) The Company shall provide to the Executive the greatest of:

(a) the minimum notice of termination, or payment in lieu of notice of termination, severance pay, benefits continuation and other minimum entitlements required by the Act; or

(b) notice of termination, or base salary and benefits continuation in lieu thereof, equivalent to twelve months (provided however that if any benefit cannot be continued, due to carrier restrictions, the Company will provide the Executive with a sum equal to its portion of the benefit premiums for such benefits) (such period of time being the "**Severance Benefit Period**"); provided, however, that this Section 6.5(2) will be subject to any requirement under the Act to pay to the Executive the portion of such payments that constitutes the Executive's minimum termination and severance pay entitlement in a lump sum within a prescribed time period under such legislation.

Section 6.6 All Inclusive.

The Executive acknowledges and agrees that provision of the entitlements set out in this Article 6 shall constitute full and final satisfaction of any claim which the Executive might have arising from or relating to the termination of the Executive's employment, whether such claim arises under statute, contract, common law or otherwise. In the event that greater entitlements are required to be given by the Company to the Executive pursuant to the Act, Article 6 shall be construed as providing for the provision of such greater entitlements (and no more). For the avoidance of doubt, if the Company provides base salary in lieu of notice to the Executive pursuant to Section 6.5(2)(b), such base salary in lieu of notice shall be inclusive of severance pay under the Act, however, if the Company exercises its right to provide notice instead of pay in lieu thereof, the Executive will also be provided with any termination and severance pay still owing to the Executive pursuant to the Act in a lump sum within a prescribed time period under such legislation.

Section 6.7 Release.

Payments to the Executive upon termination in accordance with this Agreement by the Company, assuming such payments exceed the Executive's minimum entitlements pursuant to Act, will be dependent upon the Executive signing a mutual full and final release, acknowledging that the payment is inclusive of, and satisfies all of the Executive's entitlements pursuant to applicable legislation, contract, common law and equity, and will release the Company (including all current and former parent, subsidiary, related and affiliated corporations and divisions and all of its and their current and former officers, directors, agents, employees, successors and assigns) from any and all actions, causes of actions, proceedings, claims, demands or complaints including, without limitation, any claims in respect of the Executive's hiring by, employment with and termination of employment with the Company and any human rights claims. However, and in any event, the Executive shall not be provided with less than the Executive's minimum entitlements pursuant to the Act. Accordingly, without limitation, if the Executive refuses to sign a mutual full and final release, the Executive will be entitled to only such minimum notice of termination, or payment in lieu of notice of termination, severance pay, benefits continuation and other minimum entitlements required by the Act.

Section 6.8 Return of Property.

All equipment, keys, pass cards, credit cards, software, material, data, written correspondence, memoranda, communication, reports, or other documents or property pertaining to the Business of the Company or containing Confidential Information, used or produced by the Executive in connection with the Executive's employment, or in the Executive's possession or under the Executive's control, shall at all times remain the exclusive property of the Company. The Executive shall return all property of the Company in the Executive's possession or under the Executive's control in good condition, and all documents or property containing Confidential Information (without retaining any copy, electronic or otherwise), forthwith upon any request by the Company or upon any termination of this Agreement and of the Executive's employment (whether voluntary or involuntary, lawful or unlawful, and with or without Just Cause).

Section 6.9 Change of Position Border Services Status Change.

(1) Following a Border Services Status Change during the term of this Agreement, the Executive shall resign from his role as Executive Chairman, and continue in the Company's employment in an alternate position that does not require the Executive to enter the United States (an "**Alternate Position**"). In this Alternate Position, the terms of this Agreement will remain the same and continue to apply to this employment relationship, including the Executive's remuneration and benefits.

(2) For the purposes of this Agreement, the term "Border Services Status Change" means the Executive is refused entry on more than one occasion into the United States after the Effective Date.

ARTICLE 7 – CONFIDENTIALITY & RESTRICTIVE COVENANTS

Section 7.1 Protection of Confidential Information.

While employed by the Company and following the termination of this Agreement and the Executive's employment (whether voluntary or involuntary, lawful or unlawful, and with or without Just Cause), the Executive shall not, directly or indirectly, in any way use or disclose to any person any Confidential Information except as provided for herein. The Executive agrees and acknowledges that the Confidential Information of the Company is the exclusive property of the Company to be used exclusively by the Executive to perform the Executive's duties and fulfil the Executive's obligations to the Company and not for any other reason or purpose. Therefore, the Executive agrees to hold all such Confidential Information in trust for the Company, and the Executive further confirms and acknowledges the Executive's fiduciary duty to use the Executive's best efforts to protect the Confidential Information, not to misuse such information, and to protect such Confidential Information from any misuse, misappropriation, harm or interference by others in any manner whatsoever. The Executive agrees to protect the Confidential Information regardless of whether the information was disclosed in verbal, written, electronic, digital, visual or other form, and the Executive hereby agrees to give notice immediately to the Company of any unauthorized use or disclosure of Confidential Information of which the Executive becomes aware. The Executive further agrees to assist the Company in remedying any such unauthorized use or disclosure of Confidential Information. In the event that the Executive is required to disclose to third parties any Confidential Information or any memoranda, opinions, judgments or recommendations developed from the Confidential Information, by law, valid court order or subpoena, the Executive will, prior to disclosing such Confidential Information, provide the Company with prompt written notice of such request(s) or requirement(s) so that the Company may seek appropriate legal protection or waive compliance with the provisions of this Agreement. The Executive will not oppose action by, and will cooperate with, the Company to obtain legal protection or other reliable assurance that confidential treatment will be accorded the Confidential Information.

Section 7.2 Corporate Opportunities.

Subject to the Executive's right to participate in the Outside Activities in accordance with Section 4.1 hereof, and subject to any confidentiality obligations owed to such Outside Activities, any business opportunities related to the Business of the Company or any of its Affiliates which would be beneficial to the Business of the Company or any of its Affiliates and which become known to the Executive during the Executive's employment hereunder shall be fully disclosed and made available to the Company and shall not be appropriated by the Executive under any circumstance without the prior written consent of the Company.

Section 7.3 Intellectual Property Rights.

The Executive acknowledges and agrees that:

(1) All Company Works relating to or connected with any of the matters which have been, are or may become the subject of the Company's Business or in which the Company has been, is or may become interested, are the exclusive property of the Company. The Executive hereby unconditionally and irrevocably waives any and all moral rights and "droit morale" in the Company Works.

(2) The Executive shall promptly and fully disclose all Company Works to the Company and hereby irrevocably and unconditionally assigns, transfers and conveys, and agrees to assign, transfer and convey in the future, to the maximum extent permitted by applicable law, all proprietary and intellectual property rights in the Company Works (including but not limited to rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company, to the extent ownership of any such rights does not vest originally in the Company.

(3) The Executive shall take all requested actions and execute all requested documents (including any licenses or assignments required by a government contract) at the Company's expense (but without further remuneration) to assist the Company in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of the Company's rights in the Company Works. If the Company is unable for any reason to secure the Executive's signature on any document for this purpose, then the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact, to act for and on the Executive's behalf and stead to execute any documents and to do all other lawfully permitted acts in connection with the foregoing.

(4) The Executive shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with the Company any confidential, proprietary or non-public information or intellectual property relating to a former employer or other third party without the prior written permission of such third party.

(5) The Executive shall comply with all relevant policies and guidelines of the Company or its Affiliates regarding the protection of Confidential Information and intellectual property and potential conflicts of interest, provided same are consistent with the terms of this Agreement. The Executive acknowledges that the Company or its Affiliates may amend any such policies and guidelines from time to time, and that the Executive remains at all times bound by their most current version.

(6) Confidential Information, Company Works and intellectual property, as defined and/or described herein shall not include any publicly available information or any information that Executive had or owned prior to the Effective Date or which was disclosed to the Executive by a third party who, to the knowledge of the Executive, did not owe a duty of confidentiality to the Company, or which was developed by the Executive prior to the Effective Date or which was developed by the Executive on the Executive's own time with the Executive's own tools and/or materials as set forth in Schedule C. The Executive acknowledges and agrees that except for those items listed in Schedule C, any and all such information, works, and/or intellectual property are those of the Company.

(7) In respect of the Company Works, the Executive irrevocably and unconditionally consents to the fullest extent permitted by law (either present or future) to the Company, its licensees, contractors, assignees and successors and their licensees, and any other persons authorised by any of them:

(a) using, disclosing, reproducing, copying, adapting, publishing, performing, exhibiting, communicating or transmitting any of the Company Works or any adaptation of any of them (or any part of any of the Company Works or of any such adaptation) anywhere in the world, in whatever form and in whatever circumstances the Company, its licensees, contractors, assignees and successors and their licensees, and any other person authorised by any of them, thinks fit, including the making of any distortions, additions or alterations to any of the Company Works, or mutilating or destroying any of the Company Works, or any adaptation of any of them (or any part of any of the Company Works or of any such adaptation) as so used, disclosed, reproduced, copied, adapted, published, performed, exhibited, communicated or transmitted; and

(b) using, disclosing, reproducing, copying, adapting, publishing, performing, exhibiting, communicating or transmitting any of the Company Works or any adaptation of any of them (or any part of any of the Company Works or of any such adaptation) anywhere in the world without making any identification of the author in relation to any of them.

(8) Upon cessation of active service with the Company, or at any time upon the Company's request, the Executive shall return (without retaining any copies, electronic or otherwise) all Company Works created by the Executive (either solely or jointly with others) during the Executive's employment with the Company. Without limiting the foregoing, the Executive agrees that the Executive does not and will not have the right to publish or otherwise utilize the Company Works on the Executive's own behalf or on behalf of any third party.

Section 7.4 Non-Competition.

Subject to the Executive's right to participate in the Outside Activities in accordance with Section 4.1 hereof, the Executive covenants that the Executive will not (without prior written consent of the Company) at any time during the period commencing as of the Effective Date and ending on the last day of the Severance Benefit Period, directly or indirectly, anywhere within the Territory, either individually or in partnership, jointly or in conjunction with any other person, firm, association, syndicate, company or corporation, whether as agent, employee, consultant, or in any manner whatsoever, engage in, carry on or otherwise be concerned with, any United States multistate operator in the cannabis industry that is competitive with the Business. For greater certainty, the Executive's involvement with: (i) a single state operator in the cannabis industry in the State of Michigan that holds minority interests in other entities; or (ii) any Outside Activity that may become competitive with the Business following the date of the Executive's involvement in such Outside Activity, shall not violate the restrictive covenants contained in this Section 7.4.

Section 7.5 Non-Solicitation.

The Executive covenants that the Executive will not (without prior written consent of the Company) during the period commencing as of the Effective Date and ending on the last day of the Severance Benefit Period, directly or indirectly, either individually or in partnership, jointly or in conjunction with any other person, firm, association, syndicate, company or corporation, whether as agent, employee, consultant, or in any manner whatsoever:

(1) solicit or entice away, or endeavour to solicit or entice away from the Company, employ, or otherwise engage (as an employee, independent contractor, or otherwise) any person whom the Executive had contact with or Confidential Information about during the Executive's employment with the Company (in connection with such employment), and who is employed by the Company or engaged as a contractor or consultant by the Company as at the Date of Termination or who was so employed or engaged within the twelve (12) month period preceding such date; or

(2) for any purpose competitive with the Business, canvass, solicit or approach for orders, or cause to be canvassed or solicited or approached for orders from any person or entity whom the Executive had contact with or Confidential Information about during the Executive's employment with the Company (in connection with such employment), and who is or which is a customer, client, supplier, licensee or business relation of the Company as at the Date of Termination or within the six-month period preceding such date; or

(3) induce or attempt to induce any customer, client, supplier, licensee or business relationship of the Company whom the Executive had contact with or Confidential Information about during the Executive's employment with the Company (in connection with such employment), to cease doing business with the Company; or

(4) at any time following the date the Executive ceases to be an employee of the Company (regardless of whether such termination is voluntary or involuntary, lawful or unlawful, and with or without Just Cause), disparage or denigrate the Company or its Affiliates or their respective businesses, officers or employees.

Section 7.6 Company.

For the purposes of Sections 7.1 to 7.5, references to the "Company" shall be deemed to include the Company, its Affiliates and, its successors (whether direct or indirect) by purchase, amalgamation, merger or otherwise of the Business.

Section 7.7 Passive Investments.

Nothing in this Agreement shall prohibit or restrict the Executive from holding or becoming beneficially interested in up to ten percent (10%) of any class of securities in any corporation provided that such class of securities are listed on a recognized stock exchange in Canada or the United States.

ARTICLE 8– DIRECTORS AND OFFICERS LIABILITY

Section 8.1 Directors and Officers Liability.

During and after the term of this Agreement, the Company shall:

(1) maintain for the Executive's benefit directors and officers liability insurance in respect of the period during which the Executive is a director at levels equivalent to that provided to other officers and directors of the Company; and

(2) indemnify and hold the Executive harmless to the fullest extent permitted by applicable law with regard to any action or inaction of the Executive provided:

(a) he acted honestly and in good faith with a view to the best interests of the Company; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

This Section 8.1 shall survive any termination of this Agreement.

ARTICLE 9– REMEDIES

Section 9.1 Remedy.

The Executive acknowledges and agrees that the Executive is employed in a fiduciary capacity, with obligations of trust and loyalty owed by the Executive to the Company. Accordingly, the Executive agrees that the restrictions in Article 7 are reasonable in the circumstances of the Executive's employment and that the business and affairs of the Company cannot be properly protected from the adverse consequences of the actions of the Executive other than by the restrictions set forth in this Agreement.

Section 9.2 Injunctions, etc.

The Executive acknowledges and agrees that, in the event of a breach of the covenants, provisions and restrictions in Article 7 by the Executive, the Company's remedy in the form of monetary damages will be inadequate. Therefore, the Company is hereby authorized and entitled, in addition to all other rights and remedies available to it at law or in equity, to interim and permanent injunctive relief and an accounting of all profits and benefits arising out of such breach without the necessity of posting a bond or other security, and Executive consents to the entry of such relief.

Section 9.3 Loss of Entitlements.

In addition to all other rights and remedies available to the Company, the Executive acknowledges and agrees that the Executive will immediately lose and not be entitled to the payments and benefits set out in Section 6.5(2)(b) (if applicable) which exceed the minimum entitlements required by the Act if the Executive breaches any of the covenants in Article 7.

Section 9.4 Survival.

Each and every provision of Article 1, Article 7, Article 8 and Article 9 shall survive the termination of this Agreement and the Executive's employment hereunder (regardless of whether such termination is voluntary or involuntary, lawful or unlawful and with or without Just Cause).

ARTICLE 10 – GENERAL CONTRACT TERMS

Section 10.1 Currency.

Unless otherwise specified, all amounts payable pursuant to this Agreement are expressed in and shall be paid in Canadian currency.

Section 10.2 Withholding.

All amounts paid or payable and all benefits, perquisites, allowances or entitlements provided to the Executive under this Agreement are subject to applicable taxes and withholdings.

Section 10.3 Rights and Waivers.

All rights and remedies of the parties are separate and cumulative, and none of them, whether exercised or not, shall be deemed to be to the exclusion of any other rights or remedies or shall be deemed to limit or prejudice any other legal or equitable rights or remedies which either of the parties may have.

Section 10.4 Waiver.

Any purported waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the party to be bound by the waiver. No waiver shall be inferred from or implied by any failure to act or delay in acting by a party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other party. The waiver by a party of any default, breach or non-compliance under this Agreement shall not operate as a waiver of that party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

Section 10.5 Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 10.6 Notices.

Any notice required or permitted to be given under this Agreement shall be in writing and shall be properly given if personally delivered, delivered by electronic transmission or mailed by prepaid registered mail addressed as follows:

to the Company at:
Vireo Health International, Inc.
1330 Lagoon Avenue, 5th Floor
Minneapolis, MN 55408 USA
Attention: General Counsel

to the Executive at:
Bruce Linton
9 Shamrock Place
Ottawa, ON K2R 1A9 Canada

or to such other address as the parties may from time to time specify by notice given in accordance herewith. Any notice so given shall be conclusively deemed to have been given or made on the day of delivery, if personally delivered, or if delivered by electronic transmission or mailed as aforesaid, upon the date the electronic transmission is sent or on the postal return receipt as the date upon which the envelope containing such notice was actually received by the addressee.

Section 10.7 Successors and Assigns.

This Agreement shall inure to the benefit of, and be binding on, the parties and their respective heirs, administrators, executors, successors (whether direct or indirect, by purchase, amalgamation, arrangement, merger, consolidation or otherwise) and permitted assigns. The Company shall have the right to assign this Agreement, or the benefit thereof, to any of its Affiliates or to any successor (whether direct or indirect, by purchase, amalgamation, arrangement, merger, consolidation or otherwise). The Executive, by the Executive's signature hereto, expressly consents to such assignment and, provided that such successor agrees to assume and be bound by the terms and conditions of this Agreement, all references to the "Company" hereunder shall include such successor. The parties agree that the services to be provided by the Executive are personal in nature, and therefore the Executive shall not subcontract, assign or transfer, whether absolutely, by way of security or otherwise, all or any part of the Executive's rights or obligations under this Agreement.

Section 10.8 Amendment.

No amendment of this Agreement will be effective unless made in writing and signed by both parties.

Section 10.9 Entire Agreement.

This Agreement, the warrant certificates representing the Incentive Warrants and the promissory note representing the Loan (collectively, the "**Agreement Documents**") constitute the entire agreement between the parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written with respect to the Executive's continued employment with the Company. There are no conditions, warranties, representations or other agreements between the parties in connection with the subject matter of this Agreement (whether oral or written, express or implied) except as specifically set out in the Agreement Documents.

Section 10.10 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in that Province and shall be treated, in all respects, as an Ontario contract.

Section 10.11 Headings.

The division of this Agreement into Sections and the insertion of headings are for convenience or reference only and shall not affect the construction or interpretation of this Agreement.

Section 10.12 Independent Legal Advice.

The parties acknowledge that, prior to executing this Agreement, they have each had the opportunity to obtain independent legal advice and that they fully understand the nature of this Agreement and that they are entering into this Agreement voluntarily.

Section 10.13 Counterparts.

This Agreement may be executed in any number of counterparts, and delivered by facsimile or other means of electronic transmission, each of which shall be deemed to be one and the same instrument and an original document.

Section 10.14 Ambiguities.

As each party and its legal counsel have participated in the review and revision of this Agreement, any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement.

(Signature Page Follows)

The parties have executed this Agreement as of the date first written above.

VIREO HEALTH INTERNATIONAL, INC.

By: /s/ Kyle Kingsley
Name: Kyle Kingsley
Title: Chief Executive Officer

/s/ Bruce Linton
BRUCE LINTON

Schedule A – [Intentionally deleted.]

[Intentionally deleted.]

Schedule B – Promissory Note

GRID PROMISSORY NOTE

[●], 2020

1. **FOR VALUE RECEIVED**, **VIREO HEALTH INTERNATIONAL INC**. (the "**Lender**") agrees to lend to **BRUCE LINTON**, an individual resident in the City of Ottawa, in the Province of Ontario (the "**Borrower**"), and the Borrower promises to repay to or to the order of the Lender the unpaid principal balance of all advances made by the Lender to the Borrower in accordance with the terms hereof ("**Advances**"), together with interest on such Advances as hereinafter provided for, made by the Lender to the Borrower as recorded by the Lender on the grid attached as Schedule "A" hereto, and if more than one grid is attached hereto, on the grids sequentially numbered and attached hereto (collectively, the "**Grid**").

2. This promissory note and the obligations hereunder shall become effective immediately upon the first exercise of any of the first tranche incentive warrants issued to the Borrower by the Lender on November 6, 2019 (the "**Warrants**") and no Advances may be made pursuant to the terms hereof except for the sole purpose of funding the exercise price of Warrants beneficially owned by the Borrower at the time such Warrants are exercised. This promissory note is being issued in connection with the amended and restated employment agreement entered into between the Borrower and the Lender dated on or about the date hereof and its terms shall be read in conjunction therewith.

3. The Borrower shall pay interest on the principal balance of all Advances from time to time outstanding hereunder, from the respective dates of such Advances to and including the dates of their respective repayment, at the rate of interest per annum equal to two per cent (2%). Interest shall be due and payable at the time of the repayment of the Advances pursuant to Section 6 hereof.

4. Interest at the aforesaid rate shall continue to be payable until the principal amount of each Advance has been repaid in full and in case default shall be made in payment of any sum to become due for interest, compound interest shall be payable on the sum in arrears for interest from time to time, as well after as before maturity, at the rate provided for herein.

5. This promissory note shall evidence a running account of Advances and notwithstanding that the principal sum may be reduced to zero or may show a credit in favour of the Borrower from time to time this promissory note shall continue in full force and effect with respect to any Advances of the principal sum made thereafter. No Advance will be made by the Lender hereunder if such Advance would result in the aggregate outstanding principal balance of all Advances being in excess of US$10,200,000 following such Advance.

6. Entries recorded by the Lender on the Grid shall, absent manifest error, be prima facie evidence of all amounts shown thereon, unless within thirty (30) days of receipt of a copy of such entries, the Borrower claims and establishes that an error has been made. Otherwise, such entries, absent manifest error, shall then be admissible in any proceedings as full and conclusive evidence of such amounts and shall be binding on the Borrower to the same extent and effect as though the Borrower had executed a separate promissory note for each of such entries. Notwithstanding the foregoing, entries of Advances made pursuant to the terms of this promissory note shall be recorded by or on behalf of the Lender only following receipt by the Lender of an advance request from the Borrower in the form attached hereto as Schedule "B" (each an "**Advance Request**") and delivery by the Lender of the Advance requested by the Borrower in any such Advance Request.

7. The principal amount of all Advances at any time outstanding, together with all accrued but unpaid interest as hereinbefore provided for, shall be due and payable on the happening of any one of the following events, whichever first occurs:

(a) the commencement of any proceeding against the Borrower, whether voluntary or involuntary or whether instituted by or against the Borrower, under the *Bankruptcy and Insolvency Act* (Canada) or any other similar legislation of any jurisdiction seeking (i) an order declaring the Borrower insolvent or bankrupt or (ii) the appointment (provisional, interim, or permanent) of any receiver, receiver and manager, trustee, monitor, custodian, liquidator; *provided however,* that no such proceeding shall cause the amounts payable hereunder to become due and payable if it is being contested by the Borrower in good faith by appropriate proceedings so long as enforcement remains stayed, none of the relief sought is granted (either on an interim or permanent basis), and the proceeding is dismissed within 90 days of its commencement); or

(b) the Borrower fails to pay any interest required to be paid hereunder within 5 business days after the date such interest becomes due and payable.

In case of any such event, at any time after its occurrence, the Lender may by written notice to the Borrower declare the whole of the principal balance of all Advances made to the Borrower to be immediately due and payable (whereupon the same, together with accrued interest thereon and any other sums owed by the Borrower hereunder, shall become so payable).

8. Subject to any other agreement to the contrary, the Borrower shall be entitled to prepay all or any part or parts of the principal sum at any time or times and from time to time without notice, penalty or bonus.

9. Any amount paid hereunder shall be applied firstly in satisfaction of any accrued and unpaid interest and secondly in satisfaction of the principal sum of Advances due hereunder. In the event the Lender obtains judgment on this promissory note, interest at the aforesaid rate shall be payable on the amount outstanding under the said judgment.

10. The Borrower hereby waives the benefit of division and discussion, demand and presentment for payment, notice of nonpayment, protest and notice of protest of this promissory note.

11. This promissory note may only be amended by a written document signed by each of the Lender and the Borrower.

12. This promissory note shall be governed by the laws in force in the Province of British Columbia and shall not be changed, modified, discharged or cancelled orally or in any manner other than by agreement in writing signed by the Lender or its heirs, executors, administrators, successors or assigns.

13. The parties acknowledge that they have required that this agreement and all related documents be prepared in English. *Les parties reconnaissent avoir exigé que la présente convention et tous les documents connexes soient rédigés en Anglais.*

[SIGNATURE PAGE FOLLOWS]

DATED as of the date first above written.

Signature of Witness

BRUCE LINTON

VIREO HEALTH INTERNATIONAL, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE "A" TO GRID PROMISSORY NOTE

BETWEEN BRUCE LINTON AND VIREO HEALTH INTERNATIONAL, INC.

DATED [●], 2020

Date	Amount Advanced	Purpose	Amount Paid	Outstanding Balance	Notation by

SCHEDULE "B" TO GRID PROMISSORY NOTE

BETWEEN BRUCE LINTON AND VIREO HEALTH INTERNATIONAL, INC.

FORM OF ADVANCE REQUEST

TO: **VIREO HEALTH INTERNATIONAL, INC.** (the **"Lender")**

FROM: **BRUCE LINTON** (the **"Borrower"**)

DATE:

Reference is made to the promissory note between the Borrower and the Lender (the "**Promissory Note**") dated **[●]**, 2020.

The Borrower hereby requests that an advance be made in the amount of [$_____] on [date] in accordance with the terms of the Promissory Note.

Dated: _____

_____

BRUCE LINTON

Schedule C – Executive Information, Works, and/or Intellectual Property

None.

Schedule D – Form 45-106F12

Risk Acknowledgement Form for Family, Friend and

Business Associate Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER	
1. About your investment	
Type of securities: *Warrants to purchase subordinate voting shares of the Issuer*	Issuer: VIREO HEALTH INTERNATIONAL, INC.

SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of $ [N/A].	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment. The information you receive may be limited to the information provided to you by the family member, friend or close business associate specified in section 3 of this form.	
3. Family, friend or business associate status	
You must meet one of the following criteria to be able to make this investment. Initial the statement that applies to you:	**Your initials**

A) You are: *1) [check all applicable boxes]* ☐ a director of the issuer or an affiliate of the issuer ☒ an executive officer of the issuer or an affiliate of the issuer ☐ a control person of the issuer or an affiliate of the issuer ☐ a founder of the issuer OR *2) [check all applicable boxes]* ☐ a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above ☐ a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above	
B) You are a family member of _____*[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You are the _____of that person or that person's spouse. *[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]*	
C) You are a close personal friend of _____*[Instruction: Insert the name of your close personal friend]*, who holds the following position at the issuer or an affiliate of the issuer: _____ .	
D) You are a close business associate of _____*[Instruction: Insert the name of your close business associate]*, who holds the following position at the issuer or an affiliate of the issuer: _____ .	

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form. You also confirm that you are eligible to make this investment because you are a family member, close personal friend or close business associate of the person identified in section 5 of this form.

First and last name (please print):

Signature:	Date:

SECTIONS 5 TO BE COMPLETED BY PERSON WHO CLAIMS THE CLOSE PERSONAL RELATIONSHIP, IF APPLICABLE

5. Contact person at the issuer or an affiliate of the issuer

[Instruction: To be completed by the director, executive officer, control person or founder with whom the purchaser has a close personal relationship indicated under sections 3B, C or D of this form.]

By signing this form, you confirm that you have, or your spouse has, the following relationship with the purchaser: *[check the box that applies]*

- ☐ family relationship as set out in section 3B of this form
- ☐ close personal friendship as set out in section 3C of this form
- ☐ close business associate relationship as set out in section 3D of this form

First and last name of contact person (please print):

Position with the issuer or affiliate of the issuer (director, executive officer, control person or founder):

Telephone:	Email:

Signature:	Date:

SECTIONS 6 TO BE COMPLETED BY THE ISSUER

6. For more information about this investment

Vireo Health International, Inc.
1330 Lagoon Avenue, 4th Floor
Minneapolis, Minnesota
55408

Attn: Michael Schroeder, General Counsel and Chief Compliance Officer
Phone: 612.314.8996

michaelschroeder@vireohealth.com | vireohealth.com

For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.

Signature of executive officer of the issuer (other than the purchaser):	Date:

Exhibit 10.9

CERTAIN CONFIDENTIAL INFORMATION (MARKED BY BRACKETS AS "[***]") HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

CONFIDENTIAL SEPARATION AND TRANSITION SERVICES AGREEMENT, WAIVER AND RELEASE

THIS CONFIDENTIAL SEPARATION AND TRANSITION SERVICES AGREEMENT, WAIVER AND RELEASE ("Agreement") is made by and between Vireo Health, Inc. (the "Company"), and Aaron Hoffnung, ("Hoffnung"), his heirs, executors, administrators, successors, and assigns (collectively referred to throughout this Agreement as the "Releasors").

WHEREAS, Hoffnung has been employed by the Company and its subsidiaries since November 5, 2015;

WHEREAS, until the Separation Date (hereinafter defined), Hoffnung was an officer of the Company with the title of Chief Strategy Officer;

WHEREAS, until the Separation Date, Hoffnung was an officer of the Company's wholly-owned New York subsidiary, Vireo Health of New York, with the title of Chief Executive Officer and served as an officer in several other company subsidiaries and affiliates (*see Exhibit A – Hoffnung Officer Roles*);

WHEREAS, Hoffnung serves as Director of the Company's parent company, Vireo Health International, Inc. (VHII), with a term ending on the date of the 2020 annual meeting of shareholders and served until the Separation Date as a Director in several other company subsidiaries and affiliates (*see Exhibit B – Hoffnung Director Roles*);

WHEREAS, Hoffnung holds a direct equity ownership interest in the Company's Ohio and Missouri affiliates (*see Exhibit C – Hoffnung Ownership in Subsidiaries and Affiliates*);

WHEREAS, Hoffnung is listed as an authorized signatory on one Company bank account in Puerto Rico (*see Exhibit D – Bank Account with Hoffnung as Signatory*);

WHEREAS, Hoffnung signed a Lock-Up Agreement on September 10, 2019 imposing certain restrictions ownership on his 23,529 Subordinate Voting Shares and 2,400,387 Options to Purchase Subordinate Voting Shares (*see Exhibit E – Lockup Agreement*);

WHEREAS, to reduce costs, Company has decided to eliminate a number of workforce positions;

WHEREAS, Hoffnung has agreed to, effective as of the Separation Date, i) formalize his resignation from all subsidiary officer roles identified in Exhibit A, ii) formalize his resignation from all subsidiary director roles identified in Exhibit B, iii) sell all subsidiary and affiliate ownership interests to the Company or to individuals affiliated with Company in consideration of the cancelation of related indebtedness of Hoffnung to the Company, iv) be removed from the bank account identified in Exhibit D, v) serve the remainder of the 2019- 2020 term as Director on the VHII Board vi) work as an Independent Contractor as defined in Section 8 for up to 12 months and vii) hold the titles of the Company's Chief Strategy Officer and Vireo Health of New York's Chief Executive Officer and Director for a period of up to 12-months, during which Hoffnung may resign from these positions on 15-day notice to the Company, or be removed from these positions by the Company, neither of which should be considered a breach of this Agreement; and

WHEREAS, Hoffnung and the Company desire to settle, compromise, and resolve any and all potential differences and disputes between them without the burden, expense, and delay of further litigation, and without admission of any fault or liability by Hoffnung or the Company.

NOW THEREFORE, for good and valuable consideration, Hoffnung and the Company (collectively referred to as the "Parties") hereby agree as follows:

1. **Last Day of Employment**. Hoffnung's last day of full-time employment by the Company, was January 16, 2020 (the "Separation Date"). Hoffnung ceased providing all services as an officer and employee of Company and its subsidiaries on the Separation Date.

2. **Compensation on and After Termination**. Hoffnung's position as an employee of the Company has been eliminated effective on the Separation Date. The Company has paid Hoffnung's salary earned through the Separation Date, less applicable taxes and withholding. Hoffnung is entitled to no other salary, commissions, PTO, vacation pay, sick pay, bonuses, benefits or other compensation as an employee, officer or director of the Company or any of its parent or subsidiary companies.

3. **Consideration**. In consideration for Hoffnung's execution of, non-revocation of, and strict compliance with this Agreement, the Company agrees to pay the following amount(s) and take the following action(s), to which Hoffnung is not otherwise entitled:

i. A payment in the amount of Twelve Thousand Five Hundred Dollars ($12,500.00) per month, for the 12-month period beginning on the Effective Date (defined below) and ending on the day that is 366 days after the Effective Date (the "Severance Period") or, alternatively, in the Company's sole discretion, a lump sum payment in the amount of One Hundred and Twenty-Five Thousand ($125,000.00) within five (5) business days of the Effective Date;

ii. Upon approval of the Company's board of directors, permit the continued, regularly scheduled vesting of unvested options held by Hoffnung (as Table 1 of the "Separation Agreement Vesting Schedule," attached hereto), notwithstanding any contrary provision of (i) the Incentive Stock Option Agreements ("ISO Agreements") that are currently in effect between Hoffnung and Company's parent company, Vireo Health International, Inc. ("VHII"), including Section 3 thereof or (ii) Section 6(f)(ii) of the VHII 2019 Equity Incentive Plan (the "Plan"); and

iii. Upon approval of the Company's board of directors, and provided Hoffnung has not (a) breached any material provision of this Agreement, (b) failed to provide the "Final Date of Service" notice described in the last sentence of Section 8 of this Agreement, or (c) accepted employment with a state-licensed cannabis company operating in Minnesota, New York, Pennsylvania, Maryland, Arizona, New Mexico, Ohio or Rhode Island, (i) permit the vesting, of some or all of the remaining unvested options as set forth in Table 2 of the "Separation Agreement Vesting Schedule," attached hereto, on the earlier of January 16, 2021 and Hoffnung's "Final Date of Service" and (ii) extend the outside date by which Hoffnung may exercise an option to the earlier of (x) the expiration date set forth in the respective ISO Agreement and (y) January 16, 2023; and

iv. Cancelation of the September 10, 2019 Lockup Agreement effective on the later of March 31, 2020 and the day that Hoffnung resigns or is removed from the Company's Board of Directors (the "Board Transition Date"); and

v. Allowing Hoffnung to work for other companies in the cannabis industry, with one or more state-based medical, adult-use or hemp licenses, by waiving all non-compete restrictions from and after the day that is six (6) months after the Separation Date; provided that he must continue to abide by Company's Confidential Information, Non-Solicitation and Intellectual Property policies and any related agreement(s) he entered into.

Hoffnung understands that he is solely responsible for any and all tax obligations arising out of the payments specified above that may be owed any such payment. Hoffnung agrees to hold the Released Parties harmless from any demands, assessments, liens or other claims from any governmental unit for tax payments related to the payments specified above that are deemed his responsibility, including all costs and attorneys' fees incurred by any of the Released Parties (defined below) in responding to such claims from any taxing authority or other governmental entity. The Company agrees to use reasonable efforts to notify Hoffnung, within a reasonable time, of any change to the status of the Company's securities that would allow him to exercise his options and sell on the open market some or all of the stock received.

4. No Consideration Absent Execution of this Agreement and No Revocation. Hoffnung understands and agrees that he is not otherwise owed and would not receive the payments specified in Paragraph 3 above, except for Hoffnung's execution of this Agreement and strict fulfillment of the promises contained herein.

5. Representations of the Parties

Hoffnung specifically represents, warrants, and confirms that he:

(a) has not filed any claims, complaints, or actions of any kind against the Company with any court of law, or local, state, or federal government or agency;

(b) has not made any claims or allegations to the Company related to sexual harassment or sexual abuse, and that none of the payments set forth in this Agreement are related to sexual harassment or sexual abuse;

(c) has received all salary, wages, commissions, bonuses, and other compensation due to Hoffnung in connection with his former role as an employee of the Company, with the exception of Hoffnung's final payroll check for salary through and including the Separation Date, which will be paid on the next regularly scheduled payroll date for the pay period including the Separation Date;

(d) has not suffered any known injuries or occupational diseases during the time he has provided services to the Company;

(e) has not engaged in and is not aware of any unlawful conduct relating to the business of Company, excepting only any violations of the Controlled Substances Act and related regulations;

(f) hereby resigns from all subsidiary officer roles identified in Exhibit A, aside from his role as Vireo Health of New York's Chief Executive Officer;

(g) hereby resigns from all subsidiary director roles identified in Exhibit B, aside from his director role with Vireo Health of New York's board; and

The Company specifically represents, warrants, and confirms that it:

(h) has, or will in due course, notify regulators of Hoffnung's resignation from all subsidiary boards (identified in Exhibit A) and share copies of those notifications with Hoffnung;

(i) has, or will in due course, notify regulators of Hoffnung's resignation from all subsidiary officer roles (identified in Exhibit B) and share copies of those notifications with Hoffnung;

(j) will purchase or cause to be purchased from Hoffnung, all subsidiary and affiliate ownership interests (identified in Exhibit C) to the Company or to individuals affiliated with Company in consideration of the cancelation of related indebtedness of Hoffnung to the Company and the Company will share all relevant documents with Hoffnung; and

(k) it has, or will in due course, remove Hoffnung from all bank accounts (identified in Exhibit D) and provide Hoffnung with documentation confirming his removal.

6. General Release, Claims Not Released and Related Provisions

a. **General Release of All Claims**. Hoffnung knowingly and voluntarily releases and forever discharges, to the fullest extent permitted by law, the Company and its related entities, parent companies, owners, members, managers, affiliates, subsidiaries, divisions, predecessors, insurers and reinsurers, successors and assigns, and the current and former employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and their administrators and fiduciaries, all of whom are intended third-party beneficiaries of this Agreement (collectively referred to throughout the remainder of this Agreement as the "Released Parties"), of and from any and all claims, known and unknown, asserted or unasserted, which Hoffnung has or may have against any of the Releasees as of the date of execution of this Agreement, including, but not limited to, any alleged violation of:

- Any federal, state or local law, rule, regulation, or ordinance;
- Any public policy, contract, tort, or common law; or
- Any basis for recovering costs, fees, or other expenses including attorneys' fees incurred in these matters;
- The Age Discrimination in Employment Act, as amended;
- Title VII of the Civil Rights Act of 1964, as amended;
- Sections 1981 through 1988 of Title 42 of the United States Code;
- The Employee Retirement Income Security Act of 1974 ("ERISA") (except for any vested benefits under any tax qualified benefit plan), including any claims for benefits under Company's health insurance plans;
- The Immigration Reform and Control Act;
- The Americans with Disabilities Act of 1990;
- The Fair Credit Reporting Act;
- The Sarbanes-Oxley Act of 2002;
- The Occupational Safety and Health Act;
- The Equal Pay Act;
- The Fair Labor Standards Act;
- The Immigration Reform and Control Act;
- The Family Medical Leave Act of 1993

- The Workers Adjustment and Retraining Notification Act
- The New York State Human Rights Law;
- The New York Labor Law (including without limitation the Retaliatory Action by Employers Law, the New York State Worker Adjustment and Retraining Notification Act, all provisions prohibiting discrimination and retaliation, and all provisions regulating wage and hour law);
- The New York Civil Rights Law;
- Section 125 of the New York Workers' Compensation Law;
- Article 23-A of the New York Correction Law;
- The New York City Human Rights Law; and
- The New York City Earned Sick Leave Law.

Each of the above shall include, in each instance, any amendments and respective implementing regulations. The identification of specific statutes is for purposes of example only and the omission of any specific statute or law shall not limit the scope of this general release in any manner.

For purposes of clarity, nothing in this section will prevent or impede the Releasors from asserting any defenses to claims made against Hoffnung by any of the Released Parties.

b. **Specific Release of ADEA Claims**.

In further consideration of the payments and benefits provided to Hoffnung in this Agreement, the Releasors hereby irrevocably and unconditionally fully and forever waive, release, and discharge the Releasees from any and all Claims, whether known or unknown, from the beginning of time through the date of Hoffnung's execution of this Agreement arising under the Age Discrimination in Employment Act (ADEA), as amended, and its implementing regulations. By signing this Agreement, Hoffnung hereby acknowledges and confirms that:

(i) Hoffnung has read this Agreement in its entirety and understands all of its terms;

(ii) by this Agreement, Hoffnung has been advised in writing to consult with an attorney of Hoffnung's choosing and has consulted with counsel if and to the extent Hoffnung believed was necessary before signing this Agreement;

(iii) Hoffnung knowingly, freely, and voluntarily agrees to all of the terms and conditions set out in this Agreement including, without limitation, the waiver, release, and covenants contained in it;

(iv) Hoffnung is signing this Agreement, including the waiver and release, in exchange for good and valuable consideration in addition to anything of value to which Hoffnung is otherwise entitled;

(v) Hoffnung was given at least forty-five (45) days to consider the terms of this Agreement and consult with an attorney of Hoffnung's choice, although Hoffnung may sign it sooner if desired and changes to this Agreement, whether material or immaterial, do not restart the running of the 45-day period;

(vi) Hoffnung understands that Hoffnung has seven (7) days after signing this Agreement to revoke the release in this paragraph by delivering notice of revocation to Michael Schroeder, General Counsel, Vireo Health, Inc., 1330 Lagoon Avenue, 5th Floor, Minneapolis MN 55408, email: [***]by email or overnight delivery before the end of this seven-day period; and

(vii) Hoffnung understands that the release contained in this paragraph does not apply to rights and claims that may arise after Hoffnung signs this Agreement.

c. **Claims Not Released.** Hoffnung is not waiving any rights Hoffnung may have to: (a) pursue claims which by law cannot be waived by signing this Agreement; (b) enforce this Agreement; and/or (c) challenge the validity of this Agreement.

d. **Governmental Agencies.** Nothing in this Agreement prohibits or prevents Hoffnung from filing a charge with or participating, testifying, or assisting in any investigation, hearing, whistleblower proceeding or other proceeding before any federal, state, or local government agency, nor does anything in this Agreement preclude, prohibit, or otherwise limit, in any way, Hoffnung's rights and abilities to contact, communicate with, report matters to, or otherwise participate in any whistleblower program administered by any such agencies. However, to the maximum extent permitted by law, Hoffnung agrees that if such an administrative claim is made, *Hoffnung shall not be entitled to recover any individual monetary relief or other individual remedies*.

e. **Collective/Class Action Waiver**. If any claim is not subject to release, to the extent permitted by law, Hoffnung waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim to which Company or any other Releasee identified in this Agreement is a party.

7. Acknowledgments and Affirmations.

Hoffnung affirms that he has not filed, nor caused to be filed, or presently is a party to any claim, complaint or action against any Releasee.

Hoffnung affirms that he has been paid all compensation for services rendered to Company as an employee, which are due and payable as of the date Hoffnung signs this Agreement, aside from compensation earned between the last paycheck and the Separation Date.

Hoffnung also affirms that he has been reimbursed for all expenses that he necessarily incurred in performing services as an employee for Company, aside from approximately $300 of expenses submitted on January 19, 2020 if and to the extent he has not been reimbursed for such expenses in accordance with Company policies.

Hoffnung affirms that he has not suffered any known injuries or occupational diseases during the time he has provided services to Company.

8. Cooperation and Assistance. For a period of twelve (12) months following the Effective Date, Hoffnung agrees to cooperate reasonably with Company in the transition of his work for Company and to answer questions as reasonably necessary to assist Company with this transition, including making himself available for a maximum of ten (10) hours per week, as may be requested by Company's Chief Executive Officer for transition- related matters and policy matters and initiatives including, without limitation, working as an Independent Contractor for 12 months and continuing to serve on the Board of Directors of VHI until the annual meeting of shareholders in March, 2020, or until earlier removal by action of such Board of Directors. Hoffnung may use the titles of the Company's Chief Strategy Officer and Vireo Health of New York's Chief Executive Officer for a period of up to 12-months, during which Hoffnung may resign from these positions or be removed from these positions by the Company, neither of which should be considered a breach of this Agreement. In the event that Hoffnung receives any inquiries from any third parties (including subpoenas, court orders or similar legal process) about any matters involving Company or the Released Parties including, without limitation, any compliance or legal matters involving Company or the Released Parties, Hoffnung will immediately notify the General Counsel of Company by telephone at [***]and email at [***], and provide all details and information about such inquiry to the fullest extent permitted by law. Nothing contained in this

Agreement is intended to permit or authorize, or in fact permits or authorizes Hoffnung to waive Company's attorney-client, work product or any other applicable privileges, to the extent they exist. Should Hoffnung be requested to assist the Company for more than the maximum hours detailed above, he shall have the option to decline such assistance or to be compensated at a mutually agreed upon hourly rate. Should Hoffnung opt to discontinue providing the Company with transition services, he shall provide the Company with a written 15-day advance "Final Date of Service" notice and after that date the Company shall no longer be required to provide him with any remaining compensation provided in 3(i), but all other obligations of the Company will remain in place and the discontinuation would not be considered a breach.

9. Effective Date. This Agreement shall not become effective until the eighth (8th) day after Hoffnung signs, without revoking, this Agreement ("**Effective Date**"). No payments due to Hoffnung under this Agreement shall be made or begin before the Effective Date.

10. Restrictions on the Use of Information Obtained during the Course of Hoffnung's Employment Relationship with Company. During the course of Hoffnung's employment relationship with Company, Hoffnung has been given access to Company's Confidential Information (as defined below) for his use solely in connection with the services provided to Company. For purposes of this provision, "Confidential Information" means proprietary information that Company has developed or possessed, with or without the assistance of Hoffnung, that is not generally known in the industry, in not part of the public domain, and is information that the Hoffnung has reason to know is or that Company has maintained or designated as confidential, proprietary, competitively sensitive or commercially valuable

Hoffnung will not, directly or indirectly, disclose or use for his own benefit or the benefit of any third-party, or allow the disclosure or use of, any Confidential Information by another person or entity, except if required by law.

Hoffnung was given at least forty-five (45) days to consider the terms of this confidentiality provision and consult with an attorney of Hoffnung's choice and changes to this Agreement, whether material or immaterial, do not restart the running of the 45-day period. If after 45 days this confidentiality provision is Hoffnung's preference, this preference will be memorialized in a separate agreement signed by all Parties. For a period of at least seven (7) days following the execution of such agreement, Hoffnung may revoke the agreement and the confidentiality provision in this Section, and the confidentiality provision shall not become effective or be enforceable until such revocation period has expired.

11. Assignment and Ownership of Intellectual Property. Hoffnung acknowledges and agrees that Company shall retain ownership of any content, data or information provided by Company to Hoffnung in any format, and any trademarks, copyrights, patents, trade secrets or other intellectual property of Company whenever developed (the "Intellectual Property), including, but not limited to, any Intellectual Property created by, or incorporated by, Hoffnung into the materials or work product produced during his time as a Hoffnung for Company. Hoffnung shall assign to Company all Intellectual Property and Company retains exclusive rights to the Intellectual Property developed by Hoffnung during the period he performed services for Company. The entire copyright and all other intellectual property rights of any nature in the materials and work product produced by Hoffnung pursuant to the Agreement are and shall remain the sole and exclusive property of Company.

12. Limited Disclosure of Terms of Agreement. Hoffnung agrees not to reveal, convey, comment upon, publicize, disclose, discuss, or cause to be revealed, conveyed, commented upon, publicized, disclosed or discussed, the terms of this Agreement (including, but not limited to, the financial terms) to any person or entity, other than to his financial advisor, and/or attorney (and to any federal, state or local governmental entity, upon request by such entity). Hoffnung may, however, disclose the duration of his non-compete agreement with prospective employers detailed in Section 3(v).

13. **Non-Disparagement**. Hoffnung agrees and covenants that Hoffnung shall not at any time make, publish, or communicate to any person or entity or in any public forum any defamatory, maliciously false, or disparaging remarks, comments, or statements concerning Company or its businesses, or any of its employees, officers, or directors, now or in the future. Should the Company be contacted regarding Hoffnung by any prospective employer, the Company shall provide dates of employment and job title only. Senior executives of the Company, including its CEO, shall not at any time make, publish, or communicate to any person or entity or in any public forum any defamatory, maliciously false, or disparaging remarks, comments, or statements concerning Hoffnung.

This Section does not in any way restrict or impede Hoffnung from exercising protected rights, including rights under the National Labor Relations Act (NLRA)or the federal securities laws, including the Dodd-Frank Act, to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order.

14. **Return of Property**. Hoffnung covenants that he will return all of Company's property and equipment and/or documents (including paper and electronic versions) and any confidential information in Hoffnung's possession or control except, in each case, as may be required or desirable to perform the services described in Paragraph 8 of this Agreement. For the avoidance of doubt, Hoffnung will be permitted to (a) retain his Company-owned laptop and related equipment, and (b) utilize his Company email address and business card throughout the term of this Agreement.

15. **Remedies**. In the event of a breach or threatened breach by Hoffnung of any of the provisions of this Agreement, Hoffnung hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. Any equitable relief shall be in addition to, not instead of, legal remedies, monetary damages, or other available relief.

If Hoffnung fails to comply with any of the terms of this Agreement or post-employment obligations contained in it, or if Hoffnung revokes the ADEA release contained in Section 4 within the seven-day revocation period, the Company may, in addition to any other remedies it may have, reclaim any amounts paid to Hoffnung under the provisions of this Agreement and terminate any benefits or payments that are later due under this Agreement, without waiving the releases provided in it.

In the event that either party believes there is a breach of this Agreement, the non-breaching party must provide written notice to the breaching party by certified mail or FedEx.

If Company fails to make one or more required payments outlined in Section 3 (i) and the default is not cured for a period of more than thirty (30) calendar days after notice from Hoffnung, then the Company shall immediately waive any remaining term of Hoffnung's non-compete outlined in Section 3(vi).

The Parties mutually agree that this Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

16. Successors and Assigns.

(a) Assignment by the Company. The Company may freely assign this Agreement at any time. This Agreement shall inure to the benefit of the Company and its successors and assigns.

(b) No Assignment by Hoffnung. Hoffnung may not assign this Agreement in whole or in part. Any purported assignment by Hoffnung shall be null and void from the initial date of the purported assignment.

17. Governing Law and Interpretation. This Agreement shall be governed and conformed in accordance with the laws of the State of New York without regard to its conflict of laws provisions. In the event of a breach of any provision of this Agreement, either Party may institute an action specifically to enforce any term or terms of this Agreement and/or to seek any damages for breach in the Supreme Court of New York, Queens County. Should any provision of this Agreement be declared illegal or unenforceable by any court of competent jurisdiction and should such provision be unable to be modified to be enforceable, excluding the general release language, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

18. Non-admission of Wrongdoing. Hoffnung and Company agrees that neither this Agreement nor the furnishing of the consideration for this Agreement shall be deemed or construed at any time for any purpose as an admission by Company or Hoffnung of wrongdoing or evidence of any liability or unlawful conduct of any kind.

19. Amendment. This Agreement may not be modified, altered or changed except in writing and signed by both Parties wherein specific reference is made to this Agreement.

20. Entire Agreement. This Agreement sets forth the entire agreement between the Parties hereto, and fully supersedes any prior agreements or understandings between the Parties. Hoffnung acknowledges that he has not relied on any representations, promises, or agreements of any kind made to Hoffnung in connection with Hoffnung's decision to accept this Agreement, except for those set forth in this Agreement.

The Parties knowingly and voluntarily sign this Confidential Separation and Transition Services Agreement, Waiver and Release as of the date(s) set forth below:

	Vireo Health, Inc.
/s/ Aaron Hoffnung	By: /s/ Kyle Kingsley
Aaron Hoffnung	Name: Kyle Kingsley
	Title: CEO
Date: 3/3/20	Date: 03/04/20

Exhibit A – Hoffnung Officer Roles

Vireo Health International, Inc. – Chief Operating Officer

Vireo Health Inc. – Chief Operating Officer

Vireo Health of New York LLC – Chief Executive Officer

Dorchester Capital, LLC – Chief Strategy Officer

Pennsylvania Medical Solutions, LLC – Chief Operating Officer

Ohio Medical Solutions, Inc. – Chief Operating Officer

Vireo Health of New Jersey, LLC – Chief Operating Officer

Arkansas Medical Solutions, LLC – Chief Operating Officer

Pennsylvania Dispensary Solutions LLC – Chief Operating Officer

Vireo Health of Puerto Rico, LLC – Chief Operating Officer

Vireo Health de Puerto Rico, LLC – Chief Operating Officer

Vireo Health of Nevada I, LLC – Chief Operating Officer

Vireo Health of Nevada II, LLC – Chief Operating Officer

Vireo Health of Arizona, LLC – Chief Operating Officer

Elephant Head Farm, LLC – Chief Operating Officer

Retail Management Associates, LLC – Chief Operating Officer

Live Fire, Inc. – Treasurer

Sacred Plant, Inc. – Treasurer

844 East Tallmadge LLC – Chief Operating Officer & Vice President

High Gardens, Inc. – Chief Operating Officer

Vireo Health of Massachusetts, LLC – Chief Operating Officer

Vireo Health of New Mexico, LLC – Chief Operating Officer

Vireo Health of Missouri, LLC – Chief Operating Officer

Exhibit B – Hoffnung Director Roles

Vireo Health International, Inc.

Vireo Health Inc.

Vireo Health of New York LLC

Dorchester Capital, LLC

Ohio Medical Solutions, Inc.

Vireo Health of New Jersey, LLC

Vireo Health of Puerto Rico, LLC

Vireo Health de Puerto Rico, LLC

Vireo Health of Nevada I, LLC

Vireo Health of Nevada II, LLC

Vireo Health of Arizona, LLC

Elephant Head Farm, LLC

Retail Management Associates, LLC

Live Fire, Inc.

Sacred Plant, Inc.

844 East Tallmadge LLC

High Gardens, Inc.

Vireo Health of Massachusetts, LLC

Mayflower Botanicals Inc.

Vireo Health of Missouri, LLC

Medical Solutions of Missouri, LLC

Exhibit C – Hoffnung Ownership in Subsidiaries and Affiliates

Ohio Medical Solutions, Inc.

Vireo Health of Missouri, LLC

Exhibit D – Bank Account with Hoffnung as Signatory

TuCoop – Puerto Rico domiciled bank

Exhibit E – Hoffnung Lockup Agreement

LOCK-UP AGREEMENT

To: Vireo Health International, Inc.

Dear Sirs/Mesdames:

The undersigned (the "**Locked-up Securityholder**") understands that Vireo Health International, Inc. ("**Vireo**" or the "**Company**") has an important and material interest in maintaining the market value of the Company's equity securities (the "**Shares**") by, among other things, enabling its shareholders to sell Shares by an orderly process (the "**Share Sale Process**") that minimizes the negative effect on the price of the Shares.

In consideration for the benefit that the Share Sale Process will confer upon the Locked-up Securityholder, the Locked-up Securityholder agrees that during the period commencing on September 14, 2019 (the "**Extension Date**") and ending in accordance with the schedule set forth in Exhibit A, below (the "**Lock-up Period**"), the Locked-up Securityholder will not, directly or indirectly: (i) offer, sell, contract to sell, transfer, assign, secure, hypothecate, pledge, lend, swap, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or otherwise dispose of (whether through the facilities of a stock exchange, by private placement or otherwise) or transfer any securities of the Company or an affiliate of the Company, or securities convertible or exchangeable into equity securities of the Company or any affiliate of the Company, in each case, whether owned by the Locked-up Securityholder or over which the Locked-up Securityholder has the power of disposition, including those listed below the undersigned's signature (collectively, the "**Locked-up Securities**"); (ii) make any short sale, engage in any hedging transaction, or enter into any swap or other arrangement or transaction that transfers, in whole or part, to another person any of the economic consequences of ownership of any Locked-up Securities, whether any such swap or transaction is to be settled by delivery of securities, in cash or otherwise, as the case may be; or (iii) otherwise publicly announce (by press release or other public platform of dissemination) any intention to do any of the activities restricted by (i) and (ii).

The restrictions in the preceding paragraph will not apply if the prior written consent of the Board of Directors of the Company, such consent not to be unreasonably withheld or delayed, has been obtained by the Locked-up Securityholder in connection with any transaction involving Locked-up Securities.

For greater certainty, for the purposes of this Agreement, "**Locked-up Securities**" shall include any additional Locked-up Securities acquired by the Locked-up Securityholder following the Extension Date (which shall be treated as if they were originally held on the Extension Date by the Locked-up Securityholder).

Nothing in this Agreement shall prohibit or otherwise restrict the transfer, sale or tender of any or all of the Locked-up Securities: (i) during the Lock-up Period pursuant to a Business Combination (as defined below); provided, all Locked-up Securities that are not so transferred, sold or tendered remain subject to this Agreement, and provided, further, that it shall be a condition of transfer that if such Business Combination is not completed, any Locked-up Securities subject to this Agreement shall remain subject to the restrictions herein for the balance of the Restricted Period (for the purposes of this lock-up agreement, "**Business Combination**" means: (a) a bona fide formal take-over bid (as defined in the *Securities Act* (Ontario)) made for all outstanding Resulting Issuer Shares or which, if successful, would result in a change of control; (b) a bona fide formal issuer bid (as defined in the *Securities Act* (Ontario)) made for all outstanding Resulting Issuer Shares; (c) an amalgamation that results in a change of control; or (d) a merger or similar statutory procedure involving a change of control); or (ii) in connection with transfers to any affiliates of the Locked-up Securityholder, any immediate family members of the Locked-up Securityholder, or any company, trust or other entity owned by or maintained for the benefit of the Locked- up Securityholder or any immediate family members of the Locked-up Securityholder.

The Locked-up Securityholder hereby acknowledges and agrees that (i) the Company is only soliciting agreements similar to the Agreement from a select group of the Company's shareholders and, as a result, not all shareholders will be subject to a lock-up agreement and (ii) during the Lock-up Period the Company (or, following the Reverse Takeover, the Resulting Issuer) may cause any transfer agent for any of the Locked-up Securities to decline to transfer, and to note stop transfer restrictions on the share register and other records relating to, the Locked-up Securities for which the Locked-up Securityholder is the record or beneficial holder.

This Agreement shall not be assigned by the Locked-up Securityholder or the Company without the prior written consent of the Company or the Lock-up Securityholder, as applicable. This Agreement will be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Locked-up Securityholder acknowledges that he or she has been advised to seek independent legal advice with respect to the matters contained in this Agreement and has either obtained such advice or has waived his or her right to do so. Should any part of this Agreement be declared or held to be invalid for any reason, the invalidity will not affect the validity of the remainder of this Agreement which will continue in full force and effect and be construed as if this Agreement had been executed without the invalid portion and it is hereby declared the intention of the parties that this Agreement would have been executed without reference to any portion that may, for any reason, be hereafter declared or held invalid. The Locked-up Securityholder consents to the details of this Agreement being made publicly available. This Agreement is irrevocable and will be binding upon and ensure to the benefit of the parties and their respective heirs, executors, administrators, personal representatives, successors and assigns.

A summary of details of whether the securities are owned of record or beneficially or otherwise controlled or directed has been provided in the Exhibit B of this Agreement.

[EXHIBITS AND SIGNATURE PAGE FOLLOWS]

Exhibit A. Lock-Up Period End Dates

Percentage of Locked-Up Securities Held as of Extension Date	**End of Lock-Up Period**
5%	September 1, 2020
5%	October 1, 2020
5%	November 1, 2020
5%	December 1, 2020
10%	January 1, 2021
10%	February 1, 2021
10%	March 1, 2021
10%	April 1, 2021
10%	May 1, 2021
10%	June 1, 2021
10%	July 1, 2021
10%	August 1, 2021

Exhibit B. Individual Securities Subject to Lock-up Agreement

Name	**Current Number and Class of Equity Securities of the Company**
Aaron Hoffnung	23,529 Subordinate Voting Shares
Aaron Hoffnung	2,400,387 Options to Purchase Subordinate Voting Shares

DATED this _____day of_____, 2019.

09/10/2019

If a Corporation, Partnership or Other Entity:

_____

Name of Entity

_____

Type of Entity

If an Individual:

X /s/ Aaron Hoffnung

Signature

Aaron Hoffnung

Print Name

X _____ _____

Signature of Person Signing | Signature of Witness

_____ _____

Print Name and Title

Exhibit 10.10

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into as November 12, 2019, to become effective on December 2, 2019 ("Effective Date") by and between Vireo Health, Inc., a Delaware corporation (the "Company") and Shaun Nugent, an individual residing in the State of Minnesota ("Employee") (collectively "Parties" or individually "Party").

RECITALS

WHEREAS, the Company desires to employ Employee pursuant to the terms of this Agreement and Employee desires to accept such employment pursuant to the terms of this Agreement; and

WHEREAS, during Employee's employment with the Company, Employee will become acquainted with technical and nontechnical information which the Company has developed, acquired and uses, or which the Company will develop, acquire or use, and which is commercially valuable to the Company and which the Company desires to protect, and Employee may contribute to such information through inventions, discoveries, improvements or otherwise.

NOW, THEREFORE, in consideration of the employment of Employee by the Company, and further in consideration of the salary, wages or other compensation and benefits to be provided by the Company to Employee, and for additional mutual covenants and conditions, the receipt and sufficiency of which are hereby acknowledged, the Company and Employee, intending legally to be bound, hereby agree as follows:

AGREEMENT

In consideration of the above recitals and the mutual promises set forth in this Agreement, the Parties agree as follows:

1. Nature and Capacity of Employment.

1.1 Title and Duties. Effective as of Effective Date, the Company will employ Employee as its Chief Financial Officer, or such other title as may be assigned to Employee by the Company's Chief Executive Officer or his or her designee from time to time, pursuant to the terms and conditions set forth in this Agreement. Employee will perform such duties and responsibilities for the Company as the Company's Chief Executive Officer or his or her designee may assign to Employee from time to time consistent with Employee's position. The Employee hereby agrees to act in that capacity under the terms and conditions set forth in this Agreement. Employee shall serve the Company faithfully and to the best of Employee's ability and shall at all times act in accordance with the law. Employee shall devote Employee's full working time, attention and efforts to performing Employee's duties and responsibilities under this Agreement and advancing the Company's business interests. Employee shall follow applicable policies and procedures adopted by the Company from time to time, including without limitation the Company's Code of Conduct, Employee Handbook and other Company policies, including those relating to business ethics, conflict of interest, non-discrimination and non-harassment. Employee shall not, without the prior written consent of the Company's Board of Directors (the "Board"), accept other employment or engage in other business activities during Employee's employment with the Company that may prevent Employee from fulfilling the duties or responsibilities as set forth in or contemplated by this Agreement. Employee may participate in civic, religious and charitable activities and personal investment activities to a reasonable extent, so long as such activities do not interfere with the performance of Employee's duties and responsibilities hereunder.

1.2 No Restrictions. Employee hereby represents and confirms that Employee is under no contractual or legal commitments that would prevent Employee from fulfilling Employee's duties and responsibilities as set forth in this Agreement.

1.3 Location. Employee's employment will be based at the Company's corporate headquarters. Employee acknowledges and agrees that Employee's position, duties and responsibilities will require regular travel, both in the U.S. and internationally.

2. Term. Unless terminated at an earlier date in accordance with Section 5, the term of Employee's employment with the Company under the terms and conditions of this Agreement will be for the period commencing on the Effective Date and ending on the two (2) year anniversary of the Effective Date (the "Initial Term"). On the two (2) year anniversary of the Effective Date, and on each succeeding one (1) year anniversary of the Effective Date (each an "Anniversary Date"), the Term shall be automatically extended until the next Anniversary Date (each a "Renewal Term"), subject to termination on an earlier date in accordance with Section 5 or unless either Party gives written notice of non-renewal to the other Party at least one hundred eighty (180) days prior to the Anniversary Date on which this Agreement would otherwise be automatically extended that the Party providing such notice elects not to extend the Term; provided, however, that if a Change in Control (as defined in Section 6.5) occurs during the Initial Term or during any Renewal Term then the Term will expire on the one (1) year anniversary of the date of the Change in Control. The Initial Term together with any Renewal Terms is the "Term." If Employee remains employed by the Company after the Term ends for any reason, then such continued employment shall be according to the terms and conditions established by the Company from time to time (provided that any provisions of this Agreement and the Restrictive Covenants Agreement (as defined in Section 3) that by their terms survive the termination of the Term shall remain in full force and effect).

3. Restrictive Covenants Agreement. On the Effective Date, Employee is executing a Confidential Information, Intellectual Property Rights, Non-Competition and Non-Solicitation Agreement, in the form of Exhibit A attached hereto and made a part hereof (the "Restrictive Covenants Agreement"). Employee acknowledges and agrees that the Company's execution of this Agreement and agreement to employ Employee are conditioned upon Employee executing the Restrictive Covenants Agreement. Nothing in this Agreement is intended to modify, amend, cancel or supersede the Restrictive Covenants Agreement in any manner.

4. Compensation, Benefits and Business Expenses.

4.1 Base Salary. As of the Effective Date, the Company agrees to pay Employee an annualized base salary of $307,500.00 (the "Base Salary"), which Base Salary will be earned by Employee on a pro rata basis as Employee performs services and which shall be paid according to the Company's normal payroll practices. For each of the Company's fiscal years during the Term, the Company's Chief Executive Officer will conduct a periodic review of Employee and, based on that review and the Chief Executive Officer's discretion, establish Employee's Base Salary in an amount not less than the Base Salary in effect for the prior year, unless Employee's Base Salary is reduced as part of a general reduction in the base salaries for all officers of the Company and in substantially the same proportion as the reduction in the base salaries for all officers of the Company. The review contemplated by this Section 4.1 need not be formal, nor need it be conducted on or before a specific date.

4.2 Annual Incentive Compensation. For each of the Company's fiscal years during the Term, Employee may be eligible to earn an annualized cash bonus if and in an amount determined by the Company's Chief Executive Officer in his or her discretion and subject to the terms of any written document addressing such annual cash bonus as the Company's Chief Executive Officer may adopt in his or her sole discretion. Unless specified otherwise a written annual cash bonus document applicable to Employee, Employee must be employed on the date any annual cash bonus is paid in order to earn and receive each such bonus.

4.3 Incentive Stock Option. Subject to (i) the approval of the Board and (ii) Employee being employed by the Company on the Effective Date, on such date or as soon as the executives of the Company are not subject to a trading blackout pursuant to the Company's then-applicable insider trading policy, Employee shall be granted an incentive stock option to purchase 740,000 shares of the Company's subordinate voting shares or 7,400 multiple voting shares, at the Company's discretion (the "Option"), pursuant to the Equity Incentive Plan (as defined below). The Option shall have an exercise price equal to the closing price on the trading day immediately preceding the date of grant of the Company's subordinate voting shares and shall vest over a period of four hears and have a 10-year term. The remaining terms of the Option will be governed by the Equity Incentive Plan and the applicable Incentive Stock Option Agreement issued in accordance with the Equity Incentive Plan.

4.4 Employee Benefits. While Employee is employed by the Company during the Term, Employee shall be entitled to participate in the retirement plans, health plans, and all other employee benefits made available by the Company, and as they may be changed from time to time. Employee acknowledges and agrees that Employee will be subject to all eligibility requirements and all other provisions of these benefits plans, and that the Company is under no obligation to Employee to establish and maintain any employee benefit plan in which Employee may participate. The terms and provisions of any employee benefit plan of the Company are matters within the exclusive province of the Board, subject to applicable law.

4.5 Paid Time Off. While Employee is employed by the Company during the Term, Employee shall have available unlimited personal time off in accordance with the Company's policies then in effect. Paid time off may be used for illness or other personal business, or as vacation time off at such times so as not to materially disrupt the operations of the Company. Paid time off is intended to be used, not stored, and these days shall in no event be converted to cash, nor shall any unused days be paid to Employee upon termination of his employment under this Agreement.

4.6 Business Expenses. While Employee is employed by the Company during the Term, the Company shall reimburse Employee for all reasonable and necessary out-of-pocket business, travel and entertainment expenses incurred by Employee in the performance of Employee's duties and responsibilities hereunder, subject to the Company's normal policies and procedures for expense verification and documentation.

5. Termination of Employment.

5.1 Termination of Employment Events. Employee's employment with the Company is at-will. Employee's employment with the Company will terminate immediately upon:

(a) The date of Employee's receipt of written notice from the Company of the termination of Employee's employment (or any later date specified in such written notice from the Company);

(b) Employee's abandonment of Employee's employment or the effective date of Employee's resignation for Good Reason (as defined below) or any other reason (as specified in written notice from Employee);

(c) Employee's Disability (as defined below); or

(d) Employee's death.

5.2 Termination Date. The date upon which Employee's termination of employment with the Company is effective is the "Termination Date." For purposes of Sections 6.1 or 6.2 only, with respect to the timing of the Pre-CIC Severance Payments or the Post-CIC Severance Payment (as applicable), the Pre-CIC Benefits Continuation Payments or the Post-CIC Benefits Continuation Payments (as applicable), the Outplacement Payments, the Termination Date means the date on which a "separation from service" has occurred for purposes of Section 409A of the Internal Revenue Code, as amended, and the regulations and guidance thereunder (the "Code").

5.3 Resignation From Positions. Unless otherwise requested by the Board in writing, upon Employee's termination of employment with the Company for any reason Employee shall automatically resign as of the Termination Date from all titles, positions and appointments Employee then holds with the Company, whether as an officer, director, trustee or employee (without any claim for compensation related thereto), and Employee hereby agrees to take all actions necessary to effectuate such resignations.

6. Payments Upon Termination of Employment.

6.1 Termination of Employment Without Cause or for Good Reason During the Term and Before the First Change in Control. If Employee's employment with the Company is terminated during the Term by the Company for any reason other than for Cause (as defined in Section 6.4), or by Employee for Good Reason (as defined in Section 6.6), and the Termination Date occurs before the first Change in Control to occur during the Term, then the Company shall, in addition to paying Employee's Base Salary and other compensation earned through the Termination Date, and subject to Section 6.9,

(a) pay to Employee as severance pay an amount equal to fifty percent (50%) of Employee's annualized Base Salary as of the Termination Date, less all legally required and authorized deductions and withholdings, payable in substantially equal installments in accordance with the Company's regular payroll cycle during the twelve (12) month period immediately following the Termination Date, provided, however, that any installments that otherwise would be payable on the Company's regular payroll dates between the Termination Date and the 45th calendar day after the Termination Date will be delayed until the Company's first regular payroll date that is more than forty-five (45) days after the Termination Date and included with the installment payable on such payroll date (the "Pre-CIC Severance Payments"); and

(b) if Employee is eligible for and takes all steps necessary to continue Employee's group health insurance coverage with the Company following the Termination Date (including completing and returning the forms necessary to elect COBRA coverage), pay for the portion of the premium costs for such coverage that the Company would pay if Employee remained employed by the Company, at the same level of coverage that was in effect as of the Termination Date, through the earliest of: (i) the six (6) month anniversary of the Termination Date, (ii) the date Employee becomes eligible for group health insurance coverage from any other employer, or (iii) the date Employee is no longer eligible to continue Employee's group health insurance coverage with the Company under applicable law ("Pre-CIC Benefits Continuation Payments").

6.2 Termination of Employment Without Cause or for Good Reason During the Term and Within Twelve (12) Months After the First Change in Control. If Employee's employment with the Company is terminated during the Term by the Company for any reason other than for Cause, or by Employee for Good Reason, and the Termination Date occurs on the date of the first Change in Control to occur during the Term or before the twelve (12) month anniversary of such Change in Control, then the Company shall, in addition to paying Employee's Base Salary and other compensation earned through the Termination Date, and subject to Section 6.9,

(a) pay to Employee as severance pay an amount equal to one hundred percent (100%) of Employee's annualized Base Salary as of the Termination Date, less all legally required and authorized deductions and withholdings, payable in a lump sum on the Company's first regular payroll date that is after the expiration of all rescission periods identified in the Release (as defined in Section 6.9) but in no event later than seventy-five (75) days after the Termination Date (the "Post-CIC Severance Payment"); provided, however, if the Post-CIC Severance Payment could be made in two different calendar years based on the date on which Employee signs the Release and all rescission periods identified in the Release expire, then the Post-CIC Severance Payment shall be paid in a lump sum in the second calendar year but no later than March 15 of such calendar year;

(b) if Employee is eligible for and takes all steps necessary to continue Employee's group health insurance coverage with the Company following the Termination Date (including completing and returning the forms necessary to elect COBRA coverage), pay for the portion of the premium costs for such coverage that the Company would pay if Employee remained employed by the Company, at the same level of coverage that was in effect as of the Termination Date, through the earliest of: (i) the twelve (12) month anniversary of the Termination Date, (ii) the date Employee becomes eligible for group health insurance coverage from any other employer, or (iii) the date Employee is no longer eligible to continue Employee's group health insurance coverage with the Company under applicable law ("Post-CIC Benefits Continuation Payments"); and

(c) pay up to $10,000.00 for outplacement services by an outplacement services provider selected by Employee, with any such amount payable by the Company directly to the outplacement services provider or reimbursed to Employee, in either case subject to Employee's submission of appropriate receipts before the twelve (12) month anniversary of the Termination Date (the "Outplacement Payments").

6.3 Other Termination of Employment Events. If Employee's employment with the Company is terminated by the Company or Employee for any reason upon or following the expiration of the Term, or if Employee's employment with the Company is terminated during the Term by reason of:

(a) Employee's abandonment of Employee's employment or Employee's resignation for any reason other than Good Reason;

(b) termination of Employee's employment by the Company for Cause; or

(c) Employee's death or Disability, then the Company shall pay to Employee or Employee's beneficiary or Employee's estate, as the case may be, Employee's Base Salary and other compensation earned through the Termination Date and Employee shall not be eligible or entitled to receive any severance pay or benefits from the Company.

6.4 Cause Defined. "Cause" hereunder means:

(a) Employee's material failure to perform his job duties competently as reasonably determined by the Board;

(b) gross misconduct by Employee which the Board determines is (or will be if continued) demonstrably and materially damaging to the Company;

(c) fraud, misappropriation, or embezzlement by Employee;

(d) an act or acts of dishonesty by Employee and intended to result in gain or personal enrichment of Employee at the expense of the Company;

(e) Employee's conviction of or plea of nolo contendere to a felony regardless of whether involving the Company and whether or not committed during the course of Employee's employment, other than with respect to any criminal penalties related to the illegality of possessing or using Marijuana under the Controlled Substance Act, 21 U.S.C. Section 812(b);

(f) Employee's violation of the Company's Code of Conduct, Employee Handbook or other material written policy, as reasonably determined by the Board; or

(g) the material breach of this Agreement of the Restrictive Covenants Agreement by Employee.

With respect to Section 6.4(a) and Section 6.4(f), the Company shall first provide Employee with written notice and an opportunity to cure such breach, if curable, in the reasonable discretion of the Board, and identify with specificity the action needed to cure within fifteen (15) days of Employee's receipt of written notice from the Company. If the Company terminates Employee's employment for Cause pursuant to this Section 6.4, then Employee shall not be eligible or entitled to receive any severance pay or benefits from the Company.

6.5 Change in Control Defined. “Change in Control” hereunder has the same meaning such term has in the Vireo Health International Inc. 2019 Equity Incentive Plan, as amended from time to time (the “Equity Incentive Plan”).

6.6 Good Reason Defined. “Good Reason” hereunder means the initial occurrence of any of the following events without Employee’s consent:

(a) after the date of the first Change in Control to occur during the Term and before the twelve (12) month anniversary of such Change in Control, a material diminution in the Employee’s responsibilities, authority or duties;

(b) a material diminution in the Employee’s salary, other than a general reduction in base salaries that affects all similarly situated Company employees in substantially the same proportions;

(c) a relocation of the Employee’s principal place of employment to a location more than fifty (50) miles from his principal place of employment on the Effective Date; or

(b) the material breach of this Agreement by the Company. provided, however, that “Good Reason” shall not exist unless Employee has first provided written notice to the Company of the initial occurrence of one or more of the conditions under clauses (a) through (d) above within thirty (30) days of the condition’s occurrence, such condition is not fully remedied by the Company within thirty (30) days after the Company’s receipt of written notice from Employee, and the Termination Date as a result of such event occurs within ninety (90) days after the initial occurrence of such event.

6.7 Disability Defined. “Disability” hereunder has the same meaning such term has in the Equity Incentive Plan.

6.8 The Company’s Sole Obligation. In the event of termination of Employee’s employment, the sole obligation of the Company to provide Employee with severance pay or benefits shall be its obligation to make the payments called for by Section 6.1 or Section 6.2, as the case may be, and the Company shall have no other severance-related obligation to Employee or to Employee’s beneficiary or Employee’s estate. For avoidance of doubt, nothing in this Section 6.8 affects Employee’s right to receive any amounts due under the terms of any employee benefit plans or programs (other than any severance-related plan or program) then maintained by the Company in which Employee participates.

6.9 Conditions To Receive Payments. Notwithstanding the foregoing provisions of this Section 6, the Company will not be obligated to make the Pre-CIC Severance Payments or Pre-CIC Benefits Continuation Payments under Section 6.1, or the Post-CIC Severance Payment, Post-CIC Benefits Continuation Payments or Outplacement Payments under Section 6.2, to or on behalf of Employee unless (a) Employee signs a release of claims in favor of the Company in a form to be prescribed by the Company (the 3Release´), (b) all applicable consideration periods and rescission periods provided by law with respect to the Release have expired without Employee rescinding the Release, and (c) Employee is in strict compliance with the terms of this Agreement and the Restrictive Covenants Agreement and any other written agreement between Employee and the Company.

7. Anticipatory Termination without Cause. If Employee's employment with the Company is terminated during the Term by the Company for any reason other than for Cause, and a Change in Control occurs within (sixty 60) days after Employee's Termination Date, then Employee shall receive an additional cash payment equal to fifty percent (50%) of Employee's annualized Base Salary as of the Termination Date, less all legally required and authorized deductions and withholdings, payable in a single lump sum no later than ten (10) days after the date of such Change in Control.

8. Section 409A and Taxes Generally.

8.1 Taxes. The Company is entitled to withhold on and report the making of such payments as may be required by law as determined in the reasonable discretion of the Company. Except for any tax amounts withheld by the Company from any compensation that Employee may receive in connection with Employee's employment with the Company and any employer taxes required to be paid by the Company under applicable laws or regulations, Employee is solely responsible for payment of any and all taxes owed in connection with any compensation, benefits, reimbursement amounts or other payments Employee receives from the Company under this Agreement or otherwise in connection with Employee's employment with the Company. The Company does not guarantee any particular tax consequence or result with respect to any payment made by the Company.

8.2 Section 409A. This Agreement is intended to provide for payments that satisfy, or are exempt from, the requirements of Section 409A, including Sections 409A(a)(2), (3) and (4) of the Code and current and future guidance and regulations interpreting such provisions, and should be interpreted accordingly. In furtherance of the foregoing, the provisions set forth below shall apply notwithstanding any other provision in this Agreement:

(a) all payments to be made to Employee hereunder, to the extent they constitute a deferral of compensation subject to the requirements of Section 409A (after taking into account all exclusions applicable to such payments under Section 409A), shall be made no later, and shall not be made any earlier, than at the time or times specified in this Agreement or in any applicable plan for such payments to be made, except as otherwise permitted or required under Section 409A;

(b) the date of Employee's "separation from service", as defined in Section 409A (and as determined by applying the default presumptions in Treas. Reg. §1.409A-1(h)(1)(ii)), shall be treated as the date of Employee's termination of employment for purposes of determining the time of payment of any amount that becomes payable to Employee related to Employee's termination of employment under Sections 10(a), 10(b) or 10(c), and any reference to Employee's "Termination Date" or "termination" of Employee's employment in Section 6.1 or Section 6.2 shall mean the date of Employee's "separation from service", as defined in Section 409A (and as determined by applying the default presumptions in Treas. Reg. §1.409A-1(h)(1)(ii));

(c) in the case of any amounts payable to Employee under this Agreement that may be treated as payable in the form of "a series of installment payments", as defined in Treas. Reg. §1.409A-2(b)(2)(iii), Employee's right to receive such payments shall be treated as a right to receive a series of separate payments for purposes of Treas. Reg. §1.409A-2(b)(2)(iii);

(d) to the extent that the reimbursement of any expenses eligible for reimbursement or the provision of any in-kind benefits under any provision of this Agreement would be considered deferred compensation under Section 409A (after taking into account all exclusions applicable to such reimbursements and benefits under Section 409A): (i) reimbursement of any such expense shall be made by the Company as soon as practicable after such expense has been incurred, but in any event no later than December 31st of the year following the year in which Employee incurs such expense; (ii) the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided, during any calendar year shall not affect the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided, in any calendar year; and (iii) Employee's right to receive such reimbursements or in-kind benefits shall not be subject to liquidation or exchange for another benefit;

(e) to the extent any payment or delivery otherwise required to be made to Employee hereunder on account of Employee's separation from service is properly treated as a deferral of compensation subject to Section 409A after taking into account all exclusions applicable to such payment and delivery under Section 409A, and if Employee is a "specified employee" under Section 409A at the time of Employee's separation from service, then such payment and delivery shall not be made prior to the first business day after the earlier of (i) the expiration of six months from the date of Employee's separation from service, or (ii) the date of Employee's death (such first business day, the "Delayed Payment Date"), and on the Delayed Payment Date, there shall be paid or delivered to Employee or, if Employee has died, to Employee's estate, in a single payment or delivery (as applicable) all entitlements so delayed, and in the case of cash payments, in a single cash lump sum, an amount equal to aggregate amount of all payments delayed pursuant to the preceding sentence. Except for any tax amounts withheld by the Company from the payments or other consideration hereunder and any employment taxes required to be paid by the Company, Employee shall be responsible for payment of any and all taxes owed in connection with the consideration provided for in this Agreement; and

(f) the Parties agree that this Agreement may be amended, as may be necessary to fully comply with, or to be exempt from, Section 409A and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either Party.

9. Miscellaneous.

9.1 Integration. This Agreement and the Restrictive Covenants Agreement embody the entire agreement and understanding among the Parties relative to subject matter hereof and combined supersede all prior agreements and understandings relating to such subject matter, including but not limited to any earlier offers to Employee by the Company; provided, however, this Agreement and the Restrictive Covenants Agreement are not intended to supersede or otherwise affect the Equity Incentive Plan or any Award Agreement (as defined in the Equity Incentive Plan), each of which shall remain in effect in accordance with its terms.

9.2 Applicable Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement are governed by the laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule, whether of the State of Minnesota or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Minnesota.

9.3 Choice of Jurisdiction. Employee and the Company consent to jurisdiction of the courts of the State of Minnesota and/or the federal district courts, District of Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement or Employee's employment with the Company or the termination of such employment. Any action involving claims for interpretation, breach or enforcement of this Agreement or related to Employee's employment with the Company or the termination of such employment shall be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of Minnesota and hereby waives any defense of lack of personal jurisdiction or inconvenient forum.

9.4 Employee's Representations. Employee represents that Employee is not subject to any agreement or obligation that would prevent or limit Employee from entering into this Agreement or that would be breached upon performance of Employee's duties under this Agreement, including but not limited to any duties owed to any former employers not to compete. If Employee possesses any information that Employee knows or should know is considered by any third party, such as a former employer of Employee's, to be confidential, trade secret, or otherwise proprietary, Employee shall not disclose such information to the Company or use such information to benefit the Company in any way.

9.5 Counterparts. This Agreement may be executed in several counterparts and as so executed shall constitute one agreement binding on the Parties.

9.6 Assignment and Successors. The rights and obligations of the Company under this Agreement shall inure to the benefit of and will be binding upon the successors and assigns of the Company. Neither party may, without the written consent of the other party, assign or delegate any of its rights or obligations under this Agreement except that the Company may, without any further consent of Employee, assign or delegate any of its rights or obligations under this Agreement to any corporation or other business entity (a) with which the Company may merge or consolidate, (b) to which the Company may sell or transfer all or substantially all of its assets or capital stock or equity, or (c) any affiliate or subsidiary of the Company. After any such assignment or delegation by the Company, the Company will be discharged from all further liability hereunder and such assignee will thereafter be deemed to be the "Company" for purposes of all terms and conditions of this Agreement, including this Section 9.6. Employee may not assign this Agreement or any rights or obligations hereunder. Any purported or attempted assignment or transfer by Employee of this Agreement or any of Employee's duties, responsibilities, or obligations hereunder is void.

9.7 Modification. This Agreement shall not be modified or amended except by a written instrument signed by the Parties.

9.8 Severability. The invalidity or partial invalidity of any portion of this Agreement shall not invalidate the remainder thereof, and said remainder shall remain in fully force and effect.

9.9 Opportunity to Obtain Advice of Counsel. Employee acknowledges that Employee has been advised by the Company to obtain legal advice prior to executing this Agreement, and that Employee had sufficient opportunity to do so prior to signing this Agreement.

9.10 280G Limitations. In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Employee (a) constitute "parachute payments" within the meaning of Section 280G of the Code and (b) would be subject to the excise tax imposed by Code Section 4999, then such benefits shall be either be: (i) delivered in full, or (ii) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to excise tax under Code Section 4999, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Code Section 4999, results in the receipt by Employee, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be subject to excise tax under Code Section 4999. Any determination required under this Section 9.10 will be made in writing by an accounting firm selected by the Company or such other person or entity to which the parties mutually agree (the "Accountants"), whose determination will be conclusive and binding upon Employee and the Company for all purposes. For purposes of making the calculations required by this Section 9.10, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Code Sections 280G and 4999. The Company and the Employee shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 9.10. Any reduction in payments and/or benefits required by this Section 9.10 shall occur in the following order: (A) cash payments shall be reduced first and in reverse chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; (B) accelerated vesting of stock awards, if any, shall be cancelled/reduced next and in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first), with full-value awards reversed before any stock option or stock appreciation rights are reduced; and (C) deferred compensation amounts subject to Section 409A shall be reduced last.

THIS EMPLOYMENT AGREEMENT was voluntarily and knowingly executed by the Parties effective as of the Effective Date first set forth above.

Date: November 12, 2019

VIREO HEALTH, INC.

/s/ Kyle Kingsley
By: Kyle Kingsley
Its: Chief Executive Officer

Date: November 12, 2019

EMPLOYEE:

/s/ Shaun Nugent
Shaun Nugent

[Signature Page to Employment Agreement]

Exhibit A
to Employment Agreement

Confidential Information, Intellectual Property Rights,
Non-Competition and Non-Solicitation Agreement

Exhibit 21.1

LIST OF SUBSIDIARIES

Subsidiary	Formation Date	State of Organization
Vireo Health International, Inc. (fka Darien Business Development Corp.)	11/25/1985	British Columbia
Vireo Health, Inc. *(fka Vireo Health, LLC)*	Initial formation on 02/04/2015 (MN), later converted to DE on 12/31/2017	Minnesota, but converted to a Delaware corporation on 12/31/2017
Vireo Health of Minnesota, LLC dba Green Goods (fka Minnesota Medical Solutions LLC - name changed on 8/3/2020, assumed name filed on 8/4/2020)	11/02/2012	Minnesota
Vireo Health of New York LLC *(formerly Empire State Health Solutions LLC)*	02/13/2015	New York
Vireo Vaporizer Company LLC	04/23/2015	New York
New York CannaCare Corporation (Non-profit)	05/27/2015	New York
MaryMed, LLC	08/18/2015	Maryland
Dorchester Capital, LLC	09/09/2016	Delaware
Dorchester Management, LLC	11/10/2016	Minnesota
Resurgent Biosciences, Inc. (formerly Resurgent Pharmaceuticals, Inc. - name changed on 5/4/2020)	09/09/2016	Delaware
Pennsylvania Medical Solutions, LLC	02/02/2017	Pennsylvania
Ohio Medical Solutions, Inc.	06/05/2017	Delaware
Vireo Health of New Jersey, LLC *(fka Vireo Health of North Dakota, LLC)*	08/07/2017	Delaware
1776 Hemp, LLC	11/06/2017	Delaware
Vireo Health Arkansas, LLC	09/08/2017	Delaware
Arkansas Medical Solutions, LLC	08/31/2017	Delaware
Pennsylvania Dispensary Solutions LLC	05/07/2018	Pennsylvania
Vireo Health of Puerto Rico, LLC	06/26/2018	Delaware
Vireo Health de Puerto Rico LLC	10/24/2018	Puerto Rico
Xaas Agro, Inc.	06/14/2016	Puerto Rico
Vireo Health of Nevada I, LLC	10/11/2018	Nevada
MJ Distributing C201, LLC	10/17/2018	Nevada
MJ Distributing P132, LLC	10/17/2018	Nevada
Vireo Health of Nevada II, LLC	10/11/2018	Nevada
Vireo Health of Arizona, LLC	11/16/2018	Delaware
Arizona Natural Remedies, Inc. (Non-Profit)		Arizona
Elephant Head Farm, LLC	05/11/2016	Arizona
Retail Management Associates, LLC	12/15/2015	Arizona
Live Fire, Inc.	11/01/2017	Arizona
Sacred Plant, Inc.	11/01/2017	Arizona
844 East Tallmadge LLC	11/22/2018	Ohio
High Gardens, Inc.	04/20/2017	Rhode Island
Vireo Health of Massachusetts, LLC	01/29/2019	Delaware
Verdant Grove, LLC	Initial formation on 03/21/2019 (DE), later converted to MA on 03/21/2020	Delaware, but converted to Massachusetts on 3/21/2020
Mayflower Botanicals Inc.	Initial formation on 07/27/2015 (MA), later converted to For Profit 11/16/2018	Massachusetts, but converted to For Profit 11/16/2018

Vireo Health of New Mexico, LLC	02/04/2019	Delaware
Red Barn Growers (Non-profit)	03/30/2010	New Mexico
Midwest Hemp Research, LLC	04/27/2016	Minnesota
Vireo Health of Missouri, LLC	06/27/2019	Delaware

Exhibit 10.11

EXECUTION VERSION

CERTAIN CONFIDENTIAL INFORMATION (MARKED BY BRACKETS AS "[***]") HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

MASTER PURCHASE AGREEMENT

THIS MASTER PURCHASE AGREEMENT (the "***Agreement***") is entered into as of February ___, 2019 ("***Effective Date***") by and between Vireo Health, Inc., a Delaware corporation (together with its successors and assigns, "***Purchaser***"), Harwich LLC, a Massachusetts limited liability company ("***Harwich***"), Mayflower Botanicals, Inc., a Massachusetts corporation ("***Mayflower***"), Omer Rosenhand, Kevin C. Pelissier, Jr., Mark R. Kubricky and Matthew E. Jossen, each an individual (collectively, the "***Owners***"), and Landing Rock LLC, a Massachusetts limited liability company ("***Landing Rock***" and collectively with Harwich and Mayflower, the "***Companies***"). Owners and the Companies are referred to herein collectively as "***Seller Parties***" and each individually as a "***Seller Party***". Purchaser and Seller Parties may be referred to collectively as the "***Parties***" and in the singular as a "***Party***".

RECITALS

A. Owners are the beneficial and record owners of ONE HUNDRED PERCENT (100%) of the issued and outstanding shares of stock and other equity interests of Mayflower; and Owners are the beneficial, indirect owners of ONE HUNDRED PERCENT (100%) of the limited liability company interests of each of Harwich and Landing Rock.

B. Mayflower is preparing to be engaged in the business of medical and recreational (i.e. adult use) marijuana cultivation, production and sale in the Commonwealth of Massachusetts (the "***Business***"). In this regard, Mayflower: (i) is the beneficial and legal owner of a Provisional Certificate of Registration for a Registered Marijuana Dispensary for a dispensing, cultivating and processing facility ("***Provisional RMD***"); and (ii) is listed with the Commonwealth of Massachusetts Cannabis Control Commission as an approved RMD Priority Applicant for the issuance of a Marijuana Establishment license. The approved location for Mayflower to conduct these activities is in Holland, MA (the "***Business Location***").

C. Harwich holds sole and exclusive right and authority to manage the operations of Mayflower's business activities, including but not limited to the Business, pursuant to that certain Management Agreement by and between Harwich and Mayflower, dated November 30, 2018 (the "***Management Contract***").

D. Landing Rock holds the sole and exclusive right to acquire approximately four hundred (400) acres of real property located in Massachusetts and Connecticut (as further identified in the Real Estate Purchase Agreement, the "***Real Property***") pursuant to the terms of that certain Real Estate Purchase Agreement between Landing Rock and Transportation Alliance Bank, Inc., a Utah commercial bank d/b/a TAB Bank ("***TAB***") (the "***Real Estate Purchase Agreement***").

E. The Parties hereto are aware that the cultivation and sale of marijuana and marijuana products remains illegal under the laws of the United States of America, despite enactment of St. 2012, c. 369: An Act for the Humanitarian Medical Use of Marijuana ("***Medical Marijuana Act***"), and St. 2016, c. 334, The Regulation and Taxation of Marijuana Act, as amended by St. 2017, c. 55, An Act to Ensure Safe Access to Marijuana ("***Adult Use of Marijuana Act***") by the Commonwealth of Massachusetts. The Federal government regulates Marijuana possession and use through the Controlled Substances Act, 21 U.S.C. § 812(b) (the "***CSA***"). The CSA makes it a crime, among other things, to possess or use marijuana even for medical reasons and despite valid state laws authorizing the medical use of Marijuana. The Parties hereto acknowledge that the Parties' clear and unambiguous compliance with the Medical Marijuana Act and the Adult Use of Marijuana Act do not create a legal defense to a violation of the CSA.

F. Notwithstanding the illegality of possessing or using marijuana under the CSA, Purchaser and Seller Parties desire to consummate the transactions contemplated by this Agreement.

IN CONSIDERATION of the foregoing and the mutual covenants, agreements, conditions, representations and warranties set forth herein, the Parties agree as follows:

ARTICLE I
PURCHASE AND SALE

Section 1.1 Certain Definitions. The terms defined in this Section 1.1 (except as may be otherwise expressly provided in this Agreement) shall, for all purposes of this Agreement, have the following respective meanings (all terms used in this Agreement that are not defined in this Section 1.1 shall have the meanings as set forth elsewhere in this Agreement):

(a) The term "***Action***" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

(b) The term "***Affiliate***" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

(c) The term "***Code***" means the United States Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

(d) The term "***Dollars***" or "***$***" means United States Dollars.

(e) The term "***Escrow Agent***" means the Seller Parties' attorneys, Hinckley, Allen & Snyder LLP.

(f) The term "***Governmental Entity***" means any national, state, local or foreign court, tribunal, arbitral body, arbitrator, administrative agency or commission or other governmental or regulatory authority or instrumentality.

(g) The term "***Governmental Order***" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Entity.

(h) All statements that are qualified by "***Knowledge***," "***aware of***," or similar phrases pertaining to any representation of a particular fact or other matter shall mean (i) in the case of an individual, such individual's actual knowledge or what the individual reasonably should have discovered through normal and prudent business; (ii) with respect to any entity, any members of such entity's executive management, including without limitation, its officers and directors, such members' actual knowledge or what reasonably should have been discovered by the members through normal and prudent business operations.

(i) The term "***Lien***" means any charge, claim, preemptive right, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

(j) The term "***Law***" means any law (both common and statutory law, civil and criminal law, and domestic and foreign law), treaty, convention, rule, directive, legislation, ordinance, regulatory code (including, without limitation, competition law or regulation, statutory instruments, guidance notes, circulars, directives, decisions, rules and regulations) or similar provision having the force of law or an Order of any Governmental Entity or any self-regulatory organization.

(k) The term "***Material Adverse Change***" means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, materially adverse to (a) the business, results of operations, condition (financial or otherwise) or assets of any of the Companies, or (b) the ability of the Seller Parties to consummate the Transactions contemplated hereby; provided, however, that "Material Adverse Change" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) any matter of which Purchaser is aware on the date hereof; or (ii) any natural or man-made disaster or acts of God.

(l) The term "***Order***" means any judgment, writ, decree, compliance agreement, injunction or judicial or administrative or arbitral order or award and legally binding determinations of any Governmental Entity, including any arbitrator.

(m) The term "***Permit***" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Entities.

(n) The term "***Person***" is defined to include any individual, corporation, partnership, joint venture, association, limited liability company, trust, unincorporated organization, or any other entity or organization.

(o) The term "***Purchaser's Public Offering***" means the consummation (including the funding thereof) of a Reverse Merger or Registered Offering with a Canadian public company.

(p) The term "***Reverse Merger***" means any consolidation or merger of Purchaser (or its Affiliate) with or into, or an acquisition of Purchaser (or its Affiliate) by, a Canadian publicly listed company or a Canadian Capital Pool Company.

(q) The term "***Registered Offering***" means Purchaser's filing of a prospectus in Canada under the securities regulations of any Canadian provincial government (the "***Canadian Securities Regulations***") with respect to an offering of equity securities of Purchaser concurrent with becoming publicly traded, other than a prospectus (i) filed in connection with any employee stock option or other benefit plan, (ii) for an exchange offer or offering of securities solely to Purchaser's existing shareholders, (iii) for an offering of debt that is convertible into equity securities of Purchaser or (iv) for a dividend reinvestment plan.

(r) The term "***Tax***" or "***Taxes***" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax, fee, charge, levy, duty or similar import of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not and including any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

(s) The term "***Transaction Documents***" means this Agreement, the Assignment and Assumption of Management Contract, the Equity Purchase Agreement, the Assignment and Assumption of Real Estate Purchase Agreement, the Promissory Note (if applicable), and any other documents deliverable hereunder.

ARTICLE II
PURCHASE AND SALE TRANSACTION

Section 2.1 **Purchase and Sale.** Subject to the terms and conditions set forth herein, at the Closing of the Transaction:

(a) Assignment of Management Contract. Harwich will transfer to Purchaser, and Purchaser will assume from Harwich, the Management Contract, free and clear of all Liens and otherwise pursuant to the terms and condition of that certain Assignment and Assumption of Management Contract Agreement attached hereto as Exhibit A (the "***Management Contract Assignment Transaction***").

(b) Equity Transaction. Following consummation of the Management Contract Assignment Transaction, Owners shall sell to Purchaser, and Purchaser shall acquire from Owners, all of the issued and outstanding shares of stock of Mayflower, free and clear of all Liens and otherwise pursuant to the terms and conditions of that certain Equity Purchaser Agreement attached hereto as Exhibit B (the "***Equity Purchase Transaction***"). Following consummation of the Equity Purchase Transaction, Purchaser shall cause the termination of the Management Contract.

(c) Real Estate Transaction. Following consummation of the Equity Purchase Transaction, Landing Rock shall assign to Purchaser, and Purchaser shall assume from Landing Rock, all of Landing Rock's right, title and interest in and to the Real Estate Purchase Agreement, free and clear of all Liens and otherwise pursuant to the terms and conditions of that certain Assignment and Assumption of Real Estate Purchase Agreement attached hereto as Exhibit C (the "***Real Estate Transaction***"). The Management Contract Assignment Transaction, Equity Purchase Transaction and Real Estate Transaction are referred to herein collectively as the "***Transactions***").

Section 2.2 **Consideration.** In consideration of the Transactions, and the covenants made by Seller Parties under this Agreement, Purchaser agrees to deliver to Seller Parties, the following:

(a) Deposit. A cash payment in the amount of Fifty Thousand Dollars ($50,000.00) (the "***Deposit***"), which has previously been delivered by Purchaser to Seller Parties, c/o the Escrow Agent, the receipt and sufficiency of which is hereby acknowledged. The Deposit is non-refundable to Purchaser, except in accordance with Section 3.4 below, and will be released to Harwich at Closing;

(b) Cash Payment. At Closing, a cash payment in the amount of Nine Hundred and Fifty Thousand Dollars ($950,000), payable by Purchaser to Harwich by wire transfer of immediately available funds;

(c) Promissory Note; Purchaser Stock. Either (x) Nine Million Dollars ($9,000,000.00) (the "***Base Value***") by delivery of a Convertible Promissory Note to Harwich in the form attached hereto as Exhibit E (the "***Promissory Note***"), but only in the event that the Closing occurs prior to Purchaser's Public Offering, or (y) the number of shares of the stock offered in Purchaser's Public Offering equal to (i) the Base Value divided by (ii) the price per share of capital stock offered in Purchaser's Public Offering multiplied by seventy percent (70%) (such shares, the "***Harwich Shares***"), provided Harwich delivers to Purchaser any stock agreements, lock up covenants, and similar documents (in each case subject to the proviso in the last sentence of Section 6.7) related to Purchaser's Public Offering that are generally required of stockholders in similar circumstances as Harwich, as reasonably determined by Purchaser's underwriter or legal counsel to Purchaser; and provided further that if the Closing has not occurred prior to March 1, 2019, the Base Value shall be increased by 0.25% on March 1, 2019, and the Base Value shall be further increased by 0.25% on the first day of each month thereafter until the Closing. No fractional Harwich Shares shall be issued; and in lieu thereof, Purchaser shall pay to Harwich the value of any fractional Harwich Share in cash; and

(d) Real Estate Transfer. Following Closing of the Transactions in their entirety, and confirmation that a fee title interest in the Real Estate has vested in Purchaser as a result of the Closing of the Real Estate Transaction, Purchaser shall deliver to Landing Rock a Warranty Deed in the form attached hereto as Exhibit D, pursuant to which Purchaser shall convey to Landing Rock the lesser of (i) 330 acres of the Real Property or (ii) all such acres of the Real Property which are not zoned for cannabis production or other cannabis use.

Section 2.3 Allocation of Consideration. The consideration described in Section 2.2 above shall be allocated among the Transactions as set forth in Schedule 2.3 attached hereto.

ARTICLE III
CLOSING

Section 3.1 Closing Date. The closing of the Transactions (the "***Closing***") shall take place prior to or concurrent with the Purchaser's Public Offering, subject to the satisfaction or waiver of each of the conditions set forth in Section 3.3 hereof (other than those conditions that by their nature are to be satisfied at the Closing, but subject to satisfaction thereof at the Closing), or at such other time as the parties hereto agree in writing (such date on which the Closing shall occur, the "***Closing Date***"). The Closing shall take place via the transmission to the respective offices of legal counsel for the parties via e-mail in portable document format (.pdf) with due confirmation of all requisite transaction documents (including but not limited to those Closing deliveries described at Section 3.2 below) duly executed where requested, or at such other place as may be mutually agreed upon by the parties hereto in writing.

Section 3.2 Closing Deliveries. At Closing, the respective Parties shall take the following actions:

(a) Seller Parties' Deliverables. Seller Parties agree to take the following actions and deliver the following documents, in the form and substance reasonably satisfactory to Purchaser, duly executed as appropriate, to Purchaser:

(1) Corporate Documents.

a. Owners and Harwich shall deliver to Purchaser: (i) a certificate of status of the Seller issued on or within ten (10) days prior to the Closing Date by the Massachusetts Secretary of Commonwealth; and (ii) a certificate of an authorized officer of Harwich, dated as of the Closing Date, as to: (A) the certificate of organization of Harwich; (B) the bylaws or operating agreement of Harwich, (C) joint resolutions of the Owners and governing board of Harwich (if any) authorizing the execution, delivery and performance of this Agreement, the Transactions and the documents required herein, and (D) incumbency and signatures of the officers of Harwich;

b. Owners and Mayflower shall deliver to Purchaser: (i) a certificate of status of the Seller issued on or within ten (10) days prior to the Closing Date by the Massachusetts Secretary of Commonwealth; (ii) a certificate of an authorized officer of Mayflower, dated as of the Closing Date, as to: (A) the articles of incorporation of Mayflower; (B) the bylaws of Mayflower, (C) board and stockholder resolutions of Mayflower authorizing the execution, delivery and performance of this Agreement, the Transactions and the documents required herein, and (D) incumbency and signatures of the officers of Mayflower; and (iii) documentation, as reasonably requested by Purchaser, evidencing the pre-closing conversion of Mayflower from a non-profit to for-profit entity under the Laws of the Commonwealth of Massachusetts and the Code;

c. Owners and Landing Rock shall deliver to Purchaser: (i) a certificate of status of the Seller issued on or within ten (10) days prior to the Closing Date by the Massachusetts Secretary of Commonwealth; and (ii) a certificate of an authorized officer of Landing Rock, dated as of the Closing Date, as to: (A) the certificate of organization of Landing Rock; (B) the bylaws or operating agreement of Landing Rock, (C) joint resolutions of the Owners and governing board of Landing Rock (if any) authorizing the execution, delivery and performance of this Agreement, the Transactions and the documents required herein, and (D) incumbency and signatures of the officers of Landing Rock.

(2) Transaction Documents.

a. Owners and Harwich shall deliver to Purchaser: (i) the Assignment and Assumption of Management Contract, duly executed by Harwich; and (ii) each of the closing deliveries required to be delivered by such Seller Parties under the Assignment and Assumption of Management Contract;

b. Owners and Mayflower shall deliver to Purchaser: (i) the Equity Purchase Agreement, duly executed by such Seller Parties; and (ii) each of the closing deliveries required to be delivered by such Seller Parties under the Equity Purchase Agreement;

c. Owners and Landing Rock shall deliver to Purchaser: (i) Assignment and Assumption of Real Estate Purchase Agreement, duly executed by Landing Rock; and (ii) each of the closing deliveries required to be delivered by such Seller Parties under the Assignment and Assumption of Real Estate Purchase Agreement; and

d. Harwich shall deliver any documents required by Section 2.2(c) above related to the Harwich Shares.

(3) Estoppels.

a. Management Contract. An estoppel certificate in form and substance reasonably satisfactory to Purchaser, effective as of the Closing Date, and duly executed by Harwich and Mayflower, certifying that: (i) as of the Closing Date, no existing default exists under the terms of the Management Contract; and (ii) the Management Contract will remain in full force and effect following consummation of the transaction contemplated by the Assignment and Assumption of Management Contract.

b. Real Estate Purchase Agreement. An estoppel certificate in form and substance reasonably satisfactory to Purchaser, effective as of the Closing Date, and duly executed by Landing Rock and TAB, certifying that: (i) as of the Closing Date, no existing default exists under the terms of the Real Estate Purchase Agreement; and (ii) the Real Estate Purchaser Agreement will remain in full force and effect, for the benefit of Purchaser, following consummation of the transaction contemplated by the Assignment and Assumption of Management Contract.

(4) Access. All documents, keys, security codes, account numbers, passwords and other login information required to grant Purchaser full and unfettered access to the Business, the Business Location and all assets necessary or otherwise related to Seller Parties operation of the Business; and

(5) Other Documents. Such other documents as Purchaser may reasonably request to consummate the Transactions.

(b) Purchaser Deliverables. Purchaser agrees to deliver the following deliverables and documents, duly executed by Purchaser as appropriate,

(1) Purchase Price. To Seller Parties, the Cash Payment described in Section 2.2(b) and either the Promissory Note or the Harwich Shares, as applicable and as described in Section 2.2(c).

(2) Corporate Documents. Purchaser shall deliver to Seller Parties: (i) a certificate of status of the Purchaser issued on or within ten (10) days prior to the Closing Date by the Delaware Secretary of State; and (ii) a certificate of the secretary of Purchaser, dated as of the Closing Date, as to: (A) the articles of organization and bylaws of Purchaser; and (B) resolutions of the governing board of Purchaser authorizing the execution, delivery and performance of this Agreement, the Transactions and the documents required herein.

(3) Transaction Documents.

a. Purchaser shall deliver to Harwich the Assignment and Assumption of Management Contract, duly executed by Purchaser, together with each of the closing deliveries required to be delivered by Purchaser thereunder;

b. Purchaser shall deliver to the Owners the Equity Purchase Agreement, duly executed by Purchaser, together with each of the closing deliveries required to be delivered by Purchaser thereunder; and

c. Purchaser shall deliver to Landing Rock the Assignment and Assumption of Real Estate Purchase Agreement, duly executed by Purchaser, together with each of the closing deliveries required to be delivered by Purchaser thereunder.

(4) Other Documents. Such other documents as Seller Parties may reasonably request to consummate the Transactions.

Section 3.3 Conditions to Obligation to Close.

(a) Joint Conditions to Close. The Parties' obligation to consummate the Transactions and other transactions to be performed by them in connection with the Closing are subject to the satisfaction of the following conditions: (i) no action, suit or proceeding shall be pending before any court or administrative agency or arbitrator that could result in a rescission of any of the Transactions; and (ii) the Parties shall have received all approvals required from Governmental Entities for the Transactions, including, without limitation, the State of Massachusetts, any division, department, agency or other instrumentality thereof, and any municipalities in which the Companies do business including, without limitation, the Department of Public Health and the Cannabis Control Commission of the Commonwealth of Massachusetts.

(b) Conditions to Purchaser's Obligation to Close. Purchaser's obligation to consummate the transactions to be performed by it in connection with Closing is subject to satisfaction of the following conditions at or prior to Closing: (i) there has been no Material Adverse Change with respect to the Business or any Seller Party; (ii) the representations and warranties set forth in Article IV shall be true and correct at and as of the Closing Date; (iii) each of the Seller Parties shall have performed and complied with all of their covenants or conditions required hereunder to be performed or completed hereunder in all respects by the Closing Date; (iv) each of the Seller Parties shall execute and deliver those closing deliverables referenced in Section 3.2(a); (v) Purchaser shall have obtained all licenses and permits necessary to own, operate and otherwise conduct the Business as conducted as of the date hereof, including but not limited to any and all consents or approvals necessitated by the Transaction; (vi) Purchaser shall be satisfied in all respects with its due diligence investigation of Seller Parties and the Real Property in accordance with Section 3.3(d); and (vii) all conditions to the closing of the transactions contemplated by the Equity Purchase Agreement and Real Estate Purchase Agreement have been satisfied in all respects or waived.

(c) Conditions to Seller Parties' Obligation to Close. The obligation of the Seller Parties to consummate the transactions to be performed by them in connection with Closing is subject to satisfaction of the following conditions at or prior to Closing: (i) the representations and warranties set forth in Article V shall be true and correct at and as of the Closing Date; (ii) Purchaser shall have performed and complied with all of its covenants hereunder; (iii) Purchaser shall execute and deliver those closing deliverables referenced in Section 3.2(b); (iv) all actions to be taken by Purchaser in connection with consummation of the Transactions and all documents required to effect the Transactions will be satisfactory in form and substance to the Seller Parties; and (v) there has been no Material Adverse Change with respect to the Purchaser or its business.

(d) Purchaser's Due Diligence. Purchaser shall have from the date hereof until February 1, 2019 (the "***Diligence Period***") to complete its due diligence review of the Seller Parties and the Real Property. If Purchaser has not terminated this Agreement pursuant to Section 3.4(d) by the end of the Diligence Period, Purchaser shall be deemed to be satisfied with its due diligence review.

Section 3.4 Termination of Agreement. Certain of the Parties may terminate this Agreement as provided below:

(a) By Purchaser and Seller Parties by mutual written agreement at any time prior to Closing; provided that in the event of termination pursuant to this Section 3.4(a), the Deposit shall be released by Escrow Agent to the Seller Parties within fifteen (15) days of Escrow Agent's receipt of written notice of termination.

(b) By Purchaser or Seller Parties if the Closing has not occurred on or before March 31, 2019, unless the failure results primarily from the terminating Party's breach of any representations, warranties or covenants contained in this Agreement; provided that in the event of termination pursuant to this Section 3.4(b), the Deposit shall be released by Escrow Agent to the non-terminating Party within fifteen (15) days of Escrow Agent's receipt of written notice of termination.

(c) By Purchaser or Seller Parties if the satisfaction of any of the conditions in Section 3.3(a) is or becomes impossible (other than through the failure of the terminating Party to comply with its obligations under this Agreement), and provided that the non-terminating Party has not waived any such condition. In the event of any termination under this Section 3.4(c), the Deposit shall be released by Escrow Agent to the Purchaser within fifteen (15) days of Escrow Agent's receipt of written notice of termination.

(d) By Purchaser, if the satisfaction of any of the conditions in Section 3.3(b) is or becomes impossible (other than through the failure of Purchaser to comply with its obligations under this Agreement) and Purchaser has not waived any such condition. In the event of any termination of this Agreement pursuant to this Section 3.4(d), the Deposit shall be released by Escrow Agent to Purchaser within fifteen (15) days of Escrow Agent's receipt of written notice of termination.

(e) By Seller Parties, if the satisfaction of any of the conditions of Section 3.3(c) is or becomes impossible (other than through the failure of any Seller Party to comply with its obligations under this Agreement) and the Seller Parties have not previously waived any such condition. In the event of any termination of this Agreement pursuant to this Section 3.4(e), the Deposit shall be released by Escrow Agent to Seller Parties within fifteen (15) days of Escrow Agent's receipt of written notice of termination.

If any Party terminates this Agreement pursuant to this Section 3.4, all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to any other Party.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF SELLER PARTIES

Seller Parties, jointly and severally, represent and warrant to Purchaser that the statements contained in this Article IV, are correct and complete as of the Effective Date and the Closing Date.

Section 4.1 Authorization. Each Seller Party has all requisite power and authority to enter into this Agreement and all documents and instruments entered into by such Seller Party pursuant to this Agreement and the Transaction Documents, to consummate the Transactions, and to perform its obligations thereunder. All acts and proceedings required to be taken by Seller Parties for the authorization, execution, delivery and performance of this Agreement and the Transaction Documents have been taken or will be taken prior to Closing. This Agreement, the Transaction Documents, and all other documents and instruments delivered hereunder and thereunder, are legal, valid and binding on each Seller Party, and will be enforceable by Purchaser post-Closing in accordance with their respective terms.

Section 4.2 Organization, Authority and Qualification.

(a) Harwich is a limited liability company duly organized, validly existing and in good standing under the Laws of the Commonwealth of Massachusetts and has full limited liability power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducted. All limited liability company actions taken by Harwich in connection with this Agreement and the other Transaction Documents are and will be duly authorized on or prior to the Closing.

(b) Mayflower is a corporation duly organized, validly existing and in good standing under the Laws of the Commonwealth of Massachusetts and has full corporate power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducted. All corporate actions taken by Mayflower in connection with this Agreement and the other Transaction Documents are and will be duly authorized on or prior to the Closing.

(c) Landing Rock is a limited liability company duly organized, validly existing and in good standing under the Laws of the Commonwealth of Massachusetts and has full limited liability power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducted. All limited liability company actions taken by Landing Rock in connection with this Agreement and the other Transaction Documents are and will be duly authorized on or prior to the Closing.

Section 4.3 No Conflicts; Consents. The execution, delivery and performance by each Seller Party of this Agreement and the other Transaction Documents to which Seller Parties, or any one of them are party, and the consummation of the transactions contemplated hereby and thereby (including but not limited to the Transactions) do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the articles of incorporation, articles of organization, by-laws or other organizational documents of any Seller Party; (b) subject to RECITAL "E" regarding the CSA and related federal Laws, conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to any Seller Party; (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any contract or other agreement to which any Seller Party is a party or by which any such Party is bound or to which any of their respective properties and assets are subject or any Permit affecting the properties, assets or Business of any Seller Party; or (d) result in the creation or imposition of any Lien on any properties or assets of any Seller Party. Except as is contemplated by the Equity Purchase Agreement, no consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Entity is required by or with respect to any Seller Party in connection with the execution and delivery of this Agreement, the Transaction Documents and the consummation of any of the Transactions contemplated hereby and thereby.

Section 4.4 **Compliance; Required Consents**. Except with respect to the CSA and related federal laws, with respect to the Business: the Seller Parties are and have been in full compliance with all Laws, Orders and Permits applicable to Seller Parties and their respective assets, properties, businesses and operations, including without limitation, all county, city and other local requirements of the jurisdiction in which the Business Location is located. To the Knowledge of Seller Parties, no investigation, audit or review by any Governmental Entity with respect to the Business or any Seller Party is pending or threatened, nor has any Governmental Entity notified any Seller Party of its intention to conduct the same. With respect to the Business, no Seller Party: (i) has been charged with, and to the Knowledge of the Seller Parties, none of them is now under investigation with respect to, any actual or alleged violation of any applicable Law relating to the Business including, without limitation, the Medical Marijuana Act, Adult Use of Marijuana Act, or other requirement of a Governmental Entity; (ii) has been a party to or bound by any Order; or (iii) has failed to file any material report required to be filed with any Governmental Entity.

Section 4.5 **Commission.** No Person has, or as a result of the Transactions will have, any right, interest or claim against or upon Seller Parties for any commission, fee or other compensation as a finder, agent or broker or in any similar capacity. Seller Parties shall indemnify, defend and hold Purchaser harmless in connection with and from any demand by any third party for any such compensation or fee as a finder, agent, or broker.

Section 4.6 **Litigation.** To the Knowledge of Seller Parties, there are no claims, demands, actions, suits, arbitrations or other legal, administrative or governmental investigations or proceedings (whether federal, state, local or foreign) pending or threatened, against any Seller Party. There are no judgments, injunctions, rules or orders of any court, governmental department, commission, agency, or arbitrator outstanding against any Seller Party.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Seller Parties that the statements contained in this Article V are correct and complete as of the Closing Date and the Effective Date:

Section 5.1 **Organization, Standing and Authorization.** Purchaser is a Delaware corporation duly organized, validly existing and registered under the laws of the State of Delaware. Purchaser has full power and authority to enter into this Agreement and the other Transaction Documents to which Purchaser is a party, to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. All acts and proceedings required to be taken by Purchaser for the authorization, execution, delivery and performance of this Agreement and the Transaction Documents have been taken or will be taken prior to Closing. All state licenses held by Purchaser with respect to the cultivation, sale, and distribution of marijuana and marijuana products are set forth on Schedule 5.1. All licenses shown on Schedule 5.1 are in good standing with the issuing Governmental Entity.

Section 5.2 **Binding Obligations.** This Agreement and all other documents and instruments delivered hereunder by Purchaser are legal, valid and binding on Purchaser and are enforceable against Purchaser post-Closing in accordance with their respective terms.

Section 5.3 **No Contravention.** Except as described in detail in Schedule 5.3, the execution, delivery and performance by Purchaser of this Agreement will not: (a) require any consent or approval from any third party that has not been obtained; (b) require any authorization, consent, approval, license or registration with any Governmental Entity that has not been validly and lawfully obtained; or (c) cause Purchaser to violate or contravene any provision of law, rule or regulation.

Section 5.4 **Subsidiaries.** As of the Effective Date: (a) the Affiliates of the Purchaser, including their state of domicile, Purchaser's percentage ownership, and state licensure with respect to the cultivation, sale, and distribution of marijuana and marijuana products, are set forth on Schedule 5.4; and (b) all licenses shown on Schedule 5.1 are in good standing with the issuing Governmental Entity.

Section 5.5 Financial Statements. Copies of the Purchaser's audited compiled consolidated financial statements as of December 31, 2017, December 31, 2016, and December 31, 2015 (the "***Year-End Statements***"), and unaudited compiled consolidated balance sheets, income statement and statement of cash flows of the Purchaser as at September 30, 2018 (the "***Interim Statement***" and together with the Year-End Statements, the "***Financial Statements***") have been made available to Seller Parties. The Financial Statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved, subject, in the case of the Interim Statements, to normal and recurring year-end adjustments and the absence of notes. The Financial Statements fairly present in all material respects the financial condition of the Purchaser as of the respective dates they were prepared and the results of the operations of the Purchaser for the periods indicated. The Purchaser has no liabilities, obligations or commitments of a type required to be reflected on a balance sheet prepared in accordance with generally accepted accounting principles, except (i) those which are adequately reflected or reserved against in the Financial Statements; and (ii) those which have been incurred in the ordinary course of business since the date of the Interim Statement and which are not material in amount.

Section 5.6 Absence of Certain Changes, Events and Conditions. Since the date of the Interim Statement, the Purchaser has operated in the ordinary course of business in all material respects and there has not been any event, occurrence or development that has had or could reasonably be expected to have a Material Adverse Change on the Purchaser.

Section 5.7 Legal Proceedings. There are no actions, suits, claims, investigations or other legal proceedings pending or, to Purchaser's Knowledge, threatened against or by the Purchaser or any Affiliate thereof affecting any of its properties or assets which, if determined adversely to the Purchaser or its Affiliate would result in a Material Adverse Change.

Section 5.8 Taxes. The Purchaser and its Affiliates have filed (taking into account any valid extensions) all Tax returns required to be filed by them. Such Tax returns are true, complete and correct in all material respects. Neither the Purchaser nor any of its Affiliates is currently the beneficiary of any extension of time within which to file any material Tax return other than extensions of time to file Tax returns obtained in the ordinary course of business. All material Taxes due and owing by the Purchaser and its Affiliates have been paid or accrued.

ARTICLE VI
COVENANTS

Section 6.1 Public Announcement; Customer Communications. No Seller Party shall, directly or indirectly, make any public announcements, notices or other written or oral communications to Mayflower's clients concerning the Transactions without the advance written consent of Purchaser.

Section 6.2 Assurances. The Parties shall in good faith from and after the date hereof take all actions as may be reasonably required to complete the Transactions without further consideration or expense of the other Parties.

Section 6.3 Noncompetition. For a period of three (3) years from and after the Effective Date, no Seller Party will engage, either alone, or jointly with, or as an officer, stockholder, lender, partner, principal, or agent for or employee of any person or persons, firm, partnership, or corporation, either directly or indirectly set up, exercise, conduct, or be engaged or employed, or serve as an advisor or as a consultant to, any business that directly or indirectly competes with the Business as is conducted by Mayflower on the day immediately preceding the Closing Date, in each case, within the Commonwealth of Massachusetts. If the final judgment of a court of competent jurisdiction declares that any term or provision of this Section 6.3 is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision. The Parties hereby declare that it is impossible to measure in money the damages which will accrue to Purchaser by reason of a failure by any Seller Party to perform the obligations under this Section 6.3. Seller Parties agree that the remedy at law for any breach of the provisions of this Section 6.3 will be inadequate, and that, in addition to damages, Purchaser shall be entitled to obtain injunctive relief from the Court having jurisdiction over such Seller Party, and the subject matter, ordering specific performance of the provisions hereof. In any action to enforce the provisions of this Section 6.3, each Seller Party shall waive the right to claim that Purchaser has an adequate remedy at law. Each Seller Party specifically admits receipt and adequacy of consideration for this Section 6.3 and the reasonableness of the time and distance limitations set forth above. Notwithstanding any provision of this Agreement to the contrary, the terms of this Section 6.3 shall survive the Closing Date and the execution, acknowledgement, sealing and delivery of the Agreement and consummation of the Transaction.

Section 6.4 **Non-solicitation.** For a period of three (3) years from and after the Effective Date, and except as permitted pursuant to subsequent written agreement with the Purchaser, no Seller Party shall, directly or indirectly, on such party's own behalf or on behalf of, or in conjunction with, any other Person, knowingly:

(a) Solicit or attempt to solicit the business of any Person who is a customer or prospective customer of Mayflower for any business, interests or for the sale of any products which are directly or indirectly competitive with the Business or the products promoted by the Business;

(b) Cause, induce or attempt to cause or induce any licensor, licensee, employee, consultant or any other Person with a business relationship with Mayflower to: (A) cease (or not commence) doing business with Mayflower, or (B) in any way interfere with any such Person's relationship with Mayflower, provided however, notwithstanding the foregoing, a general employment solicitation by a Seller Party that is not targeted at Purchaser's or Mayflower's employees, shall not be a violation of this clause 6.4(b); or

(c) Cause, induce or attempt to cause or induce any customer, supplier, licensee, licensor, franchisee, employee, consultant or any other Person with a business relationship with Mayflower to cease (or not commence) doing business with Mayflower, to deal with any competitor of Mayflower or in any way interfere with its relationship Mayflower or the Business.

Section 6.5 **Confidentiality**. Seller Parties will treat and hold as confidential all of the Confidential Information (defined below), refrain from using any of the Confidential Information except in connection with this Agreement, and deliver promptly to Purchaser or destroy, at the reasonable, post-Closing request and option of Purchaser, all tangible embodiments (and all copies) of the Confidential Information that are in his or its possession. The foregoing provisions shall not apply to any Confidential Information that: (i) is generally available to the public prior to the time of disclosure other than as a breach of this provision, or (ii) is lawfully acquired by a Seller Party from and after Closing from sources which are not prohibited from disclosing such information. The term "***Confidential Information***" means any information concerning the Business and affairs of the Companies that is not generally available to the public prior to the Effective Date. Notwithstanding the foregoing, Seller Parties may maintain in their records a copy of this Agreement and its Exhibits, and disclose the same to their legal and tax advisers.

Section 6.6 **License Fees**. From and after the Effective Date, Purchaser agrees to pay any and all fees due to the Department of Public Health and/or the Cannabis Control Commission in respect of Mayflower's licenses, including without limitation its Provisional RMD and approved RMD Priority Applicant status for the issuance of a Marijuana Establishment license. Purchaser and Seller Parties agree to cooperate with respect to the timing of the payment of such fees. In the event the Closing does not occur (unless as a result of termination by Seller Parties pursuant to Sections 3.4(b) or (e)), Seller Parties agree to reimburse Purchaser for the amount of license fees paid by Purchaser pursuant to this Section.

Section 6.7 **Lockup Period**. Harwich agrees that Harwich shall not sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale of, Harwich Shares after issuance during the one hundred eighty (180) day period (or such lesser period as may be required of the officers and directors of Purchaser and holders of five percent (5%) or more of the capital securities of Purchaser) following the effective date of the Purchaser Public Offering, provided that all officers and directors of Purchaser and holders of five percent (5%) or more of the capital securities of Purchaser are bound by similar restrictions; provided however, Harwich shall be entitled to sell for cash the least number of shares of Harwich Shares necessary for Harwich and/or the shareholders of Harwich to satisfy its and/or their tax liabilities resulting from the transactions contemplated hereby.

Section 6.8 Intent of the Parties. It is the express intent of the parties that the Harwich Shares be shares of the same class and series of capital stock that is generally offered in the Purchaser's Public Offering to the holders of common stock of Purchaser who are residents of the United States of America, which shares shall be registered and publicly traded under the securities laws of Canada.

ARTICLE VII
SURVIVAL OF REPRESENTATION AND WARRANTIES

Section 7.1 **Survival of Seller Party Representations and Warranties.** The representations and warranties of the various Seller Parties set forth in Sections 4.1, 4.2 and 4.3 (the "***Seller Parties Fundamental Representations***"), as well as the right of Purchaser to rely thereon, shall survive Closing and continue in full force and effect forever. All other representations and warranties of the Seller Parties set forth herein shall survive Closing and shall remain in full force and effect until the date that is eighteen (18) months from the Closing Date. The expiration of the applicable survival period shall not terminate any claim for indemnification for which Purchaser has previously notified Seller Parties.

Section 7.2 **Survival of Purchaser's Representations and Warranties.** The representations and warranties of Purchaser set forth in Sections 5.1 5.3 and 5.4 (the "***Purchaser Fundamental Representations***"), as well as the rights of each Seller Party to rely thereon, shall survive Closing and continue in full force and effect forever. All other representations and warranties of the Purchaser set forth herein shall survive Closing and shall remain in full force and effect until the date that is eighteen (18) months from the Closing Date. The expiration of the applicable survival period shall not terminate any claim for indemnification for which Seller Parties have previously notified Purchaser.

Section 7.3 **Survival of Covenants.** All covenants and agreements of the Parties contained herein shall survive Closing indefinitely or for the period explicitly specified therein. Any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching Party to the breaching Party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

ARTICLE VIII
INDEMNIFICATION; RECOUPMENT

Section 8.1 **Indemnification by Seller Parties.** Each of the Seller Parties, jointly and severally, shall indemnify and hold harmless Purchaser, its officers, agents, employees and servants, and their respective heirs, personal and legal representatives, guardians, successors and assigns ("***Purchaser Indemnitees***") from and against the entirety of all actual out-of-pocket losses, damages, penalties, fines, liabilities, costs or expenses, including reasonable attorneys' fees and court costs (hereinafter "***Adverse Consequences***") resulting from, arising out of, relating to, in the nature of, or to the extent caused by the following, any: (a) misrepresentation or breach by a Seller Party of any representation or warranty of any Seller Party contained in this Agreement or in any Transaction Document (other than in respect of Section 4.14 of the Equity Purchase Agreement, it being understood that the sole remedy for any such inaccuracy in or breach thereof shall be pursuant to Article VI of the Equity Purchase Agreement); (b) nonperformance, failure to comply or breach by any Seller Party of any covenant, promise or agreement of any Seller Party contained in this Agreement or in any Transaction Document (other than in respect of Article VI of the Equity Purchase Agreement, it being understood that the sole remedy for any such nonperformance, failure to comply or breach thereof shall be pursuant to Article VI of the Equity Purchase Agreement).

Section 8.2 **Indemnification by Purchaser.** Purchaser shall defend, indemnify and hold harmless each Seller Party, and its respective officers, agents, employees and servants, and their respective heirs, personal and legal representatives, guardians, successors and assigns ("***Seller Indemnitees***") from and against the Adverse Consequences resulting from, arising out of, relating to, in the nature of, or to the extent caused by the following, any: (a) misrepresentation, omission or breach by Purchaser of any representation or warranty of Purchaser contained in this Agreement or in any Transaction Document; and (b) nonperformance, failure to comply or breach by Purchaser of any covenant, promise or agreement of Purchaser contained in this Agreement or in any Transaction Document.

Section 8.3 **Indemnification Procedures**. The party making a claim under this Article VIII is referred to as the "***Indemnified Party***," and the party against whom such claims are asserted under this Article VIII is referred to as the "***Indemnifying Party***."

(a) **Third Party Claims.** If any Indemnified Party receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a representative of the foregoing (a "***Third Party Claim***") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than fifteen (15) calendar days after receipt of such notice of such Third Party Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Adverse Consequences that have been or may be sustained by the Indemnified Party.

(b) **Settlement of Third Party Claims.** Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed), except as provided in this Section 8.3(b). If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim, and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within ten (10) days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim.

(c) **Direct Claims.** Any Action by an Indemnified Party on account of any claim or other loss which does not result from a Third Party Claim (a "***Direct Claim***") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Adverse Consequences that have been or may be sustained by the Indemnified Party. The Indemnifying Party shall have thirty (30) days after its receipt of such notice to respond in writing to such Direct Claim. If the Indemnifying Party does not so respond within such thirty (30) day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

Section 8.4 Certain Limitations. The indemnification provided for in Sections 8.1 and 8.2 shall be subject to the following limitations:

(a) The Indemnifying Party shall not be liable to the Indemnified Party for indemnification under Sections 8.1(a) or 8.2(a), as the case may be, until the aggregate amount of all Adverse Consequences in respect of indemnification under Sections 8.1(a) or 8.2(a), as the case may be, exceeds $75,000 (the "***Basket***"), in which event the Indemnifying Party shall be liable for all Adverse Consequences from the first dollar. Notwithstanding the foregoing, the Deductible shall not apply to the Seller Parties Fundamental Representations, the Purchaser Fundamental Representations, or any breach of Sections 6.3, 6.4 or 6.5.

(b) The aggregate amount of all Adverse Consequences for which an Indemnifying Party shall be liable pursuant to Sections 8.1(a) or 8.2(a), as the case may be, shall not exceed $3,000,000. Notwithstanding the foregoing, the foregoing limitation shall not apply to the Seller Parties Fundamental Representations, the Purchaser Fundamental Representations, or any breach of Sections 6.3, 6.4 or 6.5.

(c) Notwithstanding anything herein to the contrary, the aggregate amount of all Adverse Consequences for which an Indemnifying Party shall be liable pursuant to Sections 8.1 or 8.2, as the case may be, shall not exceed $10,000,000.

(d) The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Adverse Consequences prior to seeking indemnification under this Agreement, and payments by an Indemnifying Party pursuant to Sections 8.1(a) or 8.2(a) shall be limited to the amount of any liability or damage that remains after deducting therefrom any of the following amounts received or reasonably expected to be received by the Indemnified Party in respect of any such claim: (i) insurance proceeds, reduced by the aggregate value of any premium paid by such Indemnified Party; and (ii) any indemnity, contribution or other similar payment.

(e) Except in the case of a Third Party Claim, an Indemnifying Party shall not be liable to any Indemnified Party for punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business, reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple.

(f) Each Indemnified Party shall take, and cause its Affiliates to take, all commercially reasonable steps to mitigate any Adverse Consequences upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Adverse Consequences.

Section 8.5 **Tax Treatment of Indemnification Payments.** All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by law.

Section 8.6 **Purchaser's Right of Setoff against Promissory Note.** Notwithstanding anything to the contrary in this Agreement or the other Transaction Documents, and without prejudice to any other right or remedy Purchaser has or may have, and in all cases subject to the limitations in Section 8.4, Purchaser may set off or recoup all or any amounts payable to Seller Parties under the Promissory Note against any liability for which any Seller Party is liable to Purchaser, including but not limited to any Adverse Consequences (collectively, the "***Amounts Payable***"), which are: (a) agreed to in writing by the Parties; or (b) adjudicated (by final, non-appealable judgment) to be payable by any Seller Party to Purchaser; *provided however*, if within (5) days of such mutual agreement or adjudication, Seller Parties deliver direct payment of the full amount of such Amounts Payable to Purchaser in the form of cash or other immediately available funds, Purchaser agrees that it shall not exercise its setoff rights under this Section 8.6.

ARTICLE IX
GENERAL TERMS

Section 9.1 **Notices.** All notices hereunder shall be in writing and shall be deemed to have been duly given upon receipt, if personally delivered, or on the next business day following dispatch if given via a nationally-recognized overnight courier service, addressed to the Parties at the following addresses or at such other addresses as shall be specified in writing and in accordance with this Section 9.1, with concurrent transmission by e-mail of a PDF copy of such notice or communication:

If to any Seller Party:
Omer Rosenhand
Matthew Jossen
[***]

With a copy to:
Hinckley Allen
Attn: David Hirsch
100 Westminster Street, Suite 1500
Providence, RI 02903
[***]

If to Purchaser:
Vireo Health, Inc.
Attn: General Counsel
1330 Lagoon Avenue, 4th Floor
Minneapolis, MN 55408

With a copy to:
Stinson Leonard Street LLP
Attn: Jessica Barry
3 Civic Center Plaza, Suite 400
Mankato, MN 56001

Section 9.2 **Severability.** If any one or more of the terms of this Agreement are deemed to be invalid or unenforceable by a court of law, the validity, enforceability, and legality of the remaining provisions of this Agreement will not in any way be affected or impaired thereby, provided that: (a) each Party receives the substantial benefit of its bargain with respect to the transactions contemplated hereby; and (b) the ineffectiveness of such provision would not result in such a material change as to cause completion of the Transactions to be unreasonable for either Party.

Section 9.3 **Amendments and Waivers.** No amendment of any provision of this Agreement shall be valid unless in writing and signed by Purchaser and each Seller Party. No waiver by any Party of any provision of this Agreement or any default, misrepresentation, or breach of warranty or covenant hereunder shall be valid unless the same shall be in writing and signed by the Party making such waiver. No waiver shall be deemed to extend to any other default, misrepresentation, or breach.

Section 9.4 **Governing Law; Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without regard to such jurisdiction's conflict of laws principles. ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY SHALL BE DECIDED IN THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS LOCATED IN THE CITY OF BOSTON AND COUNTY OF SUFFOLK, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. 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.

Section 9.5 Headings; Exhibits; Construction. The headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and do not constitute a part of this Agreement. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. The word "including" shall mean including without limitation and no exclusion of unlisted items shall be inferred from their absence.

Section 9.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Neither Seller Parties nor Purchaser may assign or delegate this Agreement or any of his or its rights, interests, or obligations hereunder without the prior written approval of the Purchaser (with respect to assignment by the Seller Parties) or the Seller Parties (with respect to assignment by the Purchaser), and any purported assignment or delegation in violation of the foregoing shall be null and void and of no force or effect. Notwithstanding the foregoing, Purchaser may assign its rights and obligations under this Agreement to any of its Affiliates, provided that Purchaser remains jointly and severally liable with such assignee for the performance of Purchaser's obligations hereunder.

Section 9.7 Entire Agreement. This Agreement, together with the documents to be delivered herein, constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

Section 9.8 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. Federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

Section 9.9 No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

Section 9.10 Remedies Cumulative. None of the rights, powers or remedies conferred upon the Parties in connection with this Agreement shall be mutually exclusive, and each such right, power or remedy shall be cumulative and in addition to every other right, power or remedy, whether conferred hereby or hereafter available at law, in equity, by statute or otherwise.

Section 9.11 **Specific Performance.** The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties may be entitled to seek specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 9.12 **Attorneys' Fees.** In the event that any Action, suit, or other legal or administrative proceeding is instituted or commenced by either party hereto against the other party arising out of or related to this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and court costs from the non-prevailing party.

[*Signatures on the following page*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

PURCHASER:

VIREO HEALTH, INC.

By: /s/ Kyle Kingsley
Name: Kyle Kingsley
Title: CEO

MAYFLOWER:

MAYFLOWER BOTANICALS, INC.

By: /s/ Omer Rosenhand
Name: Omer Rosenhand
Title: Manager

HARWICH:

HARWICH LLC

By: /s/ Omer Rosenhand
Name: Omer Rosenhand
Title: Manager

LANDING ROCK:

LANDING ROCK LLC

By: /s/ Kevin C. Pelissier, Jr.
Name: Kevin C. Pelissier, Jr.
Title: Manager

OWNERS:

/s/ Omer Rosenhand
Omer Rosenhand

/s/ Kevin C. Pelissier, Jr.
Kevin C. Pelissier, Jr.

/s/ Matthew E. Jossen
Matthew E. Jossen

/s/ Marrk R. Kubricky
Mark R. Kubricky

ESCROW AGENT: HINCKLEY, ALLEN & SNYDER LLP, AS ESCROW AGENT

By: Hinckley, Allen & Snyder LLP
Name: David S. Hirsch
Title: Partner

LIST OF EXHIBITS

Exhibit A: Assignment and Assumption of Management Contract Agreement
Exhibit B: Equity Purchaser Agreement
Exhibit C: Assignment and Assumption of Real Estate Purchase Agreement
Exhibit D: Form of Warranty Deed
Exhibit E: Form of Promissory Note

Exhibit 10.12

CERTAIN CONFIDENTIAL INFORMATION (MARKED BY BRACKETS AS "[***]") HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

THIRD AMENDED AND RESTATED

MEMBERSHIP INTEREST AND STOCK PURCHASE AGREEMENT

THIS THIRD AMENDED AND RESTATED MEMBERSHIP INTEREST AND STOCK PURCHASE AGREEMENT ("Agreement") is made and entered into as of the 26th day of February, 2019 (the "Effective Date"), by and between VIREO HEALTH OF ARIZONA, LLC, a Delaware limited liability company (as successor in interest to VIREO HEALTH, INC., a Delaware corporation) (collectively "Buyer"); and MARK WRIGHT, a married man, SHANE HOWELL, a married man, GORDON HAMILTON, a married man, and ROBERT KIVLIGHN, an unmarried man, all of whom are the sole record and beneficial owners and members of one hundred percent (100%) of the issued and outstanding equity interests, of ELEPHANT HEAD FARM, LLC ("EHF") and RETAIL MANAGEMENT ASSOCIATES, LLC ("RMA"), each an Arizona limited liability company (collectively, the "EHF Members" and the "RMA Members"); and ROBERT KIVLIGHN and GORDON HAMILTON, both of whom are the sole record and beneficial shareholders of one hundred percent (100%) of the issued and outstanding shares and interests, and are actively engaged in the operation of, LIVE FIRE, INC. ("LFI") and SACRED PLANT, INC. ("SPI"), each an Arizona corporation (collectively, the "LFI Owners" and the "SPI Owners"), respectively (collectively, the EHF Members, RMA Members, LFI Owners, and SPI Owners are referred to herein as "Sellers") (each with Buyer a "Party" and together the "Parties"). EHF, RMA, LFI, SPI and ANR, defined below, are collectively referred to herein as the "Companies". Each of the Sellers hereby appoints ROBERT KIVLIGHN and GORDON HAMILTON (collectively, the "Sellers' Representatives") as his attorney in fact, authorized hereby to act in his stead in performing the Sellers' obligations hereunder except in the event this Agreement or any document deliverable hereunder requires the signature of a Seller.

I. WHEREAS, the parties entered into that certain Membership Interest and Stock Purchase Agreement dated November 1, 2018 (the "Original Purchase Agreement") and subsequently, entered into that certain (i) Amended and Restated Membership Interest and Stock Purchase Agreement dated November 14, 2018, (the "First Amended Purchase Agreement"); and (ii) Second Amended and Restated Membership Interest and Stock Purchase Agreement dated February 26, 2019 (the "Second Amended Purchase Agreement", and collectively with the Original Purchase Agreement and First Amended Purchase Agreement, the "Amended Purchase Agreement"); and

II. WHEREAS, the parties now desire to further amend and restate the Amended Purchase Agreement in its entirety as set forth herein for the purposes of, and on the terms and conditions set forth in, this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual obligations set forth in this Agreement, the Parties hereto agree that the foregoing Recitals are true and are incorporated herein, and the Parties further agree as follows:

RECITALS

A. WHEREAS, pursuant to and in compliance with Title 9; Chapter 17 Department of Health Services Medical Marijuana Program (the "AZDHS Rules") and A.R.S. § 36-2801 *et seq.*, the Arizona Medical Marijuana Act, as amended from time to time (the "Act") (the AZDHS Rules and the Act are collectively referred to herein as the "AMMA"), the Arizona Department of Health Services ("AZDHS") awarded Arizona Natural Remedies, Inc., an Arizona nonprofit corporation ("ANR"), a medical marijuana dispensary registration certificate (the "Certificate");

B. WHEREAS, ANR operates the Arizona Natural Remedies medical marijuana dispensary located at 22041 N. 23rd Avenue, Phoenix, Arizona 85027 (the "Dispensary"), pursuant to Certificate ID No. 00000028DCGV00174888, pursuant to a certain Approval to Operate issued by AZDHS (the "ATO") and a special use permit issued by the City of Phoenix, Arizona (the "SUP") (the Certificate, ATO and SUP shall be collectively referred to as the "Certificate"), and leases the real property thereof from MC Development LLC, an Arizona limited liability company, by written lease, a copy of which (and all amendments, exhibits and addenda thereto) has been delivered to Buyer by Sellers (the "Dispensary Lease");

C. WHEREAS, all of the persons on the board of directors of ANR (the "ANR Board"), LFI (the "LFI Board") and SPI (the "SPI Board") and all of the officers of ANR (the "ANR Officers"), LFI (the "LFI Officers") and SPI (the "SPI Officers") are the Sellers;

D. WHEREAS, ANR, as the holder of the Certificate, is in the business of cultivating, dispensing, producing, processing, extracting, distributing and selling at retail and wholesale medical marijuana (collectively, "Marijuana") and other lawful business (collectively, the "Business") from the Dispensary and an offsite cultivation facility (the "Offsite Facility") located at 2731 E. Frontage Road, Amado, Arizona 85645 pursuant to an ATO and SUP from the County of Santa Cruz for cultivation, extraction and infusion and the AMMA, and leases the real property thereof from Oswald Cattle Company, an Arizona corporation, by written lease, a copy of which (and all amendments, exhibits and addenda thereto) has been delivered to Buyer by Sellers (the "Cultivation Lease"), (the Dispensary Lease and the Cultivation Lease are collectively referred to herein as "Leases");

E. WHEREAS, pursuant to that certain Management Services Agreement between ANR, as principal, and RMA, as contractor, dated December 15, 2015, a copy of which (and all amendments, exhibits and addenda thereto) will be delivered to Buyer by Sellers, RMA is providing certain management services to ANR with respect to the operation of the Dispensary and the appointment of the ANR Board and the ANR Officers, and pursuant to that certain Cultivation Management Services Agreement between OPEN AIR MANAGEMENT, LLC, an Arizona limited liability company ("OAM"), a contractor to ANR, as principal, and EHF and/or SANTA CRUZ CONSULTING GROUP, LLC, an Arizona limited liability company ("SCCG"), as contractor, dated May 13, 2016, whereby EHF is providing certain management services to ANR with respect to the operation of the Offsite Facility, a true, correct and complete copy of which (and all amendments, exhibits and addenda thereto) has been delivered to Buyer by Sellers;

F. WHEREAS, notwithstanding the illegality of possessing or using Marijuana under the Controlled Substance Act, 21 U.S.C. Section 812(b) (the "CSA"), Buyer desires to purchase all of the membership interests and shares of Sellers in each of EHF, RMA, LFI and SPI as more particularly described in Exhibit 1 attached hereto and incorporated herein, and Sellers desire to sell their membership interests and shares in the foregoing entities upon the terms and conditions set forth in this Agreement.

AGREEMENT

1. Purchase and Assignment.

a. Membership Interests; Shares. Subject only to the other terms and provisions contained in this Agreement, and in exchange for the Purchase Price, defined in Section 2 below, and other consideration described herein the sufficiency of which is mutually acknowledged, (i) each of the Sellers hereby sells, assigns, and transfers to Buyer, and Buyer hereby purchases and acquires from the Sellers, one hundred percent (100%) of the issued and outstanding equity interests in RMA and EHF, including all rights to participate in voting and receipt of distributions, free and clear of all Liens, defined below (collectively, the "Membership Interests"), (ii) each of ROBERT KIVLIGHN and GORDON HAMILTON, hereby sells, assigns, and transfers to Buyer, and Buyer hereby purchases and acquires from such Sellers, one hundred percent (100%) of the issued and outstanding equity interests in LFI and SPI including all rights to participate in voting and receipt of dividends, free and clear of all Liens (collectively, the "Shares") (collectively, the Membership Interests and the Shares are referred to herein as the "Ownership Interests"). The Ownership Interests transferred hereunder are described in additional detail in Exhibit 1 attached hereto.

b. Resignations. Except as otherwise provided by Section 1(e) below, and as additional consideration for the transactions of this Agreement, each Seller shall, upon the request of Buyer and effective with Closing, resign from any and all positions held with the Companies, including but not limited to the following (collectively, the "Resignations"):

i. Board Positions. From the ANR Board, the LFI Board and the SPI Board;

ii. Officers. From his engagement as an ANR Officer, LFI Officer and SPI Officer; and

iii. Employment. From any and all formal, written, informal or verbal employment agreements, contracts and subcontracts of or with EHF, RMA, LFI, SPI and ANR;

Each of the Sellers shall submit his respective Resignations in writing in form and substance satisfactory to Buyer.

c. Filings. Prior to but effective with the Closing each of the Sellers shall execute and deliver to Buyer, all such documents and instruments required by Buyer to effectuate the Resignations including, without limitation, forms relating to the following (collectively, the "Filings"):

i. Appointments to the ANR Board, the LFI Board and the SPI Board (collectively, the "Boards") of all such persons designated in a writing from Buyer to Sellers as replacements to the Boards (collectively the "Replacement Boards"), after each of the Boards shall have met in a special or annual meeting duly constituted and noticed to elect the Replacement Boards by resolution without condition or restriction;

ii. Written notice of the appointment of the Replacement Boards for filing with the Arizona Corporation Commission (the "ACC") and the appointment of a replacement statutory agent of Buyer's choosing for each of the Companies;

iii. Written designation to AZDHS that each of Sellers' Dispensary agent cards and status as a principal of ANR have been terminated effective as of Closing, except with respect to any of the Sellers designated by Buyer to be employed by Buyer after Closing pursuant to the Employment Agreements (defined below);

iv. Written notice of the purchase of the Membership Interests in EHF and RMA and the Resignations for filing with the ACC by Buyer; and

v. Written designations to AZDHS of the appointment by ANR of such persons designated in writing from Buyer to Sellers to be replacements as of Closing of the pre-Closing principals of ANR (the "Replacement Principals") and online applications to AZDHS of the appointment of such Replacement Principals.

d. Consents; Estoppel Certificates. Any and all approvals, consents or other authorizations (collectively, the "Consents") of third parties reasonably determined by Buyer to be necessary to Sellers transfer of the Ownership Interests to Buyer free and clear of all Liens. Without limiting the foregoing, Sellers shall collect and deliver to Buyer in accordance with Section 3 below, an estoppel certificate (collectively, the "Estoppel Certificates"), together with and any and all Consents required under: (i) that certain Letter Agreement dated May 24, 2017 between ANR and TruMed Dispensaries, the tradename of AZ Compassionate Care Inc., an Arizona non-profit corporation and an Arizona licensed dispensary (collectively, "TruMed"), regarding cultivation of Marijuana for TruMed Dispensaries (the "TruMed Agreement"); and (ii) each of the Leases.

e. Cooperation.

(i) In the event that prior to or after Closing personal and real property assets owned, leased, licensed, occupied or used by the Companies are not titled in the name of the relevant Company, Sellers agree to convey to Buyer (or the Company designated by Buyer) all such assets pursuant to terms and in the forms required by Buyer to effectuate clear title and such shall be included in the term "Assets".

(ii) Sellers further agree to fully cooperate with Buyer and the Companies in connection with the transfer to Buyer's designee, renewal and maintenance of all licensing and administrative permits, consents, applications, and transition issues relating to the sale of the Ownership Interests and associated transfer of control of the Assets including, without limitation, the Filings with AZDHS and the ACC, the maintenance of all SUPs and ATOs, including without limitation the timely renewal of the Certificate and SUPs with governmental authorities, the Consents and otherwise. Without limiting the foregoing, Sellers shall not resign (or certain of them as agreed to by Buyer and Sellers), nor fail to follow any administrative procedure for maintaining the Certificate, and shall make certain that the Certificate is current and in full force and effect through the Closing, such that at Closing the Certificate, ATOs and SUPs will not expire prior to December 31, 2018.

f. Corporate Documents. Sellers shall deliver to Buyer: (i) a certificate of status of each of the Companies issued on or within five (5) days prior to the expiration of the Contingency Period by the ACC; and (ii) a certificate of the secretary, dated as of the Closing Date as to (A) the Articles of Organization and Articles of Incorporation, where applicable, of each of the Companies; (B) the Bylaws of ANR, LFI and SPI and the Operating Agreements of EHF and RMA, (C) joint resolutions of the Boards of ANR, LFI and SPI and Sellers' resolutions of EHF and RMA authorizing the execution, delivery and performance of this Agreement and consummation of the transaction contemplated hereby, and (D) incumbency certificates and signatures of the Officers or other authorized signatories of each of the Companies.

g. Employment Agreements. Each of Gordon Hamilton and Robert Kivlighn (collectively, the "Employees") shall, on the Closing Date, enter into a written employment agreement with Buyer or one (1) or more of the Companies, in form and substance reasonably agreeable to Employees and Buyer (the "Employment Agreements"). Such Employment Agreements are a material inducement to Buyer acquiring the Ownership Interests from Sellers hereunder.

h. Leasehold Title Policy. Sellers acknowledge that in connection with Closing, Buyer intends to acquire a leasehold policy of title insurance with regard to each of the Dispensary, the Offsite Facility and each of the Leases applicable thereto. Accordingly, Sellers agree to: (i) cooperate with Buyer in obtaining any and all abstracts or certificates of title, prior title policies, surveys and other title evidence (collectively, the "Title Evidence") required by Buyer's chosen title company (the "Title Company"), to the extent such Title Evidence is in the possession of Sellers or the Companies; and (ii) execute and deliver to Buyer at Closing, any and all documents reasonably required by the Title Company as a condition to issuance of a valid leasehold policy of title insurance for each of the Dispensary, Offsite Facility and each of the Leases applicable thereto (collectively, the "Title Documents").

2. Purchase Price and Payment.

a. Purchase Price. The purchase price for the Ownership Interests shall be TEN MILLION FIVE HUNDRED THOUSAND DOLLARS ($10,500,000) in cash and FIVE MILLION ($5,000,000) in Parent Shares (defined below) (collectively, the "Purchase Price") payable as follows:

(i) Deposit.

A. Buyer has deposited with Sellers the amount of ONE HUNDRED FIFTY THOUSAND AND 00/100 U.S. DOLLARS ($150,000.00) (the "Initial Deposit"), which is non-refundable to Buyer for any reason other than the default of one (1) or more of the Sellers of this Agreement for soliciting, entertaining offers from, negotiating with or in any manner encouraging, discussing, or accepting any proposal of any person relating to the transactions provided in this Agreement, in whole or in part, whether directly or indirectly, through a purchase, merger, consolidation, or otherwise, other than sales of inventory in the ordinary course, or for failing to cause the Companies from doing any of the above acts (the "Refundable Event"). Notwithstanding the preceding, receipt by a Seller of an unsolicited offer, by itself, shall not be deemed a Refundable Event. In the event the Parties close the transactions contemplated by this Agreement, the Deposit shall be credited to the portion of the Purchase Price allocable to EHF at Closing, defined in Section 2(a)(ii)(A)(I) below.

B. Contemporaneously with the execution of the Amended Purchase Agreement, Buyer deposited with Sellers the amount of FIVE HUNDRED THOUSAND AND 00/100 U.S. DOLLARS ($500,000.00) (the "Additional Deposit").

C. Contemporaneously with the execution of this Agreement, Buyer has deposited with Sellers the amount of FIVE HUNDRED THOUSAND AND 00/100 DOLLARS ($500,000.00) (the "Second Additional Deposit" and together with the Additional Deposit and the Initial Deposit, the "Deposit"), which Deposit is non-refundable to Buyer for any reason other thatn a Refundable Event.

(ii) Payments at Closing. At Closing Buyer shall pay the balance of the Purchase Price as follows:

A. (I) FOUR MILLION ONE HUNDRED THOUSAND AND 00/100 U.S. DOLLARS ($4,100,000.00) by wire transfer of immediately available funds, which upon Closing shall be paid to Sellers in proportion to their respective Ownership Interests in EHF; and (II) FIVE MILLION TWO HUNDRED FIFTY THOUSAND AND 00/100 U.S. DOLLARS ($5,250,000.00) by wire transfer of immediately available funds, which upon Closing shall be paid to Sellers in proportion to their respective Ownership Interests in RMA (collectively, the "Down Payment");

B. EIGHT THOUSAND FOUR HUNDRED AND THREE Multiple Voting Shares (as defined on page 77 (section 10.1) of the Listing Statement - - Form 2A, dated March 19, 2019 for Vireo Health International, Inc.) of stock in Vireo Health International, Inc., issuable to ROBERT KIVLIGHN and GORDON HAMILTON, in equal parts, in consideration of ROBERT KIVLIGHN and GORDON HAMILTON's transfer of their respective Shares in and to LFI (the "LFI Shares").

C. EIGHT THOUSAND FOUR HUNDRED AND THREE Multiple Voting Shares (as defined on page 77 (section 10.1) of the Listing Statement - - Form 2A, dated March 19, 2019 for Vireo Health International, Inc.) of stock in Vireo Health International, Inc., issuable to ROBERT KIVLIGHN and GORDON HAMILTON, in equal parts, in consideration of ROBERT KIVLIGHN and GORDON HAMILTON's transfer of their respective Shares in and to SPI (the "SPI Shares"). The LFI Shares and the SPI Shares shall be collectively referred to herein as the "Parent Shares".

b. Opening; Closing; Closing Costs. The closing of the transactions contemplated by this Agreement shall take place on March 31, 2019 or at such earlier date as mutually agreed upon in writing by Buyer and Sellers (the "Closing" (or "Closing Date" or similar words)).

c. Assumed Liabilities. On Closing and subject to the terms and conditions of this Agreement, Buyer agrees that each of the Companies' obligations and liabilities as of the Closing shall be and remain the obligations and liabilities of the Companies but only to the extent such obligations and liabilities: (i) were incurred in the ordinary course of the Company's business; and (ii) do not relate to any failure to perform, improper performance, warranty, indemnification or other breach, default or violation by any Seller or the Company on or prior to Closing (collectively, the "Assumed Liabilities").

d. Excluded Liabilities. Each of Sellers shall remain liable for, and shall defend, indemnify and hold Buyer harmless from and against, all Excluded Liabilities, defined below, and neither Buyer nor the Companies shall assume or have any responsibility for any Excluded Liabilities. The term "Excluded Liabilities" collectively means any and all obligations and liabilities, other than the Assumed Liabilities, of one (1) or more of the Sellers and/or one (1) or more of the Companies, including the Indebtedness (defined below), whether accrued or contingent, liquidated or unliquidated, asserted or unasserted, known or unknown, due or not due, civil or criminal in nature. For the avoidance of doubt, the term Excluded Liabilities also includes any liability relating to or arising out of any liability or obligation of any Company and/or any Seller for any: (i) tax (including any penalties, fines and interest thereon) of any kind (collectively, "Taxes") including any Taxes that arise out of the consummation of the transactions contemplated by this Agreement; (ii) Indebtedness; and (ii) legal, accounting and other professional fees incurred by any Seller or Company prior to or in connection with this Agreement and/or Closing; (iv) any act or omission by any of the Companies occurring prior to Closing, or any of the Sellers occurring at any time, constituting, or alleged to constitute, negligence or any other tort; and (v) any act or omission by any of the Companies occurring prior to Closing, or any of the Sellers occurring at any time, constituting a violation of State, county, or local criminal law. At Closing each Seller agrees to assume all Excluded Liabilities regardless of whether the name of the obligor be an individual Seller or one (1) or more of the Companies, and, in accordance with Section 13 below, agrees to indemnify, defend and hold harmless Buyer Indemnitees from and against all Adverse Consequences arising from or related to the Excluded Liabilities.

e. Payment of Tax. Each of the Companies and each of the Sellers shall be liable for and shall pay all applicable Federal, State and local taxes (other than income taxes of Buyer), duties and other like charges properly payable until, upon and in connection with the Closing.

f. "Affiliate" shall mean a specified entity or person that is directly or indirectly through one or more intermediaries controlled by a Party, in each case where the term "control" means: (A) possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity or person, whether through ownership of voting interests, by contract interest or otherwise, (B) in the case of a corporation, direct or indirect ownership of more than fifty percent (50%) of the interest entitled to a vote for a majority of the board of directors or equivalent body, and (C) in the case of a partnership, limited liability company or other entity, direct or indirect ownership of the right to receive more than fifty percent (50%) of the profits thereof. As used in this Agreement, an Affiliate of a Party shall mean a parent, subsidiary, brother or sister entity or other entity that controls the Party or that the Party controls or that is under common control with the Party.

3. Transaction Documents.

a. Assignments. At Closing, each of the Sellers shall deliver to Buyer an original counterpart of Assignment of Membership Interests to Buyer duly executed by such Seller (collectively the "Seller Assignments"), in the forms and substance acceptable to Buyer.

b. Resignations. At Closing, each of Sellers shall deliver to Buyer an originally executed Resignation in accordance with Section 1(b) above.

c. Share Issuance. Not more than fifteen (15) days following Closing, Buyer shall deliver to ROBERT KIVLIGHN and GORDON HAMILTON, evidence of issuance of the Parent Shares in accordance with Sections 2(a)(ii)(B)-(C) above.

d. Consents and Estoppel Certificates. Sellers shall deliver to Buyereach of the Consents and Estoppel Certificates, duly executed by Sellers, on behalf of the Companies, as applicable, and each third party thereto.

e. Filings. Sellers shall deliver to Buyer evidence of each of the Filings executed by Sellers.

f. Evidence of Ownership Interests. Each of Sellers shall deliver to Buyer all of the original shares, stock, certificates of ownership and all other evidence of ownership in the Companies ("Ownership Evidence").

g. Originals. Sellers shall deliver to Buyer the originals of the Leases and all other Contracts of the Companies; provided, however, that in the event Sellers do not have the originals in their possession, copies of any fully executed Lease or Contract shall be acceptable to Buyer.

h. Title Documents. Sellers shall deliver the originals of the Title Documents to Buyer.

i. Satisfaction of Indebtedness. Sellers shall deliver evidence that all Indebtedness of each Company, together with all Liens associated therewith, have been or contemporaneously with Closing will be, satisfied and released in their entirety.

j. Others. Sellers and Buyer will execute such additional documents or instruments as may otherwise be reasonably required or requested to evidence or give effect to this Agreement.

In addition to the foregoing, each Seller shall use commercially reasonable efforts to obtain the written consent of each Sellers' spouse (if any) to the transactions contemplated by this Agreement and all documents to be delivered hereunder. A form of "Consent of Spouse" is attached hereto.

4. Operation of the Business prior to Closing; Inspections; Change of Ownership.

a. Operation. Prior to Closing, the Sellers shall maintain the Assets and the Business of the Companies in substantially the same state of condition and repair as of the Effective Date, and shall continue to operate the Business in the same manner as it is being operated as of the Effective Date. Sellers warrant that, at Closing the Assets will be in reasonable working order ordinary wear and tear excepted and the Business will pass all inspections reasonably necessary to conduct the Business including, without limitation, inspections of the Business conducted by Buyer employing the most recent AZDHS inspection/audit checklist and the policies and procedures adopted by Sellers during the 2018 calendar year required by AZDHS Rules and the Act.

b. Inspections. Between the Effective Date and the expiration of the Contingency Period, and thereafter prior to Closing Buyer and its representatives may inspect, examine or survey the Assets of the Companies at dates and times scheduled in advance with Sellers, such inspections not unreasonably withheld, delayed or conditioned by Sellers. Notwithstanding the foregoing, it is specifically understood that Buyer will not have access at any time to the Dispensary or Cultivation Facility except (X) at the convenience of Sellers and (Y) with a representative of ANR present provided, however, that the Sellers shall permit Buyer's inspections on receipt of prior written notice of not less than forty-eight (48) hours.

i. Buyer will repair damage caused by any inspection and agrees to indemnify and hold Sellers harmless for, from and against any loss, cost, claim, damage or expense incurred, directly or indirectly, by Sellers as a result of Buyer's inspections, examinations and surveys of the Assets, either prior to, on, or after the date hereof.

ii. Sellers acknowledge and agree that Buyer intends to conduct one (1) or more inspections of the Business being operated in the Dispensary and the Cultivation Facility by contractors and subcontractors engaged by Buyer and Buyer agrees to deliver copies of the results of such inspections to Sellers (collectively, "Inspection Results"). Sellers shall, or shall cause the Companies to, respond in writing to the Inspection Results not later than three (3) calendar days after receipt thereof, and the response shall include a detailed reply addressing the Inspection Results, including, without limitation (but as applicable to the Inspection Results), improvements required to comply with the AMMA and other applicable law.

iii. Buyer may inspect the Dispensary and Cultivation Facility and review the Companies' compliance with the AMMA and with all other laws. Inspections shall include, without limitation, the following: (A) flower, harvest dates, yield and inventory records, by strain, (B) extraction dates, yield of oil from extraction process and inventory records by strain and by product, (C) inventory records of finished goods, (D) the completeness and/or compliance of all AZDHS checklist items, using the most recent published version of the checklist, and (E) the status of each employee's and volunteer's agent card.

c. Post-Closing. Following Closing, Buyer shall promptly take all actions necessary to report the change of ownership in the Companies, the removal of Sellers as members, shareholders, officers, directors and/or managers of the Companies, and the removal of Sellers from any State licenses held by the Companies, to the appropriate Arizona State agencies and departments. Sellers shall cooperate with Buyer and execute and deliver such additional instruments as may be necessary to formally remove Sellers' names from the Companies' books and records and State licenses.

5. Representations, Warranties and Covenants of the Parties. On a Party's execution of this Agreement and as of Closing each Party hereby represents and warrants to the other Parties as follows, except as specifically and comprehensively disclosed on the schedule attached hereto as Exhibit 4 (the "Disclosure Schedule"):

a. Authority and Consent. Each Party has the right, power, legal capacity, and authority to enter into and perform its respective obligations under this Agreement, and no approvals or consent of any governmental or regulatory authority or other persons is necessary in connection herewith.

b. Information. Each of the Parties has received all the information it considers necessary or appropriate for deciding whether to enter into this Agreement and perform the obligations set forth herein. Each of the Parties has had an opportunity to consult with its own legal, tax and financial advisors regarding the terms and conditions of this Agreement and the transactions contemplated hereby, and each of the Parties is relying only on the advice of its own such advisers in making a decision to execute this Agreement and complete the transactions contemplated hereby.

6. Representations, Warranties and Covenants of the Companies and Sellers. On the execution of this Agreement by a Seller and as of Closing each Seller hereby represents and warrants to Buyer as follows, except as specifically and comprehensively disclosed on the Disclosure Schedule:

a. Authorization. The Companies and each of the Sellers have all requisite power and authority to enter into this Agreement and all documents and instruments entered into by the Sellers pursuant to this Agreement, to consummate the contemplated transactions, and to perform its respective obligations thereunder. All acts and proceedings required for the authorization, execution, delivery and performance of this Agreement have been taken. This Agreement and all documents and instruments delivered hereunder are legal, valid and binding on the Sellers and enforceable by Buyer post-Closing in accordance with their respective terms.

b. Organization and Ownership. Each of ANR, LFI and SPI: (a) is a corporation duly organized, validly existing and registered under the laws of the State of Arizona; (b) has all necessary power and authority to carry on its business where and as presently conducted; (c) has no other business ventures or any ownership or debt of any other entity or person other than receivables in the ordinary course of business; (d) does not conduct business with any entity or person owned, in whole or in part, by any of the Companies, except as designated in the Disclosure Schedule; and (e) is duly qualified, authorized to conduct business, and in good standing under the laws of all required jurisdictions. All of the issued and outstanding equity, ownership and beneficial interests of ANR, LFI and SPI are described in Exhibit 1.

c. Organization and Ownership. Each of EHF and RMA: (a) is a limited liability company duly organized, validly existing and registered under the laws of the State of Arizona; (b) has all necessary power and authority to carry on its business where and as presently conducted; (c) has no other business ventures or any ownership or debt of any other entity or person other than receivables in the ordinary course of business; (d) does not conduct business with any entity or person owned, in whole or in part, by any of the Companies, except as designated in the Disclosure Schedule; and (e) is duly qualified, authorized to conduct business, and in good standing under the laws of all required jurisdictions. All of the issued and outstanding equity, ownership and beneficial interests of EHF and RMA are described in Exhibit 1.

d. Financial Information; Undisclosed Liabilities; Absence of Changes.

i. Each of the Companies has previously furnished to Buyer copies of the annual financial statements for 2015, 2016 and 2017 (collectively, the "Financials"). The Financials: (i) have been prepared in accordance with the books and records of each Company; (ii) present fairly and accurately the financial condition of each Company as of the dates set forth therein and the results of their operations for the periods covered; and (iii) have been prepared in accordance with accepted accounting principles used by each Company, consistently applied. Since the December 31, 2017, there has not been any Material Adverse Change, defined below, in the Business, Financials, revenues and earnings of each Company or of any Seller, or the condition (financial or otherwise), properties or prospects of any of the foregoing. None of the Companies has any liabilities except for (i) liabilities set forth on the face of the most recent Financials, excluding any notes to such Financials; and (ii) liabilities that have arisen after the most recent Financials in the ordinary course of each Company's business, all of which are identified on the Disclosure Schedule hereto (individually, a "Liability" and collectively "Liabilities"). None of the Companies is in default under any Liability. All Liabilities will remain the respective Company's Liabilities after the Closing Date unless otherwise expressly provided in this Agreement with respect to Excluded Liabilities.

As used in this Agreement, "Material Adverse Change" shall mean any event, change, circumstance, effect or other matter that has, or could reasonably be expected to have, either individually or in the aggregate with all other events, changes, circumstances, effects or other matters, with or without notice, lapse of time or both, a material adverse effect, as determined by either Sellers or Buyer, in its reasonable discretion, on (a) the Business, Assets, Liabilities, properties, condition (financial or otherwise), operating results, operations or prospects of Sellers or the Companies, taken as a whole, or (b) the ability of the Companies or the Sellers to perform their respective obligations under this Agreement or to consummate timely the transactions contemplated by this Agreement including, without limitation: (i) a change or revocation of State or local law which shall have the effect of prohibiting the legal operation of the Dispensary or Offsite Facility; (ii) AZDHS' refusal to approve ANR's application to renew the Certificate; (iii) ANR's failure to maintain the ATOs, SUPs and Certificate in good standing resulting in AZDHS' or local authority's revocation of the ATO, SUP and/or Certificate; (iv) the value of the Material Adverse Change, as determined by Buyer in its reasonable discretion, is equal to or greater than FIVE HUNDRED THOUSAND DOLLARS ($500,000); (v) there shall be a Federal or State charge, investigation, arrest, seizure or prosecution action associated with the Business or Sellers; and (vi) the Certificate has lapsed and not renewed, is or will be revoked, or is a forgery or was procured by fraud or intentional misconduct. In determining whether any individual event would result in a Material Adverse Change, notwithstanding that such event does not of itself have such effect, a Material Adverse Change shall be deemed to have occurred if the cumulative effect of such event and all other then-occurring events and existing conditions would result in a Material Adverse Change.

(ii) The Disclosure Schedule sets forth a true, correct and complete listing of all loans and other indebtedness owed by each of the Companies to any third party (including any Seller) (collectively, the "Indebtedness"). With regard to each item of Indebtedness, the Disclosure Schedule sets forth the (A) lender; (B) borrower; (C) date of issuance; (D) original principal balance of such Indebtedness; (E) current principal balance of such Indebtedness; and (F) identification of any and all instruments evidencing such Indebtedness.

e. Title, Adequacy and Condition of Ownership Interests, Assets; Inventory.

(i) Each Company has good and marketable title to all of its Assets, free and clear of any and all liens, mortgages pledges, security interests, agreements, charges or encumbrances of any kind (collectively, "Liens"). The Assets described in or relative to the Financials constitute all of the assets, property and rights necessary for the conduct of the Business in the manner in which such business is presently conducted and include, without limitation, the Leases (collectively, the "Assets").

(ii) All equipment and other tangible personal property of every kind and description used or owned by each Company is in good working order, reasonable wear and tear excepted.

(iii) All inventory in each Company's possession or under a Company's control is owned by the Company. All inventory is merchantable and fit for the purpose for which it was procured, grown or manufactured.

(iv) The Ownership Interests of each of the Sellers is in good and marketable title, free and clear of any Liens. The Ownership Interests constitute all of the ownership, membership, shareholder and other record and beneficial interests in the Companies. No Seller has sold, assigned, mortgaged, pledged or otherwise transferred by operation of law or otherwise, in whole or in part, his Ownership Interests. No other person or entity has or will have direct or indirect beneficial or record interest in the Ownership Interests at Closing.

f. Casualty; Condemnation. All risk of loss with respect to damage to the Assets shall be borne by Sellers until the Closing Date, and thereafter all risk of loss shall be borne by Buyer. In the event that the Assets are materially damaged or destroyed by fire or other casualty or hazard prior to the Closing, Sellers shall have the option to either (i) restore the Assets to their pre-casualty condition, (ii) assign all insurance proceeds to Buyer and proceed under the terms of this Agreement, or (iii) cancel this Agreement and return the Deposit to Buyer as a complete and final settlement to Buyer of all of Sellers obligations hereunder. Should Seller desire to restore the Assets to their pre-casualty condition, Sellers shall so notify Buyer and thereafter have 120 days to complete such restoration, with the Closing Date to be postponed accordingly. In the event that any portion of the leased premises of the Dispensary or the Cultivation Facility is condemned or is the subject of a condemnation proceeding by governmental authority under its power of eminent domain, Buyer shall (X) proceed to close the transactions hereunder with no adjustment to the Purchase Price, in which event the Sellers shall cause the Companies to assign to Buyer all of the Companies' rights, title and interests in and to any condemnation award, or (Y) terminate this Agreement.

g. Compliance; Required Consents.

(i) Each Company is and has been in substantial compliance with all laws, orders and licenses applicable to the Companies including, without limitation, the AMMA and all county and local requirements of the jurisdiction in which the Dispensary and Cultivation Facility sites are located, and each Company's Assets including, without limitation, the Dispensary Lease, the Cultivation Lease and the Business. No investigation, audit or review by any governmental entity with respect to the Companies or the Business is pending or threatened, nor has any governmental entity notified any Company or any of its Affiliates, defined below, in writing of its intention to conduct the same. No Company nor its Affiliates: (X) has been charged with and none of the foregoing is now under investigation with respect to any actual or alleged violation of any applicable law including, without limitation, the AMMA, or other requirement of a governmental entity, (Y) has been a party to or bound by any order relating to the foregoing, or (Z) has failed to file any material report required to be filed with any governmental entity.

(ii) The execution, delivery and performance by the Sellers or the Companies of this Agreement will not require any consent or approval from any third person or require any government authorization or consent, except as otherwise provided herein with respect to the Filings and Consents. The execution, delivery and performance by Sellers and the Companies of this Agreement shall not: (X) cause Sellers to violate or contravene any regulation of any agency or government, (Y) violate or be in conflict with, result in a breach of or constitute a default under any contract or agreement, or (Z) result in the creation or imposition of any Lien on any of the Assets.

(iii) There are no pending or threatened warranty or product liability claims against the Companies. The Companies have maintained completed operations insurance coverage which provides coverage for liabilities arising from completed operations, and there has been no claim(s) filed with respect thereto. Sellers will cause the Companies to maintain such coverage up to and including the Closing Date.

h. Employees and Volunteers. All persons providing services to the Companies in which the means and manner of providing such services are controlled by a Company (including volunteers) have been properly classified either as employees or independent contractors, as the case may be, for the purpose of payroll withholding taxes. Except as expressly set forth in this Agreement, to Sellers' or Companies' actual knowledge, no executive, key employee, or significant group of employees plans to terminate employment with the Company(ies) during the twelve (12) months immediately following the Closing Date. The Companies are not a party to or bound by any collective bargaining agreement, nor have the Companies experienced any strike or grievance, claim of unfair labor practices, or other collective bargaining dispute within the past five (5) years. The Companies have not committed any unfair labor practice. No Seller has any knowledge of any organizational effort presently being made or threatened by or on behalf of any labor union with respect to employees of the Companies. With respect to this transaction, any notice required under any law or collective bargaining agreement has been given, and all bargaining obligations with any employee representative have been, or prior to the Closing Date will be, satisfied. Within the past five (5) years, no Company has implemented any closing or layoff of employees that could implicate the Worker Adjustment and Retraining Notification Act of 1988, as amended, or any similar foreign, Federal, State, or local law, regulation, or ordinance (collectively, the "WARN Act"), and no such action will be implemented without advance notification to Buyer.

i. Commission. Buyer has contracted with Copia LLC, and with no other broker, finder or commissioned agent in connection with the contemplated transactions. Sellers represent to Buyer that they have contracted with JTice CPA PC for M&A Advisory Services, and have not dealt with any broker, finder, or commissioned agent in connection with the contemplated transactions and that neither Sellers nor the Companies will owe any other party a commission, finder's fee, or similar in connection with the execution of the Purchase Agreement or the closing of the contemplated transactions.

j. Bank Accounts. The Disclosure Schedule lists all bank, trust, checking, savings, custody and other accounts (including any trading or other accounts maintained with any brokerage, investment banking or commodity trading firms) and lock boxes or safe deposit boxes of the Companies in which there are or may be deposited monies or other Assets of the Companies, an indication of the purposes of each of such accounts and lock boxes or safe deposit boxes, a true, accurate and complete list of the amounts on deposit in each of such accounts as of the Effective Date, any and all persons authorized to make withdrawals or other transfers from such accounts or lock boxes or safe deposit boxes, each bank at which the Companies have borrowing authority, and a true, accurate and complete list of any and all persons authorized to exercise such authority. All of such accounts have a positive funds balance. The Disclosure Schedule also lists the location, amount and ownership of all cash of the Companies not in the above-referenced accounts.

k. Employee Benefits. Except as disclosed on the Disclosure Schedule there is no employee benefit plan (including any employee pension benefit plan or any employee welfare benefit plan) that the Companies maintain or has ever previously maintained or to which the Companies contribute, have ever previously contributed or have ever had any obligation to contribute. The Companies have neither contributed to, nor have any obligation to contribute to, or have any liability (including withdrawal liability as defined in ERISA §4201) under or with respect to any Multiemployer Plan. Except as disclosed on Disclosure Schedule, the Companies does not maintain, contribute to or have an obligation to contribute to, or have any liability or potential liability with respect to, any employee welfare benefit plan providing health or life insurance or other welfare-type benefits for current or future retired or terminated employees (or any spouse or other dependent thereof) of the Companies.

l. Business Continuity. None of the computer software, computer hardware (whether general or special purpose), telecommunications capabilities (including all voice, data and video networks) and other similar or related items of automated, computerized, and/or software systems and any other networks, servers or systems and related services that are used by or relied on by the Companies in the conduct of the Business (collectively, the "Systems") have experienced any bugs, failures, breakdowns, or continued substandard performance in the past twelve (12) months that have caused any substantial disruption or interruption in or to the use of any such Systems by the Companies.

m. Customers, Patients and Vendors. The Disclosure Schedule lists the three (3) largest Dispensary wholesale customers and vendors of ANR for each of the two (2) most recent fiscal years and sets forth opposite the name of each such customer the percentage of consolidated net revenues attributable to such customer. Since the date of the most recent Financials, no vendor of the Companies has expressly indicated, in writing, that it shall stop, or decrease the rate of, supplying materials, products or services to the Companies and no customer listed on the Disclosure Schedule has expressly indicated, in writing, that it shall stop, or decrease the rate of, buying materials, products or services from ANR.

n. Employment Taxes. With respect to all persons who could properly be deemed to be employees of the Companies, Sellers have caused the Companies to withhold and pay over to the appropriate governmental authority such payroll taxes when due as required by law including without limitation, the Federal Insurance Contributions Act, the Federal Unemployment Tax Act and such similar requirements under applicable State and local law, and make contributions for workers' compensation premiums.

o. Contracts. All of the Companies' and Sellers' rights and obligations arising under: (i) real property leases including, without limitation, the Dispensary Lease and the Cultivation Lease, (ii) rights and options relating to the Business, and (iii) any agreements or contracts relating to the Business, whether oral or written as identified in the Financials (collectively "Contracts") are in full force and effect in accordance with their respective terms and, to the best of Sellers' or the Companies' actual knowledge, there exists no default by any Company (nor by any other Party, person or entity) under any such Contracts. There have been no acts or omissions by the Companies or Sellers (or any other Party, person or entity thereto) which, with the giving of notice or the passage of time or both, would constitute such a default. Other than the TruMed Agreement, Dispensary Lease and the Cultivation Lease, each Contract is terminable by the Company party pursuant to the terms thereof without penalty, cost or liability on notice not exceeding ninety (90) days. The execution and delivery of this Agreement and the consummation of the contemplated transactions will not affect the continuation, validity or effectiveness of any Contract or any of the terms thereof.

p. Tax Returns. All required Federal, State and local tax filings and returns and employee benefit plan filings and returns of each Company have been: (a) accurately prepared in the manner prescribed by law; (b) duly and timely filed; and (c) all related tax payments have been paid. No Company has been delinquent in the payment of any tax, assessment or other governmental charge. There are no examinations, audits or disputes with taxing authorities of a Company that are pending or that were resolved during the three (3) year period prior to the date of this Agreement. All taxes and other assessments and levies that a Company was required by law to withhold or to collect have been duly withheld and collected, and have been paid over to the proper governmental entity or are being held by the Company in separate bank accounts for such payment, and will be paid on or prior to the date such payment is due.

q. Licenses. Each Company possesses all licenses, whether State, Federal, local or foreign, that are necessary for the Company to engage in the Business as currently conducted in each jurisdiction in which Company operates, each of which is identified in the Disclosure Schedule. No investigation, audit or review by any governmental entity with respect to the Company, any of its Affiliates or their respective businesses is pending or threatened, nor has any governmental entity notified any Company in writing of its intention to conduct the same. Neither the Company nor any Seller (i) has been charged with, and none of them is now, to their actual knowledge, under investigation with respect to, any actual or alleged violation of any applicable law or other requirement of a governmental entity; (ii) has been a party to or bound by any order; or (iii) has failed to file any report required to be filed with any governmental entity. No governmental entity regulating any services performed by the Company or any of its Affiliates has requested that any such services be modified in any way.

r. Litigation.

i. There are no claims, demands, actions, suits, arbitrations or other legal, administrative or governmental investigations or proceedings (whether Federal, State, local or foreign) pending or threatened, against any Company, the Business or the Assets. There are no judgments, injunctions, rules or orders of any court, governmental department, commission, agency, or arbitrator outstanding against any Company.

ii. There are no claims, demands, actions, suits, arbitrations or other legal, administrative or governmental investigations or proceedings (whether Federal, State, local or foreign) pending or, to Sellers' knowledge threatened, against any Seller. There are no judgments, injunctions, rules or orders of any court, governmental department, commission, agency, or arbitrator outstanding against any Seller in excess of $10,000.

s. Environmental Matters.

i. To the best of the Companies' or Sellers' actual knowledge, each of the Companies is currently and has been in compliance with all Environmental Laws, defined below, and have not received from any person or entity: (i) any notice or claim alleging any violation or other failure to comply with Environmental Laws; or (ii) written request for information pursuant to Environmental Law.

ii. Each of the Companies has obtained and is in material compliance with all Environmental Permits (each of which is disclosed in the Disclosure Schedule) necessary for the ownership, lease, operation or use of the Business or Assets of the Companies and all such Environmental Permits are in full force and effect and shall be maintained in full force and effect by the Companies through the Closing Date in accordance with all Environmental Laws, and to the best of the Companies' actual knowledge, there is no condition, event or circumstance that might prevent or impede, after the Closing Date, the ownership, lease, operation or use of the Business or Assets of the Companies as currently carried out. With respect to any such Environmental Permits, Sellers have undertaken, or will cooperate with Buyer's efforts to undertake prior to the Closing Date, all measures necessary to facilitate transferability of the same, and no Seller is aware of any condition, event or circumstance that might prevent or impede the transferability of the same, nor has any Seller received any Environmental Notice or written communication regarding any Material Adverse Change in the status or terms and conditions of the same.

iii. To Sellers' or Companies' actual knowledge, there has been no release of Hazardous Materials in contravention of any Environmental Law with respect to the Business or Assets of the Company or on any real property currently utilized by the Business, and no Sellers have received a notice that any real property currently utilized in connection with the Business has been contaminated with any Hazardous Material that could reasonably be expect to result in a violation of Environmental Law or term of any Environmental Permit by Sellers or the Companies.

iv. The Disclosure Schedule contains a complete and accurate list of all off-site Hazardous Materials treatment, storage, or disposal facilities or locations used by the Companies and none of the Sellers have received any notice regarding potential liabilities with respect to such off-site Hazardous Materials treatment, storage, or disposal facilities or locations used by the Companies.

v. Sellers, to the extent in Sellers' actual possession, have provided or otherwise made available to Buyer: (X) any and all environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, economic models and other similar documents with respect to the Business or Assets of the Companies related to compliance with Environmental Laws, and (Y) any and all material documents concerning planned or anticipated capital expenditures required to reduce, offset, limit or otherwise control pollution and/or emissions, manage waste or otherwise ensure compliance with current or future Environmental Laws.

vi. The capitalized terms in this Subsection are defined as follows:

(A) "Environmental Law" means any applicable law, ordinance, regulation or order: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment, or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials.

(B) "Environmental Permit" means any permit, licenses, letter, approval, authorization, registration, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to an Environmental Law.

(C) "Hazardous Materials" mean: (X) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, that pursuant to Environmental Law is hazardous, acutely hazardous, and (Y) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation, and polychlorinated biphenyls.

t. Intellectual Property. The Disclosure Schedule sets forth a true and complete list of all trade names, trademarks, service marks, assumed names, and other intellectual property that each Company and each Seller (but only to the extent such Intangible Asset relates or pertains directly or indirectly to the Business or Assets of the Companies) owns, licenses, or otherwise has an interest in or uses, including, without limitation, computer software (collectively, the "Intangible Assets", collectively with all other Assets, the "Assets"). The Company and each Seller has all right, title and interest to (or, in the case of Intangible Assets that are licensed, the right to use) the Intangible Assets, and in conducting the Business neither the Company, nor the Sellers, is alleged to be infringing upon or otherwise conflicting with the rights of others. There is no actual or alleged infringement of or conflict by others with the Intangible Assets. The Company (or each Seller, as applicable) has taken all actions reasonably necessary to protect the Intangible Assets and their interests therein in accordance with customary business practices.

u. Books and Records. The files, books of account and other records of the Companies are true, complete and accurate and have been maintained in accordance with good business practices, and the matters contained therein are accurately reflected on the Financials. Buyer and its representatives have been given full access to all books, records and files relating to the Assets, the Companies and the Business.

w. Disclosure. All documents delivered or to be delivered by or on behalf of the Sellers and the Companies in connection with this Agreement and the transactions contemplated hereby are true, complete and correct. Neither this Agreement, nor any of the other documents delivered in connection with this Agreement, contains any untrue statement of a material fact or omits a material fact necessary to make the statements by the Companies and Sellers herein or therein, as applicable, in light of the circumstances in which made, not misleading. There is no fact which materially and adversely affects the prospects or financial conditions of any Company, or their respective properties, Assets or the Business which has not been set forth in this Agreement, its Exhibits and Disclosure Schedule. In the event that any document or information delivered by a Party to the other(s) has changed or become outdated by time, action or otherwise, and in the event written or verbal notice from a governmental authority concerning the Assets or the Business has been received, the receiving Party shall immediately transmit the changes and a copy of the notice (or convey the content of the verbal notice) to the other Parties.

x. Ownership Interests. Following Closing, the Buyer will own one hundred percent (100%) of the Membership Interests in EHF and RMA and one hundred percent (100%) of the Shares of LFI and SPI.

y. Insurance. All insurance policies insuring the Companies' Assets are in full force and effect and will be so until Closing. Sellers have not received any notice of violations pertaining thereto or notice of any requirement that repairs be performed to the Assets that have not been performed.

z. Affiliate Activities. The following affiliates of one or more of the Companies have either been dissolved in accordance with the laws of the jurisdiction of their formation, or are and shall remain dormant and non-operative, with no assets or liabilities or obligations of any kind (collectively, the "Dormant Entities"): (i) SCCG; (ii) OAM; (iii) Arizona Natural Produce LLC, a limited liability company originally formed under the laws of the State of Arizona; and (iv) Natural Investments LLC, a limited liability company originally formed under the laws of the State of Arizona. None of the Sellers nor the Companies: (A) does business with any of the Dormant Entities; (B) has in its/his possession or under his/its control any assets of the Dormant Entities; (C) is aware of the existence or location of any such assets of any of the Dormant Entities; or (D) is aware of the existence of any such liabilities or obligations of any of the Dormant Entities.

aa. AS IS Condition. By proceeding with the Closing, Buyer acknowledges that Buyer has had an opportunity to make its own examination, inspection and investigation of the Assets of the Companies, including without limitation, all matters pertaining to environmental matters related to the operations of the Business, as Buyer deems necessary or appropriate. Except for the representations, warranties, and covenants expressly stated in this Agreement, the Exhibits and Schedule(s), and in the documents and other information provided to Buyer by Sellers and their agents and representatives (collectively, the "**Express Representations**"), neither Seller nor the Companies shall be responsible or liable to Buyer for any conditions or other matters affecting the Business or the Assets, as Buyer is purchasing the membership interests and shares of Sellers in each of EHF, RMA, LFI and SPI, except for the Express Representations, AS-IS, WHERE- IS and WITH ALL FAULTS, and not in reliance on any representations or warranties except for the Express Representations. Other than with respect to claims arising from the Express Representations, Buyer hereby fully releases Sellers from any and all claims that Buyer may now have or hereafter acquires against any Seller, for any cost, loss, liability, damage, expense, demand, action or cause of action arising from or related to any conditions affecting the Assets or the Business of the Companies, including but not limited to, those relating to unknown and unsuspected claims, damages and causes of action. This waiver and release of claims shall survive the Closing.

7. Representations and Warranties of Buyer. On the execution of this Agreement by Buyer and as of Closing Buyer hereby represents and warrants to Sellers as follows:

a. Speculative Nature. Buyer is aware of and understands the following:

i. The Ownership Interests are a speculative investment which involve a substantial degree of risk of loss by Buyer of Buyer's entire investment in the Companies and that Buyer understands and takes full cognizance of the risk factors related to the purchase of the Ownership Interests;

ii. There are substantial restrictions on the transferability of the Ownership Interests pursuant to the governing documents of the Companies, the Ownership Interests will not be, and owners, members, and shareholders of the Companies have no rights to require that the Ownership Interests be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any State securities laws; there is no public market for the Ownership Interests and none is expected to develop; and, accordingly, it may not be possible for Buyer to liquidate Buyer's investment in any of the Companies;

iii. Buyer understands that the Ownership Interests acquired under this Agreement are restricted securities within the meaning of Rule 144, promulgated under the Securities Act, and that any future sales of such Ownership Interests will be regulated by the Securities Act. Specifically, Buyer understands that because the securities have not been registered under the Securities Act, Buyer will continue to bear the economic risk of the investment for an indefinite period of time and cannot sell such Ownership Interests unless they are subsequently registered under the Securities Act or an exemption from such registration is available;

iv. The Ownership Interests being purchased herein are being acquired for Buyer's own account for investment and not with a view to, or for resale in connection with, any distribution of such Ownership Interests;

v. Buyer agrees to the placement of an appropriate legend reflecting the foregoing representations on any certificate(s) representing the Ownership Interests acquired, and further understands that the transfer of any of the Ownership Interests out of Buyer's name will be permitted only if the request for transfer is accompanied by evidence satisfactory to the Company(ies) that such transfer will not result in a violation of any applicable Federal or State law, rule or regulation;

vi. Buyer is financially responsible, able to meet the obligations hereunder and acknowledges that this investment will be long-term and is by its nature speculative;

vii. Buyer is capable of bearing the high degree of economic risks and burdens of this venture including, but not limited to, the possibility of complete loss of all contributed capital and lack of a public market which may make it impossible to liquidate the investment whenever desired; and

viii. Buyer acknowledges that the Ownership Interests are being or will be acquired solely for Buyer's own account, for investment, and are not being acquired by Buyer with a view to or for resale distribution, subdivision, or fractionalization thereof; and Buyer agrees that the Ownership Interests may not be sold by Buyer without registration under the Securities Act or exemption therefrom, and without full compliance with the terms of the applicable governing documents of the Company(ies). In furtherance thereof, Buyer represents, warrants and agrees that (A) no other person has or will have direct or indirect beneficial interest in the Ownership Interests, and Buyer will not sell, hypothecate or otherwise transfer the Ownership Interests except in accordance with the terms of the applicable governing documents unless the Ownership Interests are registered under the Securities Act and qualify under applicable State securities laws or unless, in the opinion of counsel for the Company(ies), under an exemption from the registration requirements of the Securities Act and such law is available; and (B) no Company is under any obligation to register the Ownership Interests on behalf of Buyer or to assist Buyer in complying with any exemption from registration.

b. No Conflict. Buyer’s execution, delivery, and performance of this Agreement and the applicable governing documents of the Companies do not conflict with (i) any law, rule or court order applicable to an owner of an interest in the Companies; or (ii) any other agreement or arrangement to which either Buyer is a party or by which such party is bound.

c. Buyer's Records. All of the documents and records requested by Buyer have been delivered, made available or prior to Closing will be made available to Buyer and Buyer's investment decision is based upon its own investigation and analysis and not the representations or inducements of Sellers or any representative of the Companies.

8. Conditions to Close.

a. Joint Conditions to Close. Each Party's obligation to consummate the transactions to be performed by it in connection with the Closing is subject to the satisfaction of the following conditions precedent (collectively, the "Joint Conditions"):

i. No Action. No action, suit or proceeding shall be pending before any court or administrative agency or arbitrator that could result in a rescission of any of the contemplated transactions provided for in this Agreement.

ii. No Occurrences. None of the following shall have occurred through the Closing:

A. Law Enforcement. No Federal enforcement action against a Party including, without limitation, arrest, seizure or prosecution associated with the Parties' activities described in this Agreement, has occurred prior to the Closing Date.

B. Law Change. A change or revocation of Federal, State or local law has occurred that has the effect of prohibiting the operation of the Dispensary and/or the Cultivation Facility.

C. AZDHS. AZDHS declines or refuses to approve ANR's application to renew its Certificate or ANR fails to maintain the Certificate in good standing, resulting in AZDHS' revocation of the Certificate. Prior to and after the Effective Date through Closing, no Party has taken any act or failed to act where action was appropriate that would or would tend to modify, rescind or terminate any of the other Parties' relationships, contracts or rights with AZDHS, or any Federal, State, county, or local government except in the event of a breach of this Agreement.

b. Conditions to Buyer's Obligation to Close. In addition to the Buyer’s satisfaction of or with the Joint Conditions, Buyer’s obligation to consummate the transactions to be performed by it in connection with Closing is subject to satisfaction of the following conditions precedent at or prior to Closing (collectively, "Buyer's Conditions"):

i. No Material Change. There has been no Material Adverse Change, in the Business;

ii. Representations True. The representations and warranties of each of the Sellers set forth in this Agreement shall be true and correct at and as of the Closing Date;

iii. Performance. Each of the Sellers shall have performed and complied with all of their covenants hereunder in all respects;

iv. Satisfaction of Buyer. All actions to be taken by each of the Sellers in connection with consummation of the contemplated transactions and documents required to effect the contemplated transactions shall be satisfactory in form and substance to Buyer;

v. Deliveries. Each of the Sellers shall execute and deliver the documents and instruments required to close the contemplated transactions;

vi. Licenses. Buyer shall have obtained (or, within a reasonable period of time following Closing, will obtain) all licenses and permits necessary for the Companies to continue to own, operate and otherwise conduct the Business;

vii. Due Diligence. Buyer shall be satisfied with its due diligence investigation of the Companies and Sellers and, without limiting the foregoing, the Contingency Period shall have expired without the exercise of Buyer's Kick-Out, defined below. Buyer shall be satisfied with the condition of title to the Assets;

viii. Consents. Seller shall have, at its sole cost and expense obtained the Consents and estoppels;

ix. Employment Agreements. The Employment Agreements will have been executed by the Employees;

x. Reasonableness. The AZDHS Rules require, *inter alia,* that (X) all compensation paid for personal services to the Dispensary (including the Cultivation Facility) not be in excess of a reasonable allowance, (Y) no part of the Dispensary's property or equipment be sold for less than adequate consideration in money or cash equivalent, and (Z) the Dispensary not engage in any other transaction that results in a substantial diversion of the Dispensary's income or property (collectively, the "Reasonableness Standard"). Buyer shall be satisfied, at its sole discretion, that the Dispensary, Cultivation Facility, Business and Assets have been continuously operated in compliance with the Reasonableness Standard; and

xi. Cash, Inventory, Trade Accounts Payable Levels. Immediately prior to Closing, Buyer shall be satisfied that the Companies' Inventory Level, Cash Level and Trade Payables Level are consistent with those maintained in the ordinary course of each Company's business. For the avoidance of doubt: (A) each Company's respective "Inventory Level" shall be determined as of the Closing Date in relation to the average historic inventory levels maintained by such Company during the nine (9) months preceding the Closing Date, as stated in Section 6.d. of the Disclosure Schedule; and (B) the "Cash Level" of the Companies, taken in aggregate, shall, on the Closing Date, equal or exceed a minimum balance of $325,000; and (C) (1) each Company's respective "Trade Payable Level" shall be determined on the Closing Date in relation to the average historic trade accounts payable levels maintained by such Company during the nine (9) months preceding the Closing Date, as stated in Section 6.d. of the Disclosure Schedule, and (2) in no event shall the Trade Payable Level for all the Companies, taken in the aggregate, exceed $100,000.

c. Conditions to Sellers' Obligation to Close. The obligation of Sellers to consummate the transactions to be performed by them in connection with Closing is subject to satisfaction of the following conditions at or prior to Closing (collectively, "Seller's Conditions"), and together with the Joint Conditions and Buyer's Conditions, the "Closing Conditions"):

i. Representations True. The representations and warranties of the Buyer set forth in this Agreement shall be true and correct at and as of the Closing Date;

ii. Performance. Buyer shall have performed and complied with all of its covenants hereunder in all respects;

iii. Employment Agreements. The Employment Agreements will have been executed by either the Company or Buyer, as identified as "employer" under the Employment Agreements; and

iv. Deliveries. Buyer shall execute and deliver the documents and instruments required to close the contemplated transactions.

9. Miscellaneous.

a. Further Assurances. Each of the Parties hereto shall execute and deliver any and all such other instruments, documents, and agreements and take all such actions as a Party may reasonably request from time to time in order to effectuate the purposes of this Agreement.

b. Controlling Law; Venue; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona without application of the conflict of laws principles thereof. The Parties agree that venue and jurisdiction over any claim or dispute arising hereunder shall properly lie in the Superior Court of Maricopa County, Arizona.

c. Injunctive Relief. Each of the Parties acknowledges that if it breaches the terms of this Agreement, the other Parties may suffer irreparable harm for which there may be no adequate remedy at law. Each Party therefore agrees that, in addition to any monetary damages that may be awarded to a non-defaulting Party to compensate it for a defaulting Party’s breach of this Agreement, the non-defaulting Party shall be entitled to seek temporary, preliminary, and permanent injunctive relief to prevent the breach of this Agreement.

d. Binding Nature of Agreement. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. . No party may assign either this Agreement or any of his or its rights, interests, or obligations hereunder without the prior written approval of the other parties hereto.

e. Counterparts/Delivery. This Agreement may be executed in counterparts, each of which is an original, but all of which shall constitute one (1) instrument. A signed copy of this Agreement or any related document or instrument delivered by facsimile, e-mail or other electronic transmission shall be deemed to have the same legal effect as delivery of an original signed counterpart thereof.

f. Entire Agreement. This Agreement contains the entire understanding between the Parties hereto with respect to the purchase and sale of Ownership Interests, and supersedes all prior and contemporaneous agreements and understandings, inducements, or conditions, express or implied, oral or written, between the Parties hereto, with respect to the purchase and sale of Ownership Interests, including the Amended Purchase Agreement and that certain Letter of Intent dated August 29, 2018 executed by Buyer and Sellers. This Agreement may not be modified or amended other than by an agreement executed in writing by the Parties hereto.

g. Legal Representation. This Agreement has been negotiated among the Parties and if there is any ambiguity, no presumption construing the Agreement against a Party shall be imposed because this Agreement was prepared by Buyer's counsel.

h. Severability. If any provision of this Agreement shall be held invalid, the same shall not affect the validity of any other provision of this Agreement, and each such other provision shall continue in full force and effect. If any provision of this Agreement shall be held invalid in part, the same shall not affect the remainder of that provision, and the remainder of that provision, together with all other provisions of this Agreement, shall continue in full force and effect.

i. Headings. The headings of sections and paragraphs herein are included solely for convenience of reference and shall not control the meaning of any of the provisions of this Agreement.

j. Fees and Costs. In the event that any action or proceeding is instituted to enforce any of the terms of this Agreement, the Parties agree that the prevailing party in such action or proceeding shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection therewith.

k. Notices. All notices hereunder shall be in writing and shall be deemed to have been duly given upon receipt, if personally delivered, or on the next business day following dispatch if given via a nationally-recognized overnight courier service, addressed to the Parties at the following addresses or at such other addresses as shall be specified in writing and in accordance with this Subsection 9(k):

If to any Seller: Robert Kivlighn
[***]

Gordon Hamilton
[***]

With a copy to: David R. Cohen, Esq.
Frazer Ryan Goldberg & Arnold LLP
3101 N. Central Ave., Suite 1600
Phoenix, AZ 85012
[***]
Email: [***]

If to Buyer: Vireo Health of Arizona, LLC
c/o Vireo Health, Inc.
Attn: General Counsel
1330 Lagoon Ave., 4th Floor
Minneapolis, MN 55408
[***]
Email address(es): [***]

With a copy to: Fredirkson & Byron P.A.
Attn: Jessica Buchert
3 Civic Center Plaza, Suite 400
Mankato, MN 56001
Email address: [***]

l. Time Is of the Essence. Time is of the essence in the performance of each and every obligation of this Agreement.

m. WAIVER OF JURY TRIAL; ILLEGALITY DEFENSE WAIVER. EACH PARTY TO THIS AGREEMENT WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR THE TRANSACTION DOCUMENTS. Each Party warrants and represents to the others that it has reviewed the foregoing waivers with its legal counsel and has knowingly and voluntarily waived its jury trial rights following consultation with legal counsel. In the event of litigation, this Agreement may be filed as a written consent to a trial by the Court. The Parties hereby agree to waive illegality as a defense to any contract enforcement action.

n. Nature of Sellers' Obligations. All representations, warranties, covenants of Sellers hereunder shall be joint and several obligations of Sellers.

10. Termination of Agreement. Certain of the Parties may terminate this Agreement as provided below:

a. Mutual. Buyer and Sellers may terminate this Agreement by mutual written consent at any time prior to Closing.

b. By Buyer.

(i) Conditions Not Met. If, on the Closing Date, the satisfaction of any of the Joint Conditions or Buyer's Conditions is or, prior to the Closing Date, becomes impossible (in each case, other than through the failure of Buyer to comply with its obligations under this Agreement) and Buyer has not waived any such condition; or

(ii) Due Diligence. If during the Contingency Period Buyer shall deliver written notice of termination to the Sellers as a result of Buyer's dissatisfaction (determined in Buyer's sole and absolute discretion) of the results of Buyer's due diligence investigation related to the Business, the Companies, Sellers and/or the Ownership Interests ("Buyer's Kick-Out"). In the event Buyer so elects to terminate this Agreement, this Agreement shall terminate, Buyer and each of the Sellers shall be released and discharged from any further obligations to the others hereunder, other than those obligations which, by their terms, survive termination. The "Contingency Period" shall commence as of August 29, 2018 and shall expire on December 28, 2018.

(iii) Default of Sellers. If one (1) or more of Sellers shall breach any of the terms or provisions of this Agreement applicable to Sellers at or prior to the Closing, and any such breach shall continue for five (5) days after written notice thereof is delivered by Buyer to Sellers or if the nature of Sellers' breach is such that more than five (5) calendar days are required for its cure, and Sellers shall not have commenced the cure within the five (5) day period or thereafter diligently pursued the same to completion, then Buyer may either: (a) terminate this Agreement by written notice to Sellers, promptly after which in the event of a Refundable Event the Deposit and all interest earned thereon shall be returned to Buyer by Sellers (and in all events within three (3) days after Buyer delivers its termination notice), and in such event, Sellers shall pay Buyer as and for Buyer's damages hereunder, an amount equal to Buyer's actual, out-of-pocket damages, costs and expenses incurred in connection with this Agreement including, but not limited to, all costs and expenses related to Buyer's investigations, all sums paid to Buyer's consultants, representatives, contractors and other professionals (such as surveyors, inspectors, engineers, attorneys and accountants) providing services to Buyer in connection with this Agreement and the transactions contemplated hereby, which sum shall be paid by Sellers to Buyer within three (3) days after the date Buyer delivers a written statement itemizing such amounts and providing evidence of the same such as copies of invoices or evidence of payment, and thereafter, the Parties shall have no further rights or obligations hereunder except for obligations which expressly survive the termination of this Agreement, or (b) waive the default or breach and proceed to close the transactions, or (c) seek specific performance of this Agreement by Sellers.

c. By Sellers.

(i) Conditions Not Met. If, on the Closing Date, the satisfaction of any of the Joint Conditions or Seller's Conditions has not occurred or, prior to the Closing Date, becomes impossible (in each case, other than through the failure of Seller to comply with its obligations under this Agreement) and Seller has not waived any such condition; or

(ii) Default by Buyer. If Buyer shall breach any of the terms or provisions of this Agreement applicable to Buyer at or prior to the Closing, and any such breach shall continue for five (5) days after written notice thereof is delivered by Sellers and/or the Companies to Buyer or if the nature of Buyer's breach is such that more than five (5) calendar days are required for its cure, and Buyer shall not have commenced the cure within the five (5) day period or thereafter diligently pursued the same to completion, then Sellers may either: (a) terminate this Agreement by written notice to Buyer, and in such event, Buyer shall pay Sellers as and for Sellers' damages hereunder, an amount equal to Sellers' actual, out-of-pocket damages, costs and expenses incurred in connection with this Agreement including, but not limited to, all sums paid to Sellers' and Companies' consultants, representatives, contractors and other professionals (such as surveyors, inspectors, engineers, attorneys and accountants) providing services to Seller and/or Companies in connection with this Agreement and the transactions contemplated hereby, which sum shall be paid by Buyer to Sellers within three (3) days after the date Sellers deliver a written statement itemizing such amounts and providing evidence of the same such as copies of invoices or evidence of payment, and thereafter, the Parties shall have no further rights or obligations hereunder except for obligations which expressly survive the termination of this Agreement, or (b) waive the default or breach and proceed to close the transactions, or (c) seek specific performance of this Agreement by Buyer.

d. Termination. If any Party terminates this Agreement pursuant to this Section 10, all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to any other Party except for any liability arising from the prior breach by any Party and Buyer and each of the Sellers shall be released and discharged from any further obligations to the others hereunder, other than those obligations which, by their terms, survive termination.

11. Post-Closing Covenants.

a. Public Announcement; Communications. No Seller shall, directly or indirectly, make any public announcements, notices or other written or oral communications to any Company's customers, patients, vendors, employees or other persons or entities concerning the contemplated transactions of this Agreement without the advance written consent of Buyer.

b. Assurances. The Parties shall in good faith from and after the date hereof take all actions as may be reasonably required to complete the contemplated transactions without further consideration or expense of the other Parties.

c. Noncompetition. For a period of two (2) years from and after the Effective Date, no Seller will engage, either alone, or jointly with, or as an officer, stockholder, lender, partner, principal, or agent for or employee of any person or persons, firm, partnership, or corporation, either directly or indirectly set up, exercise, conduct, or be engaged or employed, or serve as an advisor or as a consultant to, any business that directly or indirectly competes with the Business as it is conducted by the Companies on the day immediately preceding the Closing Date, in each case, within a twenty (20) mile radius of the Dispensary, nor shall any foregoing person or entity object to, attempt to limit or initiate an action against Buyer relative to Buyer's zoning, rezoning, variances, use permits, building permits and applications, hearings, meetings and judicial proceedings relating to the Business for this two (2) year period. If the final judgment of a court of competent jurisdiction declares that any term or provision of this Subsection 11(c) is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision. The Parties hereby declare that it is impossible to measure in money the damages which will accrue to Buyer and the Companies by reason of a failure by Sellers to perform the obligations under this Subsection 11(c). Sellers each agree that the remedy at law for any breach of the provisions of this Subsection will be inadequate, and that, in addition to damages, Buyer and the Companies shall be entitled to obtain injunctive relief from the court having jurisdiction of at least one (1) of the Sellers, and the subject matter, ordering specific performance of the provisions hereof. In any action to enforce the provisions of this Subsection, Sellers shall waive the right to claim that Buyer or the Company(ies) have an adequate remedy at law. Sellers specifically admit receipt and adequacy of consideration for the obligations on and covenants of Sellers imposed by this Subsection and the reasonableness of the time and distance limitations set forth above. Notwithstanding any provision of this Agreement to the contrary, the terms of this Subsection 11(c) shall survive the Closing Date and the execution, acknowledgement, sealing and delivery of this Agreement and consummation of the contemplated transactions.

d. Nonsolicitation. For a period of two (2) years from and after the Effective Date, no Seller will solicit, attempt to hire, or hire any employee providing services to the Business or the Companies. For purposes of this provision, a person is considered any "employee providing services to the Business" if he or she is or was a part-time or full-time employee or volunteer for a period extending from six (6) months prior to the Closing Date to the termination of this provision. For a period of two (2) years from and after the Effective Date no Seller will take any action that is designed or intended to have the effect of discouraging any lessor, customer, patient, prospective customer or patient, supplier, vendor or other business associate of any of the Companies from maintaining the same business relationships with Buyer after Closing as it maintained with the respective Company prior to Closing. During such two-year period, Sellers will refer all customers, patient, prospective customer or patient, supplier, vendor and other business associate inquiries relating to the Business and the Companies to Buyer.

e. Confidentiality. Each of the Sellers and Companies will treat and hold as confidential all of the Confidential Information, defined below, refrain from using any of the Confidential Information except in connection with this Agreement, and deliver promptly to Buyer or destroy, at the reasonable, post-Closing request and option of Buyer, all tangible embodiments (and all copies) of the Confidential Information that are in his or its possession. The foregoing provisions shall not apply to any Confidential Information that: (i) is generally available to the public prior to the time of disclosure other than as a breach of this provision, or (ii) is lawfully acquired by a Seller from and after Closing from sources that are not prohibited from disclosing such information. The term "Confidential Information" means any information concerning the Assets, the Companies, the Business and the affairs of the Companies that is not generally available to the public prior to the Effective Date. Notwithstanding the foregoing, Sellers may maintain in their records a copy of this Agreement and its Exhibits and Schedules, and disclose the same to their legal and tax advisers.

12. Survival of Representations and Warranties.

a. Survival of Sellers' Representations and Warranties. All of the representations and warranties of Sellers contained in this Agreement, as well as the right of Buyer to rely thereon, shall survive Closing as follows: (i) all of the representations and warranties of Sellers contained in Sections 6(a), (b), (c), (d), (g), (p), (q), (r) and (s) (collectively "Fundamental Representations") shall survive Closing and continue in full force and effect forever; (ii) all other representations and warranties of Sellers contained in this Agreement shall survive Closing and continue in full force and effect until the expiration of the applicable statute of limitations. The expiration of the applicable survival period shall not terminate any claim for indemnification for which Buyer has previously notified Sellers.

b. Survival of Buyer's Representations and Warranties. All of the representations and warranties of Buyer contained in this Agreement, as well as the rights of Sellers to rely thereon, shall survive Closing as follows: (i) all of the representations and warranties of Buyer contained in Sections 7(a) and (b) shall survive Closing and continue in full force and effect forever; and (ii) all of the other representations and warranties of Buyer contained in this Agreement shall survive Closing in full force and effect until the expiration of the applicable statute of limitations. The expiration of the applicable survival period shall not terminate any claim for indemnification for which Sellers have previously notified Buyer.

c. Survival of Covenants. All covenants and agreements of the Parties contained herein shall survive Closing indefinitely or for the period explicitly specified therein. Any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching Party to the breaching Party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

13. Indemnifications.

a. Indemnification by Sellers. Sellers shall jointly and severally defend, indemnify and hold harmless Buyer, its officers, agents, employees and servants, and their respective heirs, personal and legal representatives, guardians, successors and assigns (collectively, "Buyer Indemnitees") for, from and against the entirety of all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings damages, penalties, fines, costs, amounts paid in settlement, liabilities, obligations, Taxes, Liens, losses, expenses, and fees, including court costs and reasonable attorneys' fees (collectively, "Adverse Consequences") resulting from, arising out of, relating to, in the nature of, or to the extent caused by the following, any: (i) misrepresentation or breach by Sellers, and any one of them, of any representation or warranty of Sellers contained in this Agreement and/or any of the Transaction Documents; (ii) nonperformance, failure to comply or breach by Sellers, and any one of them, of any covenant, promise or agreement of Sellers contained in this Agreement and/or the Transaction Documents; and (iii) of the Excluded Liabilities.

b. Indemnification by Buyer. Buyer shall defend, indemnify and hold harmless Sellers, and their respective officers, agents, employees and servants, and their respective heirs, personal and legal representatives, guardians, successors and assigns (collectively, "Seller Indemnitees") for, from and against the Adverse Consequences resulting from, arising out of, relating to, in the nature of, or to the extent caused by the following, any: (i) misrepresentation, omission or breach by Buyer of any representation or warranty of Buyer contained in this Agreement; and (ii) nonperformance, failure to comply or breach by Buyer of any covenant, promise or agreement of Buyer contained in this Agreement.

REST OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, Sellers and Buyer have executed and delivered this Agreement as of the day and year first written above.

BUYER:

VIREO HEALTH OF ARIZONA, LLC, a Delaware limited liability company

By: Kyle Kingsley

Its: CEO

SELLERS:

MARK WRIGHT
/s/ Mark Wright

SHANE HOWELL
/s/ Shane Howell

GORDON HAMILTON
/s/ Gordon Hamilton

ROBERT KIVLIGHN
/s/ Robert Kivlighn

CONSENT OF SPOUSE

I, the undersigned, being a spouse of a shareholder of Live Fire, Inc. and/or Sacred Plant, Inc., each an Arizona corporation, who is a Party to the foregoing Agreement, hereby declare that I have read the foregoing Agreement in its entirety; and, being fully convinced of the wisdom and equity of the terms of the Agreement, and in consideration of the premises and of the provisions of said Agreement, I hereby express my acceptance of the same and agree to abide by its provisions.

I hereby further agree that I will at any time, before or after the death of my spouse and while this Agreement is in effect, make, execute and deliver to the Parties to said Agreement any documents which may be necessary to carry out the provisions of said Agreement.

This instrument is not a present transfer or release of any rights which I may have in any of the community property of my marriage.

DATED this 21st day of March, 2019.

NAME Paula Hamilton

SIGNATURE /s/ Paula Hamilton

CONSENT OF SPOUSE

I, the undersigned, being a spouse of an owner of a membership interest in Elephant Head Farm, LLC and/or Retail Management Associates, LLC, each an Arizona limited liability company, who is a Party to the foregoing Agreement, hereby declare that I have read the foregoing Agreement in its entirety; and, being fully convinced of the wisdom and equity of the terms of the Agreement, and in consideration of the premises and of the provisions of said Agreement, I hereby express my acceptance of the same and agree to abide by its provisions.

I hereby further agree that I will at any time, before or after the death of my spouse and while this Agreement is in effect, make, execute and deliver to the Parties to said Agreement any documents which may be necessary to carry out the provisions of said Agreement.

This instrument is not a present transfer or release of any rights which I may have in any of the community property of my marriage.

DATED this 24th day of February, 2019.

NAME Stephanie Howell

SIGNATURE /s/ Stephanie Howell

Exhibit 10.13

CERTAIN CONFIDENTIAL INFORMATION (MARKED BY BRACKETS AS "[***]") HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

EQUITY PURCHASE AGREEMENT

by and among

VIREO HEALTH, INC.

PENNSYLVANIA MEDICAL SOLUTIONS, LLC

PASPV HOLDINGS, LLC

and

JUSHI INC

June 21, 2020

EQUITY PURCHASE AGREEMENT

This Equity Purchase Agreement (this "**Agreement**"), dated as of June 20, 2021 (the "**Effective Date**"), is entered into by and among Vireo Health, Inc., a Delaware corporation ("**Seller**"), Pennsylvania Medical Solutions, LLC, a Pennsylvania limited liability company ("**Company**"), PASPV Holdings, LLC, a Pennsylvania limited liability company ("**Buyer**"), and Jushi Inc, a Delaware corporation ("**Jushi**"). Seller, Company, Buyer and Jushi are sometimes referred to individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS the Company is the holder of a medical marijuana grower/processor permit for the Commonwealth of Pennsylvania, registration number GP-2018-17, issued by the Pennsylvania Department of Health ("**DOH**");

WHEREAS Seller owns one hundred percent (100%) of the outstanding membership interests of the Company (the "**Company Interests**"); and

WHEREAS Buyer and Seller wish to enter into a transaction pursuant to which Buyer will purchase one hundred percent (100%) of the Company Interests from Seller upon the terms and conditions contained in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

1.1. Defined Terms. As used in this Agreement, the following terms will have the following meanings:

"**Accounts Payable**" means, without duplication, as of any date of determination, all bona fide accounts and notes payable of the Company, including all checks written on the Company's "zero balance" or other bank accounts, if any, on or prior to the date of determination which have not cleared as of the date of determination, but exclusive of: (a) any accounts or notes payable to Seller, its Affiliates (other than the Company); or (b) any Seller Transaction Expense.

"**Accounts Receivable**" means, without duplication, as of any date of determination, all bona fide trade accounts and notes receivable of the Company from the sale of goods to third party customers, and which shall not include, without limitation: (a) accounts or notes receivable from Seller or any of its Affiliates (other than the Company); (b) accounts or notes receivable pursuant to any Lease; and (c) any accounts or notes receivable classified as "Doubtful Accounts" or for which the Company has made an allowance, in each case as set forth in the Company's most recent Financial Statement.

"**Acquisition Proposal**" means any inquiry, proposal or offer from any Person (other than Buyer or any of its Affiliates) concerning: (a) a merger, consolidation, liquidation, recapitalization, share exchange or other business combination transaction involving the Company; (b) the sale, offer to sell, offer to purchase, issuance, acquisition or disposition of any Company Interests or other Company equity, or any option, warrant, or other right to do any of the foregoing; (c) the sale, lease, transfer, exchange or other acquisition or disposition of any portion of the Company's properties or assets (excluding Inventory disposed of in the Ordinary Course of Business) or any of the Company's Permits; or (d) any other transaction similar to the Transaction, or that could reasonably be expected to hinder, restrict or affect the ability of the Parties to consummate the Transaction in a timely manner.

"**Adverse Consequences**" means any Claim, Order, Encumbrance or Liability.

"**Affiliate**" means, as to any Person, any other Person which directly or indirectly controls, is controlled by, or is under common control with, such Person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") means possession, directly or indirectly, of the ability or power to direct or cause the direction of the management or policies of a Person (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

"**Agreement**" means, unless the context otherwise requires, this Equity Purchase Agreement together with the Schedules and Exhibits attached hereto, and the certificates and other instruments to be executed and delivered in connection herewith.

"**Applications**" means any applications, materials and other correspondences (including, without limitation, attachments, exhibits and appendices) submitted to the DOH or any other Governmental Authority in connection with the Pennsylvania Cannabis Laws.

"**Bridge Loan**" means a promissory note, security agreement and other, related documents substantially on the terms set forth in Exhibit F.

"**Business**" means the cultivation and processing of Cannabis for sale to retail outlets within the Commonwealth of Pennsylvania, as presently conducted by the Company.

"**Business Day**" means any day other than a Saturday, Sunday or a legal holiday on which banks are not open for general business in the Commonwealth of Pennsylvania.

"**Cash**" means unrestricted cash and unrestricted cash equivalents of the Company.

"**Claim**" means any claim, action, cause of action, demand, lawsuit, arbitration, notice of deficiency, audit, charge, notice of violation, compliant, proceeding, injunction, hearing, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"**COBRA**" means the provisions of Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Code and all regulations thereunder.

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

"**Contracts**" mean the Material Contracts and the Minor Contracts.

"**Current Assets**" means all Cash, Accounts Receivable and Finished Goods Inventory, determined in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Financial Statements.

"**Current Liabilities**" means all Accounts Payable and Other Current Liabilities of the Company but excluding any Indebtedness and operating lease payables; in each case, determined in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Financial Statements.

"**Employee Benefit Plans**" means, collectively, all Employee Pension Benefit Plans and Employee Welfare Benefit Plans of the Company.

"**Employee Pension Benefit Plan**" will have the meaning set forth in ERISA Section 3(2), which is not a Multiemployer Plan).

"**Employee Welfare Benefit Plan**" will have the meaning set forth in ERISA Section 3(1).

"**Encumbrance**" means any claim, lien, pledge, option, charge, security interest, encumbrance, or other right of any Person, or any other restriction or limitation of any nature whatsoever, that in each case affects title to the Company Interests or title to any assets of the Company.

"**Enforceability Limitations**" mean (a) bankruptcy, insolvency, reorganization, moratorium or similar Law now or hereafter in effect relating to creditors' rights, (b) the discretion of the appropriate court with respect to specific performance, injunctive relief or other terms of equitable remedies, and (c) limitations regarding the enforceability of contracts in technical violation of the Federal Cannabis Laws.

"**Environment**" means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins, and wetlands), groundwaters, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life, and any other environmental medium or natural resource.

"**Environmental, Health, and Safety Liabilities**" means any Adverse Consequence (including, without limitation, any investigatory, corrective or remedial obligation), or other responsibility arising from or under Environmental Law or Occupational Safety and Health Law and consisting of or relating to: (a) any environmental, health, or safety matters or conditions (including on-site or off-site contamination, occupational safety and health, and regulation of chemical substances or products); (b) investigative, remedial, inspection or other Liabilities arising under Environmental Law or Occupational Safety and Health Law; (c) Liabilities for cleanup costs or corrective action, including any investigation, cleanup, removal, containment, or other remediation or response actions ("**Cleanup**") required by applicable Environmental Law or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Authority or any other Person) and for any natural resource damages; or (d) any other compliance, corrective, investigative, or remedial measures required under Environmental Law or Occupational Safety and Health Law. The terms "removal," "remedial," and "response action," include the types of activities covered by the United States Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq., as amended.

"**Environmental Law**" means any applicable Law which has been adopted and is effective prior to the Closing Date that requires or relates to: (a) advising appropriate Governmental Authorities, employees, and/or the public of intended or actual Releases of pollutants or hazardous substances or materials, violations of discharge limits, or other prohibitions and of the commencement of activities, such as resource extraction or construction, that could have significant impact on the Environment; (b) preventing or reducing to acceptable levels the Release of pollutants or hazardous substances or materials into the Environment; (c) reducing the quantities, preventing the Release, or minimizing the hazardous characteristics of wastes that are generated; (d) assuring that products are designed, formulated, packaged, and used so that they do not present unreasonable risks to human health or the Environment when used or disposed of; (e) protecting resources, species, or ecological amenities; (f) reducing to acceptable levels the risks inherent in the transportation of hazardous substances, pollutants, oil, or other potentially harmful substances; (g) cleaning up pollutants that have been Released, preventing the threat of Release, or paying the costs of such clean up or prevention; or (h) making responsible parties pay private parties, or groups of them, for damages done to their health or the Environment, or permitting self-appointed representatives of the public interest to recover for injuries done to public assets.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**ERISA Affiliate**" means a trade or business, whether or not incorporated, which is deemed to be in common control or affiliated with the Company within the meaning of Section 4001 of ERISA or Sections 414(b), (c), (m), or (o) of the Code.

"**Federal Cannabis Laws**" means any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale and possession of cannabis, marijuana or related substances or products containing or relating to the same, including, without limitation, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960 and the regulations and rules promulgated under any of the foregoing.

"**Financial Statements**" mean unaudited balance sheets and statements of income, changes in stockholders' equity, and cash flow as of and for the fiscal years ended December 31, 2018 and December 31, 2019 and unaudited combined and consolidating balance sheets and statements of income, changes in stockholders' equity, and cash flow as of and for the months ended April 30, 2020.

"**Finished Goods Inventory**" means all inventory classified as "Finished Goods" using the definition applied to the Company's April 2020 balance sheet and which: (a) have passed independent third party testing; (b) were classified as Finished Goods on the Financial Statements after January 1, 2020; and (c) are not subject to a destruction order or indefinitely quarantined at the time of determination.

"**GAAP**" means generally accepted accounting principles in the United States as set forth in the pronouncement of the Financial Accounting Standards Board (and its predecessors) and the American Institute of Certified Public Accountants, consistently applied.

"**Governmental Authority**" means any federal, state, commonwealth, provincial, municipal, local or foreign government, or any political subdivision thereof, or any court, agency or other entity, body, organization or group, exercising any executive, legislative, judicial, quasi-judicial, regulatory or administrative function of government, or any supranational body, arbitrator, court or tribunal of competent jurisdiction.

"**Hazardous Materials**" means any waste or other substance that is listed, defined, designated, or classified as, or otherwise determined to be, hazardous, radioactive, or toxic or a pollutant or a contaminant under or pursuant to any Environmental Law, including any admixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor, silica or silica-containing materials and asbestos or asbestos-containing materials.

[***]

"**Indebtedness**" means, with respect to any Person as of any date of determination and without duplication: (a) all obligations of such Person for borrowed money, including, without limitation, all obligations for principal and interest, and for prepayment and other penalties, fees, costs and charges of whatsoever nature with respect thereto, (b) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person, (c) all obligations of such Person issued or assumed as the deferred purchase price of property or services (other than Permitted Accounts Payable), (d) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Encumbrance on property owned or acquired by such Person whether or not the obligations secured thereby have been assumed or is nonrecourse to the credit of that Person, (e) all capital lease obligations of such Person (as defined under GAAP), (f) all obligations (including but not limited to reimbursement obligations) relating to the issuance of letters of credit for the account of such Person, (g) all obligations arising out of interest rate and currency swap agreements, cap, floor and collar agreements, interest rate insurance, currency spot and forward contracts and other agreements or arrangements designed to provide protection against fluctuations in interest or currency exchange rates, (h) all obligations of such Person to its shareholders, members partners or other equity-holders; (i) any amounts, fines or monetary penalties asserted against such Person by any Governmental Authority (other than related to Taxes); and (j) obligations in the nature of guarantees of obligations of the type described in clauses (a) through (i) above of any other Person.

"**Insurance**" means any fire, product liability, automobile liability, general liability, worker's compensation, medical insurance stop-loss coverage or other form of insurance of the Business, and any tail coverage purchased with respect thereto.

"**Intellectual Property**" means all intellectual property of any kind or nature whatsoever including, without limitation: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and re-examinations thereof, (b) all trademarks, service marks, trade dress, logos, trade names, and limited liability company names, together with all translations thereof, all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all copyrightable works, all copyrights, and all applications, registrations and renewals in connection therewith, (d) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, recipes, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (e) all computer software (including data and related documentation and including software installed on hard disk drives) other than off-the-shelf computer software subject to shrink-wrap or click-through licenses, (f) web sites, website domain names, social media accounts and passwords and other e-commerce and social media assets, and (g) all copies and tangible embodiments of any of the foregoing (in whatever form or medium).

"**Inventory**" means Finished Goods Inventory and Other Inventory.

"**IRS**" means the Internal Revenue Service.

"**JHI**" means Jushi Holdings Inc., a British Columbia corporation.

"**Knowledge**" and similar phrases using the term "Knowledge" or derivatives thereof mean the actual knowledge of: (a) with respect to the Company, the following individuals: [***]; and (b) with respect to Buyer, every executive officer and member of the board of directors of JHI, in each case after having made reasonable inquiry with respect to the matters which are relevant to the representation, warranty, covenant or agreement being made or given.

[***]

"**Law**" means any federal, state, local, municipal, provincial, foreign or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, consent, Order, regulation, ruling, directive, published regulatory guidance with the force of law, rule or regulation, agreement or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or with or under the authority of any Governmental Authority, having the force of law.

"**Liability**" or "**Liabilities**" means any liability or obligation of whatever kind or nature (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including, without limitation, all losses, damages, dues, penalties, fines, costs and expenses (including court costs and reasonable attorneys' fees and expenses), amounts paid in connection with a settlement, compromise or judgement, and Taxes.

"**Material Adverse Effect**" or "**Material Adverse Change**" means, with respect to any Person, any effect or change that would be (or could reasonably be expected to be) materially adverse to the business, assets, condition (financial or otherwise), operating results, operations, or business prospects (including as projected in any revenue, earnings, or other forecast, whether internal or published) of such Person, or to the ability of such Person to consummate the Transaction contemplated hereby; provided, however, that "Material Adverse Effect" shall not include any effect or change arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which such Person operates; (iii) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any changes in accounting rules, including GAAP or IFRS; or (vi) any action such Person is required to take pursuant to the direction of a Party hereto acting under the authority granted to such Party hereunder; provided, further, however, that any event, occurrence, fact, condition, or change referred to in clauses (i) through (v) immediately above shall be taken into account in determining whether a Material Adverse Effect or Material Adverse Change has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition, or change has a disproportionate effect on the such Person compared to other participants in the industry or industries in which such Person conducts its business.

"**Material Contracts**" mean the following written and oral contracts which are currently in effect and to which the Company is a party or by which the Company is bound:

(a) any agreement for the purchase or supply of cannabis involving minimum payments in excess of $25,000 for any 12-month period;

(b) any agreement (or group of related agreements) for the lease of personal property to or from any Person providing for minimum lease payments in excess of $25,000 per annum;

(c) any agreement (or group of related agreements) for the purchase or sale of supplies, products, or other personal property, or for the furnishing or receipt of services, the performance of which will extend over a period of more than 1 year, result in a loss to the Company, or involve consideration in excess of $25,000;

(d) any agreement concerning a partnership or joint venture;

(e) any agreement (or group of related agreements) under which the Company has created, incurred, assumed, or guaranteed any indebtedness for borrowed money, or any capitalized lease obligation, in excess of $25,000 or under which an Encumbrance has been imposed upon any of its assets, tangible or intangible;

(f) any Related Party Agreement;

(g) any profit sharing, membership interest option, membership interest purchase, membership interest appreciation, deferred compensation, severance, or other plan or arrangement for the benefit of its current or former directors, officers, and/or employees;

(h) any collective bargaining agreement, labor peace or similar agreement;

(i) any agreement for the employment or engagement as an independent contractor of any individual on a full-time, part-time, consulting, or other basis providing minimum annual compensation in excess of $25,000 or providing severance benefits;

(j) any agreement under which the consequences of a default or termination could reasonably be expected to have a Material Adverse Effect;

(k) any settlement, conciliation or similar agreement with any Governmental Authority or which will require satisfaction of any obligations after the Effective Date;

(l) any agreement, license or other contract under which (i) the Company and/or Seller has licensed or otherwise granted rights in any of its Intellectual Property to any Person or (ii) any Person has licensed or sublicensed to the Company and/or Seller, or otherwise authorized the Company and/or Seller to use, any third party Intellectual Property (other than licenses of internally used off-the-shelf or shrinkwrap software);

(m) any other agreement (or group of related agreements) the performance of which involves minimum consideration in excess of $25,000.

(n) any agreement relating to any Employee Pension Benefit Plan, Employee Welfare Benefit Plan, or any other Benefit Arrangement;

(o) any employment, consulting or sales or leasing representative agreement not cancelable by the Company without penalty upon ninety (90) days or less written notice;

(p) any settlement agreement or other agreement in respect of any past or present Proceeding involving payments in excess of $25,000;

(q) any non-competition or non-solicitation agreement;

(r) any Applications; and

(s) any agreement providing for indemnification by the Company other than pursuant to standard terms of contracts in the Ordinary Course of Business.

"**Minor Contracts**" mean any contract or other agreement (other than the Material Contracts), whether written or oral, to which the Company is a party or by which the Company is bound.

"**Multiemployer Plan**" shall have the meaning set forth in ERISA Section 3(37).

"**Net Working Capital**" means, as of any date of determination, the difference between the Company's Current Assets minus the Company's Current Liabilities, in each case calculated in accordance with GAAP applied on a basis consistent with past practice of the Company (and consistent with the preparation of the Financial Statements), without giving effect to the consummation of the Transaction, and adjusted to exclude the Company's Accounts Receivable aged beyond one hundred and twenty (120) days of the earlier of the applicable invoice issuance date and the payment due date.

"**Net Working Capital Target**" means $[***].

"**Occupational Safety and Health Law**" means any Legal Requirement, including the Occupational Safety and Health Act of 1970, as amended, and the rules and regulations promulgated thereunder, which both has been adopted and is effective prior to the Closing Date and which is designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

"**Order**" means any order, writ, assessment, decision, injunction, decree, judgment, ruling, award, settlement or stipulation issued, promulgated or entered into by or with any Governmental Authority.

"**Ordinary Course of Business**" means the ordinary course of business consistent with past practice (including with respect to quantity and frequency, taking into account any growth in revenues and associated expenses due to growth.

"**Other Current Liabilities**" means all liabilities of the Company that would, in accordance with GAAP, be classified as current liabilities other than Accounts Payable, and including, without limitation, any accrued Taxes, deferred revenue obligations and accrued payroll expenses, in each case determined in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Financial Statements.

"**Other Inventory**" means all inventory of or related to the Business including without limitation all raw materials, biologics, ingredients, works-in-progress (including plants, yield flower an lab oil), packaging and supplies; provided, however, that "Other Inventory" does not include: (a) any of the foregoing to the extent such inventory is unusable or otherwise not maintained in a commercially reasonable manner in the Ordinary Course of Business; (b) any of the foregoing to the extent such inventory is, pursuant to applicable Law, subject to a destruction order or indefinitely quarantined at the time of determination; or (c) any Finished Goods Inventory.

"**Owned Tangible Personal Property**" means all Tangible Personal Property owned by the Company.

"**Pennsylvania Cannabis Laws**" means the marijuana establishment laws of any jurisdictions within the Commonwealth of Pennsylvania to which the Company is, or may at any time become, subject, including, without limitation, the Pennsylvania Medical Marijuana Act (35 P.S. §10231.101 et. seq.), as amended, and the rules and regulations adopted by the Pennsylvania Department of Health (including 28 Pa. Code §§1141, 1151 and 1161 of the Pennsylvania regulations), the Pennsylvania Department of Revenue or any other state or local government agency with authority to regulate any marijuana operation (or proposed marijuana operation).

"**Permits**" mean all permits, licenses, consents, franchises, approvals, registrations, certificates, variances and other authorizations required to be obtained from any Governmental Authority or other Person in connection with the operation of the Business and necessary to conduct the Business as presently conducted.

"**Permitted Accounts Payable**" means normal and customary accounts payable of the Company in the Ordinary Course of Business.

"**Permitted Encumbrances**" means: (a) liens or encumbrances for Taxes, assessments or other governmental charges not due and payable or the amount or validity of which is being contested in good faith, (b) such other imperfections in title, charges, easements, restrictions and encumbrances which do not result in a Material Adverse Effect on the Company, (c) easements, rights of way, zoning ordinances and other similar encumbrances affecting Real Property, and (d) mechanics', carriers', workmens', repairmens' or other like liens arising or incurred in the Ordinary Course of Business (except to the extent that any such lien relates to overdue payments unless such payments are being diligently contested in good faith pursuant to appropriate proceedings).

[***]

"**Real Property**" means all real property owned or leased by the Company or in which the Company otherwise has any interest, together with: (a) all buildings and improvements located thereon, and (b) all rights, privileges, interests, easements, hereditaments and appurtenances thereunto in any way incident, appertaining or belonging thereto.

"**Related Party Agreement**" means any agreement or understanding, whether written or oral, between the Company, on the one hand, and: (a) Seller; (b) any Affiliate of Seller (other than the Company); (c) Seller's Representatives; (d) any Affiliate of Seller's (other than the Company) Representatives, or (e) the Company's Representatives, on the other hand, including, without limitation, any agreement pursuant to which the Company has advanced or loaned any amount of money to any of the foregoing;

"**Release**" means any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping, or other releasing into the Environment, whether intentional or unintentional.

"**Representation Survival Period**" means, (a) for Seller's and the Company's representations and warranties (excluding Seller Excluded Representations) set forth in Article 4 of this Agreement, the period beginning on the Closing Date and ending on the date that is the twenty-four (24) month anniversary of the Closing Date, and (b) for Buyer's representations and warranties (excluding the Buyer Excluded Representations) set forth in Article 5 of this Agreement, the period beginning on the Closing Date and ending on the date that is the twenty-four (24) month anniversary of the Closing Date.

"**Representative**" means any director, officer, shareholder, manager, member, partner, principal, employee, attorney, accountant, agent or other representative of any Person.

"**Seller Transaction Expenses**" means (a) the costs, fees and expenses incurred by the Company, or Seller in connection with the Transaction for investment bankers, third party consultants, legal counsel, accountants and other advisors, (b) all change in control, retention, or transaction-related bonus amounts payable to, or for the benefit of, employees, officers, contractors or directors of the Company as a consequence of the transactions contemplated by this Agreement, whenever payable, including any Taxes that become payable by the Company in connection therewith, and (c) overdrafts on any bank account and reimbursement obligations under any credit facility of the Company acquired by Buyer, in each of the foregoing clauses (a) through (c) to the extent unpaid as of the Closing Date.

"**Tangible Personal Property**" means all tangible personal property (other than Inventory) owned or leased by the Company or in which the Company has any interest, including vehicles and production and processing equipment, warehouse equipment, computer hardware, furniture and fixtures, leasehold improvements, supplies and other tangible assets, together with any transferable manufacturer or vendor warranties related thereto.

"**Tax**" or "**Taxes**" means any federal, state, local or non-U.S. income, gross receipts, license, payroll, employment, excise, severance, startup, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), health, unemployment, disability, real property, personal property, intangible property, sales, use, transfer, registration, value added, goods and services, harmonized, alternative or add-on minimum, estimated, or other tax or similar obligation of any kind whatsoever to any Tax authority, including any interest, penalty or addition thereto, whether disputed or not.

"**Tax Return**" means any return, declaration, report, form, claim for refund, election or information return or statement relating to Taxes, including any schedule or attachment thereto, and any amendment thereof.

"**Transaction**" means the equity purchase and other transactions contemplated under this Agreement.

"**Transfer Taxes**" means any sales, use, stock transfer, value added, real property transfer, transfer, stamp, registration, documentary, recording or similar duties or taxes together with any interest thereon, penalties, fines, costs, fees, additions to tax or additional amounts with respect thereto incurred in connection with the transactions contemplated by this Agreement.

"**Treasury Regulation**" means the United States Treasury regulations promulgated under the Code.

"**Undisclosed Material Adverse Fact**" means any facts or facts disclosed by Seller or discovered by Buyer after the Effective Date that, individually or in the aggregate, constitute a Material Adverse Effect on the Company, the Business or PADS (if and only if the PADS Option continues in effect at the time of such disclosure or discovery), or prevent Seller from consummating the Transaction.

"**Unremediated UMAF**" means any Undisclosed Material Adverse Fact for which: (i) Buyer shall have given Seller notice within five (5) Business Days after discovery, and (ii) Seller and/or the Company shall have been unable or unwilling to remediate such Undisclosed Material Adverse Fact to Buyer's reasonable satisfaction prior to the scheduled Closing Date or such Undisclosed Material Adverse Fact shall be patently incapable of such remediation in the reasonable discretion of Buyer;

Other Defined Terms. The following terms will have the meanings defined for such terms in the Sections set forth below:

Term	Section
Accepted Reconciliation Item	2.5(c)
Affiliation Form	6.13(a)
Agreement	Introduction
Application Party or Application Parties	6.13(a)
Benefit Arrangements	4.13(i)
Buyer	Introduction
Buyer Excluded Representations	9.1(b)
Buyer Maximum Indemnification Liability	9.4(c)
Buyer Parties	9.2
Cash Consideration	2.2(a)
Closing	3.1
Closing Date	3.1
Closing Indebtedness Amount	2.4(a)
Closing Indebtedness Schedule	2.4(a)
Closing Net Working Capital	2.5
Company	Introduction
Company Interests	Recitals
Company Transaction Expense Schedule	2.4(b)
Confidential Information	10.6
Debt Payoff Letters	2.4(a)
Disclosure Schedules	Article 4
Disputed Reconciliation Item	2.5(c)
DOH	Recitals
Due Diligence Period	8.1(c)
Effective Date	Introduction
Estimated Closing Adjustment Amount	2.3(b)
Estimated Closing Net Working Capital	2.3(a)
Estoppel Certificate	7.1(m)
Finished Goods Inventory Count	2.3(a)
GP Permit	4.13(f)
Indemnified Party	9.5
Indemnifying Party	9.5
[***]	7.1(k)
Independent Accountant	2.5(e)
Jushi	Introduction
Leased Real Property	4.10(a)
Leases	4.10(a)
NDA	6.5
Negative Closing Net Working Capital Amount	2.3(b)
Net Working Capital Statement	2.3(a)
Note	2.2(b)
Note Consideration	2.2(b)
Option	10.3
Option Period	10.3
PADS	7.1(t)
PADS Equity	10.3
Party or Parties	Introduction
Pension Plans	4.16(a)
Positive Closing Net Working Capital Amount	2.3(b)
Post-Closing Straddle Period	10.2(c)
Pre-Closing Straddle Period	10.2(c)
Pre-Closing Tax Periods	10.2(a)
Purchase Price	2.2
Reconciliation Items	2.5(a)
Reconciliation Period	2.5(a)
Reconciliation Statement	2.5(a)
Releasing Parties	11.19
Resolution Period	2.5(d)
Review Period	2.5(b)
Seller	Introduction
Seller Excluded Representations	9.1(a)
Seller Fundamental Representations	9.1(a)
Seller Maximum Indemnification Liability	9.4(b)

Statement of Objections	2.5(c)
Straddle Period	10.2(c)
Supply Agreement	7.1(t)
Tax and ERISA Representations	9.1(a)
Tax Matter	10.2(g)
Third-Party Claim	9.5
Threshold	9.4(a)
Transition Services Agreement	7.1(t)
Undisclosed Material Adverse Fact	7.1(r)
WARN Act	4.26(v)
Welfare Plans	4.16(b)

ARTICLE 2
PURCHASE AND SALE OF MEMBERSHIP INTERESTS

2.1. Purchase and Sale of Company Interests. On and subject to the terms and conditions of this Agreement, Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, all of the Company Interests, free and clear of any Encumbrances, for the consideration specified below in this Article 2.

2.2. Purchase Price. As consideration for the sale, conveyance, transfer, assignment and delivery of the Company Interests by Seller, on the Closing Date Jushi shall pay to Seller (subject to adjustment as provided in this Agreement) an aggregate purchase price (the "**Purchase Price**") of Twenty Million Dollars ($20,000,000) as follows:

(a) Sixteen Million Two Hundred and Fifty Thousand Dollars ($16,250,000) in cash, reduced by the outstanding principal and accrued, unpaid interest on the Bridge Loan as of the Closing Date (the "**Cash Consideration**"); and

(b) Three Million Seven Hundred and Fifty Thousand Dollars ($3,750,000) by way of an unsecured promissory note issued by JHI (the "**Note Consideration**"), bearing an eight percent (8%) interest rate, with interest payable in cash quarterly and maturing forty-eight (48) months from the date of issuance, at which time all principal and accrued but unpaid interest shall be due. The promissory note shall be substantially in the form attached hereto as Exhibit A (the "**Note**").

At least five (5) Business Days prior to the Closing Date Seller shall provide Buyer with such account and other information as Buyer shall reasonably require in order for Buyer to pay to Seller the Cash Consideration on the Closing Date.

2.3. Net Working Capital Adjustment to Purchase Price at Closing.

(a) At least five (5) Business Days before the Closing Date, Seller shall prepare and deliver to Buyer a statement in the form attached hereto as Exhibit B (a "**Net Working Capital Statement**") setting forth Seller's estimate of the Net Working Capital of the Company as of the Closing Date (the "**Estimated Closing Net Working Capital**"), which shall take into account the results of the Finished Goods Inventory Count (as defined below), include each component item set forth on the Net Working Capital Statement and be prepared in accordance with GAAP applied on a basis consistent with past practice of the Company. At least five (5) Business Days before the Closing Date, in connection with determining the Finished Goods Inventory component of the Estimated Closing Net Working Capital, Buyer and Seller shall jointly conduct a physical count of the Finished Goods Inventory of the Company, which amount shall be adjusted to reflect sales, the completion of Finished Goods Inventory and other relevant transactions between the time of such physical count and the Closing Date using standard accounting cutoff procedures, mutually agreed upon by Buyer and Seller, to arrive at a value which shall be deemed the Finished Goods Inventory as of the Closing Date ("**Finished Goods Inventory Count**").

(b) The "**Estimated Closing Adjustment Amount**" shall be an amount equal to the Estimated Closing Net Working Capital minus the Net Working Capital Target. If the Estimated Closing Adjustment Amount is a positive number ("**Positive Closing Net Working Capital Amount**"), the Cash Consideration shall be increased on a dollar-for-dollar basis by the Positive Closing Net Working Capital Amount. If the Estimated Closing Adjustment Amount is a negative number ("**Negative Closing Net Working Capital Amount**"), the Cash Consideration shall be decreased on a dollar-for-dollar basis by the Negative Closing Net Working Capital Amount

(c) The Parties acknowledge and agree that all Other Inventory shall not be considered for the purpose of determining the Estimated Closing Net Working Capital or the Closing Net Working Capital, or in connection with any other adjustment to the Purchase Price. The Parties further acknowledge and agree that all Other Inventory of the Company prior to the Closing Date shall remain with the Company after the Closing Date at no cost or expense of any kind to Buyer, Jushi or any of their Affiliates.

2.4. Company Indebtedness; Transaction Expenses.

(a) *Company Indebtedness*. At least five (5) Business Days before the Closing Date Seller shall deliver to Buyer a schedule (the "**Closing Indebtedness Schedule**") that contains a complete and accurate statement of the Company's total Indebtedness as of the Closing Date (the "**Closing Indebtedness Amount**"), excluding Permitted Accounts Payable and the Post-Closing [***], together with wire transfer and other instructions for the payoff of such Indebtedness and payoff letters from each lender of such Indebtedness (the "**Debt Payoff Letters**") in form, scope and substance acceptable to Buyer. On the Closing Date, Buyer may elect, in its sole discretion, to pay all or any of the Closing Indebtedness Amount reflected on the Closing Indebtedness Schedule by wire transfers of immediately available funds to the holders of such Indebtedness. Notwithstanding Buyer's election to pay all or any of the Closing Indebtedness Amount to the holders of such Indebtedness on the Closing Date, the Purchase Price shall be reduced by the Closing Indebtedness Amount, [***]. For the avoidance of doubt, [***] shall not be Indebtedness of the Company for the purpose of determining the Closing Indebtedness Amount, and the [***] shall remain with, and continue to be the responsibility of, the Company after the Closing Date. The Company shall pay all [***] prior to the Closing Date. Any [***] remaining unpaid as of the Closing Date shall be included in the Closing Indebtedness Amount, and shall be equitably prorated in the event any unpaid [***] relate to any period that begins before the Closing Date and ends after the Closing Date. Any [***] that have been prepaid by the Company including, for the avoidance of doubt, that portion of any rental or other amounts that apply to the month in which the Closing Date occurs, shall be added to the Purchase Price, and shall be equitably prorated in the event any [***] that have been prepaid relate to any period that begins before the Closing Date and ends after the Closing Date.

(b) *Company Transaction Expenses*. At least five (5) Business Days before the Closing Date Seller shall deliver to Buyer a schedule (the "**Company Transaction Expense Schedule**") that contains a complete and accurate statement of the Company Transaction Expenses, together with wire transfer instructions for the payment of all Company Transaction Expenses that will be unpaid as of the Closing Date. On the Closing Date, Buyer shall (on behalf of the Company and Seller) pay the Company Transaction Expenses in accordance with the payment instructions set forth in the Company Transaction Expense Schedule, and the Purchase Price shall be reduced by the Company Transaction Expenses, with the Cash Consideration decreasing by [***]of the Company Transaction Expenses.

2.5. Reconciliation.

(a) Buyer shall, within one hundred and twenty (120) days after the Closing Date (the "**Reconciliation Period**"), verify the actual Net Working Capital of the Company (the "**Closing Net Working Capital**"), the Closing Indebtedness Amount and the Company Transaction Expenses (the "**Reconciliation Items**") of the Company, in each case as of the Closing Date, using the Financial Statements or such other financial or other documents as may be necessary or desirable in the reasonable discretion of Buyer. Buyer shall, on or prior to the last day of the Reconciliation Period, provide Seller with a statement (a "**Reconciliation Statement**"), which shall detail with reasonable specificity the actual value of each of the Reconciliation Items as of the Closing Date. With respect to the determination of the actual value of the Net Working Capital of the Company as of the Closing Date, any Finished Goods Inventory that was valued as part of the Estimated Closing Net Working Capital which did not pass testing standards set forth by applicable Law, and is (i) subject to a destruction order shall be valued at Zero Dollars ($0) or (ii) indefinitely quarantined as of the date Buyer presents Seller with the Reconciliation Statement, shall be valued Buyer's best estimate of its future sale value, discounted at [***] per annum.

(b) Seller shall have thirty (30) days (the "**Review Period**") from the date it receives a Reconciliation Statement to review such Reconciliation Statement and Buyer's determination of the actual value of each of the Reconciliation Items as of the Closing Date. During the Review Period, Seller (and its Representatives) will have such access to the books and records, employees and auditors of the Company as Seller may reasonably request for the purpose of reviewing and analyzing the Reconciliation Statement and to prepare a Statement of Objections (as hereafter defined), provided that such access shall be in a manner that does not unreasonably interfere with the normal business operations of the Company, or Buyer.

(c) On or prior to the last day of the Review Period, Seller may object to Buyer's determination of the actual value of any of the Reconciliation Items as of the Closing Date by delivering to Buyer a written statement (a "**Statement of Objections**") setting forth the disputed Reconciliation Items (each, a "**Disputed Reconciliation Item**") and describing with reasonable specificity the basis for Seller's objection thereto. Any Reconciliation Item not expressly objected to by Seller in a Statement of Objections prior to the expiration of the Review Period shall be deemed to have been accepted by Seller (each, an "**Accepted Reconciliation Item**"). If Seller fails to deliver a Statement of Objections before the expiration of the Review Period, all Reconciliation Items shall be deemed to be Accepted Reconciliation Items.

(d) If Seller delivers a Statement of Objections with respect to one or more Disputed Reconciliation Items before the expiration of the Review Period, Seller and Buyer shall negotiate in good faith to resolve such objections within thirty (30) days after the delivery of the Statement of Objections from Seller to Buyer (the "**Resolution Period**"), and, if all such objections are so resolved within the Resolution Period, the Reconciliation Statement, with such changes as may have been agreed in writing by Seller and Buyer, shall be final and binding on Seller and Buyer (and any other Person) for all purposes hereunder.

(e) If Seller and Buyer fail to reach an agreement with respect to all of the Disputed Reconciliation Items before expiration of the Resolution Period, the remaining Disputed Reconciliation Items shall be submitted for resolution to an impartial nationally recognized firm of independent certified public accountants as may be mutually selected by Buyer and Seller (the "**Independent Accountant**"); provided that if the Buyer and Seller are unable to agree on an Independent Accountant within five (5) days following the end of the Resolution Period, each shall, within two (2) days thereafter, select its own tax advisory firm, which together shall select the Independent Accountant who, acting as experts and not arbitrators and shall not have any authority to interpret any provision of this Agreement, shall resolve the issues underlying the Disputed Reconciliation Items only and make any corresponding adjustments to the Reconciliation Statement. The Parties hereto agree that all adjustments shall be made without regard to materiality. The decision of the Independent Accountant with respect to each Disputed Reconciliation Item must be within the range of values assigned to each such item in the Reconciliation Statement and the Statement of Objections, respectively.

(f) The Independent Accountant shall make a determination as soon as practicable and in any event within thirty (30) days (or such other time as the Parties hereto shall agree in writing) after its engagement, and its resolution of the Disputed Reconciliation Items and its corresponding adjustments to the Reconciliation Statement shall be conclusive and binding on all parties (and any other Person) for all purposes hereunder. Upon resolution of a Disputed Reconciliation Item by the Independent Accountant, such Disputed Resolution Item shall thereafter be deemed to be an Accepted Reconciliation Item. Judgment on the determination of the Independent Accountant may be entered by any court of competent jurisdiction.

(g) The fees and expenses of the Independent Accountant shall be paid fifty percent (50%) by Buyer and fifty percent (50%) by Seller. Notwithstanding the foregoing, upon resolution of each Disputed Reconciliation Item, the Parties shall true-up all payments made to the Independent Accountant such that each Parties has paid an amount inverse to the aggregate proportion by which the Independent Accountant resolves each of the Disputed Reconciliation Items in favor of one Party or the other. By way of example, but not by way of limitation, if the Disputed Reconciliation Items represent a total amount in controversy of Five Hundred Thousand Dollars ($500,000) to be determined by the Independent Accountant and the Independent Accountant determines that Buyer prevails with respect to Four Hundred Thousand Dollars ($400,000) in the aggregate and Seller prevails with respect to One Hundred Thousand Dollars ($100,000) in the aggregate, then Buyer would pay twenty percent (20%) of the Independent Accountant's fees and expenses and Seller would pay eighty percent (80%) of the Independent Accountant's fees and expenses.

(h) Upon all Reconciliation Items becoming Accepted Reconciliation Items in accordance with this Section 2.5: (i) if it is determined, on aggregate, that the Purchase Price paid by Buyer to Seller on the Closing Date was less than it should have been, Buyer shall pay to Seller, in cash, the difference between the Purchase Price owed to Seller on the Closing Date as determined in accordance with this Section 2.5 and the actual amount paid by Buyer to Seller on the Closing Date; and (ii) if it is determined, on aggregate, that the Purchase Price paid by Buyer to Seller on the Closing Date was more than it should have been, Seller shall pay to Buyer, in cash, the difference between the Purchase Price paid by Buyer to Seller on the Closing Date and the actual amount owed to Seller on the Closing Date as determined in accordance with this Section 2.5. All payments pursuant to this Section 2.5 shall be made within thirty (30) days of the date the last Reconciliation Item becomes an Accepted Reconciliation Item.

2.6. Transfer Taxes. Notwithstanding Article 9, Seller, on the one hand, and Buyer, on the other hand, will each be responsible for one-half of the payment of any and all Transfer Taxes associated with the transfer of the Company Interests and any deficiency, interest or penalty with respect to such Taxes. The Parties will reasonably cooperate with respect to the preparation and filing of all Tax Returns required to be filed in connection with any such Transfer Taxes. Seller will remit to Buyer (if Buyer is filing a Tax Return relating to Transfer Taxes) or Buyer will remit to Seller (if Seller is filing a Tax Return relating to Transfer Taxes), as the case may be), in immediately available funds, the amount of any Transfer Taxes owed by Seller or Buyer (as applicable) pursuant to this Section 2.6 within five (5) Business Days of the non-filing party's receipt from the filing party of written notice of the amount of such Transfer Taxes due, a copy of the applicable Tax Return and the non-filing party's shares of the applicable Transfer Taxes.

2.7. No Effect on Other Rights. The determination and adjustment of the Purchase Price in accordance with the provisions of this Article 2 will not limit or affect any other rights or Claim either Buyer or Seller may have with respect to the representations, warranties, covenants and indemnities in its favor contained in this Agreement.

2.8. Withholding. Buyer shall be entitled to deduct and withhold from any consideration payable to Seller pursuant to this Agreement all Taxes that Buyer may be required to deduct and withhold under any provision of Tax or other Law. All such withheld amounts shall be treated as delivered to Seller hereunder.

ARTICLE 3
CLOSING

3.1. Closing. The closing of the Transaction (the "**Closing**") will take place remotely via the electronic exchange of documents and signatures as soon as practicable following the satisfaction or waiver of the applicable conditions set forth in Article 7, or on such other date as Buyer and Seller may mutually determine in writing (the "**Closing Date**"). The Closing will be deemed to have occurred at 12:01 a.m., Eastern Daylight Time, on the Closing Date.

3.2. Deliveries at Closing. At the Closing, (a) Seller will deliver to Buyer the various certificates, instruments, and documents referred to in Section 7.1 below, (b) Buyer will pay to Seller the Purchase Price (as adjusted in accordance with the terms hereof) and will deliver to Seller the various certificates, instruments, and documents referred to in Section 7.2 below.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF SELLER AND THE COMPANY

Seller and the Company represent and warrant to Buyer that the statements contained in this Article 4 are true, correct and complete as of the Effective Date and will be true, correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the Effective Date throughout this Article 4), except as set forth in the disclosure schedule delivered by Seller to Buyer on the date hereof, which are attached hereto (the "**Disclosure Schedules**").

4.1. Organization and Authority to Conduct Business.

(a) Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Seller is duly qualified and in good standing in each jurisdiction where it is required to be qualified. Seller has full corporate power and authority to conduct its business as it is presently being conducted and to own and lease its properties and assets.

(b) The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania. The Company is duly qualified and in good standing in each jurisdiction where it is required to be qualified. The Company has full limited liability company power and authority to conduct its business as it is presently being conducted and to own and lease its properties and assets.

4.2. Power and Authority; Binding Effect.

(a) Seller has all necessary power and authority and has taken all action necessary to authorize, execute and deliver this Agreement, to consummate the Transaction, and to perform Seller's obligations under this Agreement (except under Federal Cannabis Laws). This Agreement has been duly executed and delivered by Seller and constitutes a legal (except under Federal Cannabis Laws), valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as such enforcement may be limited by the Enforceability Limitations and Federal Cannabis Laws.

(b) The Company has all necessary power and authority and has taken all action necessary to authorize, execute and deliver this Agreement, to consummate the Transaction, and to perform the Company's obligations under this Agreement (except under Federal Cannabis Laws). This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforcement may be limited by the Enforceability Limitations and Federal Cannabis Laws.

4.3. Equity Information. Seller owns one hundred percent (100%) of the issued and outstanding Company Interests. The Company Interests have been duly authorized and validly issued and have been issued in compliance with applicable securities Laws. The Company has made available to Buyer true, correct and complete copies of the Company's organizational documents as currently in effect. The minute books of the Company contain true, complete and correct records in all material respects of all meetings and other material limited liability company actions held or taken by members, managers or other governing bodies through the date hereof. All such minute books of the Company have been made available to Buyer. There are no outstanding equity interests of the Company other than the Company Interests. There are no outstanding convertible or exchangeable securities or options, warrants or other rights relating to the equity interests of the Company (including, without limitation, any Company Interests). There are no agreements of any kind relating to the issuance of any equity interests of the Company (including, without limitation, any Company Interests), or any convertible or exchangeable securities or any options, warrants or other rights relating to the equity interests of the Company (including, without limitation, any Company Interests).

4.4. Title.

(a) Seller owns good title to the Company Interests, free and clear of all Encumbrances (other than Encumbrances arising under applicable federal and state securities Laws or Pennsylvania Cannabis Laws, or as contemplated in this Agreement). Subject to compliance with the Pennsylvania Cannabis Laws and satisfaction of all conditions precedent hereunder to transfer the Company Interests to Buyer on the Closing Date, Seller has or will have on or before the Closing Date, the full and unrestricted power to sell, convey, assign, transfer and deliver the Company Interests to Buyer on the Closing Date. Seller is not a party to any option, warrant, purchase right or other contract or commitment that could (including upon the occurrence of any contingency or event) require Seller to sell, transfer, convey, assign, deliver or otherwise dispose of any of the Company Interests or any interest therein, other than pursuant to this Agreement or at Closing. Other than pursuant to this Agreement, Seller is not a Party to any voting trust, proxy or other agreement or understanding with respect to Seller's ownership, voting or transfer of, or otherwise related to, the Company Interests that Seller owns. Upon delivery to Buyer of certificates for the Company Interests at the Closing, if certificated, or otherwise upon consummation of the Transaction, Buyer will acquire good, valid and marketable title to the Company Interests, free and clear of all Encumbrances (other than Encumbrances arising under applicable federal and state securities Law, the Pennsylvania Cannabis Laws or as contemplated in this Agreement).

(b) Except as set forth on Schedule 4.4(b) of the Disclosure Schedules and except for Permitted Encumbrances, the Company has good title to all of its assets, free and clear of all Encumbrances.

4.5. No Conflict or Violation. The execution and delivery of this Agreement, the consummation of the Transaction, and the fulfillment of the terms of this Agreement, do not and will not result in or constitute: (a) a violation of or conflict with any provision of the organizational or other governing documents of Seller or the Company, (b) except as set forth on Schedule 4.5 of the Disclosure Schedules, a breach of, a loss of rights under, or an event, occurrence, condition or act which is or, with the giving of notice or the lapse of time, would become, a material default under, or result in the acceleration of any obligations under, any term or provision of, any Material Contract or multiple Minor Contracts, which in the aggregate cause: (i) a Material Adverse Effect with respect to the Company; or (ii) a Material Adverse Effect with respect to Seller's ability to consummate the Transaction, or any license, franchise, permit or authorization to which Seller or the Company is a party, (c) subject to compliance with the Pennsylvania Cannabis Laws and satisfaction of all conditions precedent hereunder to transfer the Company Interests to Buyer on the Closing Date, a violation by Seller or the Company of any Law (except for Federal Cannabis Laws) or (d) an imposition of any Encumbrance (other than a Permitted Encumbrance) on any of the Company Interests or any of the assets of the Company.

4.6. Consents and Approvals. Except as otherwise set forth on Schedule 4.6 of the Disclosure Schedules and subject to compliance with the Pennsylvania Cannabis Laws and satisfaction of all conditions precedent hereunder to transfer the Company Interests to Buyer on the Closing Date, no consent, approval or authorization of, or declaration, filing or registration with, any Person is required to be made or obtained by the Company in connection with the execution, delivery and performance of this Agreement and the consummation of the Transaction or will be necessary to ensure the continuing validity and effectiveness immediately following the Closing of any Permit or Material Contract of the Company, as applicable.

4.7. No Actions.

(a) With respect to Seller, there is no Claim pending or threatened against, relating to or affecting in any adverse manner, the Transaction.

(b) With respect to the Company, there is no Claim pending or threatened against, relating to or affecting in any adverse manner, the Transaction.

4.8. Financial Statements; Unknown Liabilities.

(a) The Company's Financial Statements are set forth on Schedule 4.8(a) of the Disclosure Schedules. The Financial Statements fairly present the financial condition and the results of operations of the Company as of their respective dates and for the periods then ended in accordance with GAAP applied on a consistent basis, subject to, in the case of any unaudited Financial Statements, normal year-end adjustments. The books and records of the Company from which the Financial Statements were prepared fairly reflect the assets, liabilities and operations of the Company in all material respects, and the Financial Statements are in conformity therewith in all material respects.

(b) Except as disclosed in Schedule 4.8(b) of the Disclosure Schedules, there are no material liabilities or obligations of any nature, whether absolute, accrued, contingent, known, unknown, matured, unmatured or otherwise, which would have been required to be disclosed or provided for in the Financial Statements, except (i) Liabilities reflected in or reserved against the Financial Statements as of April 30, 2020 and (ii) Liabilities incurred between May 1, 2020 and the Closing Date in the Ordinary Course of Business of the Company (none of which results from, arises out of or relates to any breach of contract, breach of warranty, tort, infringement or violation of Law (except for Federal Cannabis Laws)). Except as disclosed in Schedule 4.8(b) of the Disclosure Schedules, the Company has no Indebtedness.

4.9. Taxes.

(a) Except as set forth on Schedule 4.9(a) of the Disclosure Schedules, (i) the Company has duly and timely filed all income Tax Returns and all other material Tax Returns that the Company was required to file, (ii) all such Tax Returns are true, correct and complete in all material respects (including without limitation in full compliance with Section 280E of the Code), (iii) all Taxes required to have been withheld and paid by the Company in connection with amounts paid or owing to any employee, independent contractor, creditor, member or other third party have been properly withheld and paid, and all Forms W-2 and 1099 (or similar Tax Return) required with respect thereto have been properly completed and filed by the Company, (iv) all Taxes required to have been paid by the Company (whether or not shown on any Tax Return) have been paid (and such Taxes have been paid consistent with Section 280E of the Code), (v) the Company is not currently the beneficiary of any extension of time within which to file any Tax Return, (vi) no written notice has been received by the Company and no claim has been made within the past five (5) years by any Governmental Authority in any jurisdiction where the Company does not file Tax Returns that it is or may be subject to taxation by that jurisdiction, (vii) there is no dispute or claim concerning any Tax liability of the Company either claimed or raised by any Governmental Authority in writing and (viii) the Company has not waived any Tax related statute of limitations which period (after giving effect to such waiver) has not yet expired.

(b) The Company is not bound by or has any obligation under or potential liability with respect to any Tax allocation, Tax sharing or Tax indemnification agreement or similar Contract or arrangement. The Company does not have any liability for Taxes of any other Person under the Code or any provisions of any Law, as a transferee or successor, or by any Contract which deals primarily with Taxes. There are no Encumbrances for Taxes (other than Permitted Encumbrances), upon the assets of the Company or upon any Company Interests.

(c) The Company has not been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(l)(A)(ii) of the Code.

(d) At all times since the date of its organization, (i) the Company has been classified under Treasury Regulation Section 301.7701-2(a) as either a partnership or a disregarded entity for federal and state income Tax purposes, (ii) the Company has not been a member of an affiliated group (as defined in Section 1504(a) of the Code or corresponding provision of state, local or non-U.S. Tax Law) or filed or been included in a consolidated, combined or unitary federal or state income Tax Return (other than a consolidated, combined or unitary Tax Return of which the Company was the common parent), and (iii) the Company has not had any Liability for the Taxes of any other Person under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or non-U.S. Tax Law), as a transferee or successor, by contract or otherwise.

(e) The Company will not be required to include any amount in, or exclude any item of deduction from, income for any Tax period ending after the Closing Date as a result of a change in accounting method made in any Pre-Closing Tax Period with respect to any such Pre-Closing Tax Period. Except as set forth in Schedule 4.9(e) of the Disclosure Schedules, the Company will not be required to include in any Tax period or portion thereof after the Closing Date any item of income that accrued in a Pre-Closing Tax Period but was not recognized in any Pre-Closing Tax Period as a result of the installment method of accounting, the completed contract method of accounting, the long-term contract method of accounting, the cash method of accounting, a change in method of accounting for a taxable period ending on or before the Closing Date, use of any improper method of accounting for a taxable period ending on or before the Closing Date, an election under Section 108(i) of the Code, or a "closing agreement" as described in Section 7121 of the Code (or any corresponding provision of state, local, or non-U.S. Tax Law) executed on or before the Closing Date.

(f) The Company has not consummated or participated in, or is currently participating in, any transaction which was or is a "Tax shelter," "listed transaction" or "reportable transaction" as defined in Sections 6662, 6662A, 6011, 6111 or 6707A of the Code or the Treasury Regulations promulgated thereunder, including, but not limited to, transactions identified by the IRS by notice, regulation or other form of published guidance as set forth in Treasury Regulation § 1.6011-4(b)(2).

(g) Schedule 4.9(g) of the Disclosure Schedules lists all material Tax holidays, abatements, exemptions, incentives and similar grants made or awarded to the Company by any Tax authority or other Governmental Authority, and the Company has complied, in all material respects, with all terms and conditions related thereto, does not have any outstanding Tax liabilities thereunder and will not incur any liabilities thereunder as a result of the transactions contemplated by this Agreement.

(h) The Company is not a party to or bound by any Tax indemnity agreement, Tax sharing agreement, Tax allocation agreement or similar contract.

(i) The Company does not have, nor has it ever had, a permanent establishment in any country outside the United States, nor has any of them been subject to Tax in a jurisdiction outside the United States. The Company has not entered into a gain recognition agreement pursuant to Treasury Regulation Section 1.367(a)-8. The Company has not transferred an intangible, the transfer of which would be subject to the rules of Section 367(d) of the Code.

4.10. Real Property.

(a) The Company does not currently own any fee or other ownership interest in any Real Property. Schedule 4.10(a) of the Disclosure Schedules lists the street address of each parcel of Real Property leased by the Company (the "**Leased Real Property**"), and a list, as of the Effective Date, of all leases for each parcel of Leased Real Property (collectively, "**Leases**"), including the identification of the lessee and lessor thereunder. The Company has made available to Buyer true, accurate and complete copies of all Leases, any reciprocal easement agreements, declarations of restrictive covenants, utility contracts, roof warranties, shopping center association or co-op agreements and all other agreements that could impose material obligations on the tenant under any Lease (including all amendments, extensions and renewals with respect thereto).

(b) Except as set forth on Schedule 4.10(b) of the Disclosure Schedules and landlord rights to entry under the Leases, (i) the Company has peaceful and undisturbed possession of any Real Property it leases, (ii) the Company has not assigned (collaterally or otherwise) or granted any other security interest in the Leases or any interest therein, and there are no liens on the estate or interest created by the Leases, other than Permitted Encumbrances, (iii) to the Knowledge of the Company, none of the Real Property is subject to any commitment for sale, and the Company has not made any commitment for use of the Real Property by any Person other than the Company, (iv) none of the Real Property is subject to any Encumbrance which in any material respect interferes with or impairs the value, transferability or present and continued use thereof in the usual and normal conduct of the Business, (v) the use of the Real Property by the Company is in compliance with all applicable zoning, subdivision and other applicable land use ordinances, and all existing covenants, conditions, restrictions and easements, and the current use of the Real Property does not constitute a non-conforming use under the applicable zoning ordinances, and (vi) no material default or breach exists with respect to, and the Company has not received any written notice of any material default or breach under, any agreement or Encumbrance affecting any of the Real Property. The Company has no Knowledge of any condemnation or eminent domain proceedings pending, contemplated or threatened, against the Real Property or any part thereof. The Company has no Knowledge of any existing or threatened, general or special assessments affecting the Real Property or any portion thereof. The Company has not received written notice of, nor does the Company have Knowledge of, any pending or threatened action, suit, claim, investigation or other legal proceeding (including, without limitation, condemnation or eminent domain proceeding) before any Governmental Authority which relates to the ownership, maintenance, use or operation of the Real Property, nor does the Company have Knowledge of any type of existing or intended use of any real property adjacent to the Real Property which might materially adversely affect the use of the Real Property. To the Knowledge of the Company, except as set forth on Schedule 4.10(b) of the Disclosure Schedules, none of the Real Property is located within any area determined to be flood prone under the Federal Flood Protection Act of 1973, or any comparable state or local Law. The Company has not received any written notice from any insurance company of any defects or inadequacies in the Real Property or any part thereof which would materially and adversely affect the insurability of the Real Property or the premiums for the insurance thereof, and no written notice has been given to the Company by any insurance company which has issued a policy with respect to any portion of the Real Property or by any board of fire underwriters (or other body exercising similar functions) requesting the performance of any repairs, alterations or other work which has not been complied with. To the Knowledge of the Company, all water, sewer, gas, electric, telephone and drainage facilities and all other utilities required by Law or for the current use and operation of the Real Property are installed to the improvements situated on the Real Property, are connected pursuant to valid Permits, enter the Real Property through adjoining public streets or rights of way and are otherwise adequate for the present operation of the Business by the Company and in compliance in all material respects with all Law applicable thereto. Except as set forth on Schedule 4.10(b) of the Disclosure Schedules, access to and from the Real Property is via public streets, which streets are sufficient for the present operation of the Business by the Company. To the Knowledge of the Company, the buildings and improvements on the Real Property (including the heating, air conditioning, mechanical, electrical and other systems used in connection therewith) are in a reasonable state of repair, have been maintained and are free from infestation by termites, other wood destroying insects, vermin and other pests. There are no repairs or replacements for any parcel of Real Property exceeding $25,000 for any single repair or replacement which are currently contemplated by the Company, or which, to the Knowledge of the Company, should be made in order to maintain said buildings and improvements in a reasonable state of repair.

(c) With respect to [***], the entire balance of the security deposit as set forth in the [***]is in the possession of Landlord or its Affiliates and has not been drawn upon by Landlord or its Affiliates for any reason.

4.11. Tangible Personal Property.

(a) Schedule 4.11(a) of the Disclosure Schedules sets forth (i) a list of each item of Owned Tangible Personal Property having a book value of more than $5,000, and (ii) a list of each item of Tangible Personal Property leased by the Company, in each case, exclusive of the motor vehicles separately scheduled in subparagraph (c) below. Except as set forth on Schedule 4.11(a) of the Disclosure Schedules, the Owned Tangible Personal Property is free and clear of any Encumbrances (other than Permitted Encumbrances). Except as set forth on Schedule 4.11(a) of the Disclosure Schedules, all of the Tangible Personal Property is primarily located at the Real Property.

(b) Except as set forth on Schedule 4.11(b) of the Disclosure Schedules, the Tangible Personal Property is, taken as a whole, in reasonable working order and adequate for its designed use, subject to ordinary wear and tear and normal repairs and replacements.

(c) Schedule 4.11(c) of the Disclosure Schedules sets forth a list of all motor vehicles owned or leased by the Company as of the date hereof, including the name of the Person that owns any such leased vehicle, the model year and the corresponding serial or identification number, if any.

4.12. Intellectual Property.

(a) Schedule 4.12(a) of the Disclosure Schedules sets forth a list of: (i) all patents, patent applications, trademark applications and trademark registrations owned by the Company; (ii) all patents, patent applications, trademark applications and trademark registrations licensed to the Company by a third party; and (iii) all licenses pursuant to which any material Intellectual Property of the Company is licensed or sublicensed to or from any Person (other than commercially available third party shrink-wrap or click-through end-user license agreements). The Company has not received written notice from any third party regarding any assertion or claim challenging the validity of any Intellectual Property used in the Business; and the Company has not received written notice from any third party regarding any actual or potential infringement by the Company of any Intellectual Property of any third party.

(b) (i) There is no Intellectual Property necessary to, or used in, the Business other than the Intellectual Property owned by or licensed to the Company, (ii) except as set forth on Schedule 4.12(b) of the Disclosure Schedules, each item of Intellectual Property owned or used by the Company immediately prior to the Closing Date will be owned or available for use by the Company on substantially similar terms and conditions immediately subsequent to the Closing Date, and (iii) the Company has taken reasonable commercial actions to maintain and protect each item of Intellectual Property.

4.13. Compliance with Laws and Permits.

(a) Except as set forth on Schedule 4.13(a) of the Disclosure Schedules, Seller and the Company have complied with and are currently in compliance with all applicable Laws and Permits, except the Federal Cannabis Laws. The Company has at all times, and currently is, conducting the Business in compliance with all applicable Laws and Permits, except the Federal Cannabis Laws.

(b) The Company has used best efforts to ensure that the Company does not: (i) distribute marijuana to minors; (ii) direct revenue from the sale of marijuana to criminal enterprises, gangs, and cartels, or otherwise have any involvement with such groups; (iii) divert marijuana from states where it is legal under state Law in some form to other states; (iv) use state-authorized marijuana activity as a cover or pretext for the trafficking of other illegal drugs or other illegal activity; (v) use violence or firearms in the cultivation and distribution of marijuana; (vi) contribute to drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use; (vii) grow or possess marijuana on public lands; or (viii) promote marijuana possession or use on federal property.

(c) The Company operates the Business only in the Commonwealth of Pennsylvania. The Company is in compliance in all material respects with all applicable state and local Laws and regulatory systems controlling the cultivation, harvesting, production, handling, storage, distribution, sale, and possession of cannabis. The Company does not import or export cannabis products from or to any other state or foreign country.

(d) Except as set forth on Schedule 4.13(d) of the Disclosure Schedules, the Company has never received any written notice from any Governmental Authority to the effect that, or has otherwise been advised that, the Company is not in compliance in all material respects with any applicable Law, and to the Knowledge of the Company there are no presently existing facts, circumstances or events which, with notice or lapse of time, would result in a material violation of any applicable Law or Permit.

(e) Schedule 4.13(e) of the Disclosure Schedules identifies all material Permits issued to the Company and currently in effect. Except as set forth on Schedule 4.13(e) of the Disclosure Schedules, the Permits held by the Company constitute all permits, consents, licenses, franchises, authorizations and approvals of the Company used in the operation of and necessary to conduct the Business as currently conducted. All of the Permits held by the Company are valid and in full force and effect, no violations have been experienced, noted or recorded and no Claim is pending or, to the Knowledge of the Company, threatened to revoke or limit any of the Permits held by the Company.

(f) The Company (i) holds a valid Medical Marijuana Grower/Processor Permit (GP-2018-17) issued by the DOH as of the Effective Date (the "**GP Permit**"), (ii) will continue to hold the GP Permit through the Closing Date, (iii) has not received notice of any violation from the DOH, nor, to the Company's Knowledge, does it have any reason to believe any violations have occurred, relating to the GP Permit or the Company's activities thereunder, and (iv) is in compliance with all terms and conditions of the GP Permit, including any plan of correction approved by a Governmental Authority (including, without limitation, the DOH). No Claim is pending or, to the Knowledge of the Company, threatened to revoke or limit the GP Permit held by the Company.

(g) The Company has duly and timely filed and complied in all material respects with all applicable Laws relating to reports, certifications, declarations, principal, employee, operator, owner and/or financial backer (as those terms are defined in and by the Pennsylvania Cannabis Laws) disclosures, statements, information or other filings submitted or to be submitted to any Governmental Authority, except to the extent the failure to file or timely file would not have a Material Adverse Effect, and all such submissions or filings were true and complete when submitted or filed and, to the extent required by an applicable Laws, have been updated properly and completely in all material respects.

(h) Neither Seller, the Company, any of their predecessors, successors or Affiliates, any of their respective Representatives or any other Person acting or purporting to act on behalf of any of the foregoing has directly or indirectly: (i) given or agreed to give any bribe, kickback, political contribution or other illegal payment from corporate funds, (ii) used any of its funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (iii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from its funds; (iv) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977; (v) established or maintained any unrecorded fund or asset, (vi) concealed or mischaracterized an illegal or unauthorized payment or receipt, (vii) knowingly made a false entry in the business records or (viii) committed or participated in any act which is illegal or, to the Knowledge of the Company, would reasonably be expected to subject the Company to material fines, penalties or sanctions.

4.14. Litigation. Except as set forth on Schedule 4.14 of the Disclosure Schedules, there is no Claim pending or, to the Knowledge of the Company, currently threatened which is, (a) a Claim involving the Company, any of its Representatives, or the properties, assets or business of any of the foregoing, (b) a Claim involving Seller or its Affiliates (other than the Company) that could reasonably be expected to have a Material Adverse Effect on Seller's ability to consummate the Transaction, or (c) a Claim arising from, relating to, or in connection with, the Business.

4.15. Labor Matters.

(a) Schedule 4.15(a) of the Disclosure Schedules identifies, for each current employee of the Company (including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized), his or her name, position or job title, hire date, and current base compensation. Except as set forth on Schedule 4.15(a) of the Disclosure Schedules: (i) the Company has no obligations under any written or oral labor agreement, collective bargaining agreement or other agreement with any labor organization or employee group, excepting the collective bargaining agreement described in Schedule 4.15(d), (ii) the Company is not currently engaged in any unfair labor practice and there is no unfair labor practice charge or other employee-related or employment-related complaint against the Company pending or, to the Knowledge of the Company, threatened before any Governmental Authority, (iii) there is currently no labor strike, labor disturbance, slowdown, work stoppage or other material labor dispute or arbitration pending or, to the Knowledge of the Company, threatened against the Company and no material grievance is currently being asserted by any employee of the Company, (iv) the Company has not experienced a labor strike, labor disturbance, slowdown, work stoppage or other material labor dispute at any time during the three (3) years immediately preceding the Effective Date and (v) there is no organizational campaign being conducted or, to the Knowledge of the Company, contemplated and there is no pending or, to the Knowledge of the Company, threatened petition before any Governmental Authority or other dispute as to the representation of any employees of the Company.

(b) Except as set forth on Schedule 4.15(b) of the Disclosure Schedules, during the ninety (90) days preceding the Effective Date the Company has not terminated the employment of any employee.

(c) As of the date hereof, all compensation, including wages, commissions and bonuses, payable to all employees, independent contractors or consultants of the Company for services performed have been paid in full and there are no outstanding agreements, understandings or commitments of the Company with respect to any compensation, commissions or bonuses.

(d) Schedule 4.15(d) of the Disclosure Schedules contains a true, correct, and complete list of each collective bargaining agreement or other Contract with a union, association, works council or labor organization to which the Company is a party. There have not been since [***] and there are not pending or threatened any labor disputes, work stoppages, requests for representation, pickets, work slow-downs due to labor disagreements or any actions or arbitrations which involve the labor or employment relations of the Company. There is no unfair labor practice, charge or complaint pending, unresolved or, to Company's Knowledge, threatened before the National Labor Relations Board. No event has occurred or circumstance exist that may provide the basis of any contractual labor dispute.

(e) Schedule 4.15(e) of the Disclosure Schedules identifies all independent contractors of the Company as of the date hereof and the name, hire date, base compensation, bonuses and other benefits of each such independent contractor. All individuals characterized and treated by the Company as independent contractors or consultants are properly treated as independent contractors under all applicable Laws. All employees of the Company classified as exempt under the Fair Labor Standards Act and state and local wage and hour laws are properly classified. There are no Claims against the Company pending, or to the Company's Knowledge, threatened to be brought or filed, by or with any Governmental Authority or arbitrator in connection with the employment of any current or former applicant, employee, consultant, volunteer, intern, or independent contractor of the Company, including any claim relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay, wage and hours or any other employment related matter arising under applicable Laws.

(f) Except as set forth on Schedule 4.15(f) of the Disclosure Schedules the Company has complied in all material respects with each, and is not in violation of any, Law relating to anti-discrimination and equal employment opportunities and there are, and have been, no material violations of any other Law respecting the hiring, hours, wages, occupational safety and health, employment, promotion, termination or benefits of any employee or other Person. The Company has filed and/or posted all reports, information and notices required under any Law respecting the hiring, hours, wages, occupational safety and health, employment, promotion, termination or benefits of any employee or other Person, and will timely file prior to Closing all such reports, information and notices required by any Law to be given prior to Closing.

(g) The Company has paid or properly accrued in the ordinary course of business all wages and compensation due to employees, including all vacations or vacation pay, holidays or holiday pay, sick days or sick pay, and bonuses.

(h) The Company is not a party to any Contract which restricts the Company from relocating, closing or terminating any of its operations or facilities or any portion thereof. The Company has not since January 1, 2019 effectuated a "plant closing" (as defined in the WARN Act) or (ii) a "mass lay-off" (as defined in the WARN Act), in either case affecting any site of employment or facility of the Company, except in accordance with the WARN Act. The consummation of the transaction hereunder will not create liability for any act by Sellers or the Company on or prior to the Closing under the WARN Act or any other Law respecting reductions in force or the impact on employees on plant closings or sales of businesses.

(i) The Company has complied and is in compliance in all material respects, with the requirements of the Immigration Reform and Control Act of 1986. Except as set forth on Schedule 4.15(i) of the Disclosure Schedules, all employees of the Company who are performing services for the Company in the United States are legally able to work in the United States and will be able to continue to work in the United States following the consummation of the Transaction.

4.16. Employee Benefit Plans.

(a) Schedule 4.16(a) of the Disclosure Schedules sets forth a list identifying each Employee Pension Benefit Plan including Multiemployer Plans that the Company has sponsored, or to which the Company has contributed or undertaken the obligation to contribute (the "**Pension Plans**"). Except as set forth on Schedule 4.16(a) of the Disclosure Schedules, neither the Company nor any of its respective ERISA Affiliates has sponsored or contributed to or been required to contribute to the Pension Plans.

(b) Schedule 4.16(b) of the Disclosure Schedules sets forth a list identifying each Employee Welfare Benefit Plan including Multiemployer Plans relating to employee health and welfare benefits that the Company has sponsored, or to which the Company has contributed or undertaken the obligation to contribute (the "**Welfare Plans**").

(c) With respect to each Employee Benefit Plan, the Company has delivered or has made available to Buyer complete copies, if applicable, of (i) all plan documents (or, if not written, a summary of material plan terms), including, trust agreement, insurance contracts or other funding vehicles and all amendments thereto, and (ii) all summaries and summary plan descriptions, including any summary of material modifications.

(d) There has been no amendment to, written interpretation or announcement (whether or not written) by the Company relating to, or change in employee participation or coverage under, any Employee Benefit Plan that would increase materially the expense of maintaining such Employee Benefit Plan above the level of expense incurred in respect of such Employee Benefit Plan for the most recent plan year with respect to Employee Benefit Plans, excepting only rate increases that were effective on April 1, 2020, as set forth on Schedule 4.16(d) of the Disclosure Schedules.

(e) Each Employee Benefit Plan has been maintained in material compliance with its terms and the requirements prescribed by any and all statutes, orders, rules and regulations, including but not limited to, ERISA and the Code, which are applicable to such Employee Benefit Plan.

(f) With respect to each Employee Benefit Plan, there are no pending or, to the Knowledge of the Company, threatened (i) Claims by any employees, former employees or plan participants or the beneficiaries, spouses or representatives of any of them, other than ordinary and usual claims for benefits by participants or beneficiaries, or (ii) Claims by any Governmental Authority.

(g) No Welfare Plan provides benefits, including, without limitation, any severance or other post-employment benefit, salary continuation, termination, death, disability, or health or medical benefits (whether or not insured), life insurance or similar benefit with respect to current or former employees (or their spouses or dependents) of the Company beyond their retirement or other termination of service other than (i) coverage mandated by applicable Law, (ii) disability insurance benefits payable in connection with an appropriate claim, and (iii) benefits, the full cost of which is borne by the current or former employee (or his or her beneficiary).

(h) The Company has complied with, and satisfied, the requirements of COBRA with respect to each Welfare Plan that is subject to the requirements of COBRA. Each Welfare Plan which is a group health plan, within the meaning of Section 9832(a) of the Code, has complied with and satisfied the applicable requirements of Sections 9801 and 9802 of the Code.

(i) Schedule 4.16(i) of the Disclosure Schedules contains a list identifying each employment, severance or similar contract, arrangement or policy and each plan or arrangement providing for insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, supplemental employment benefits, vacation benefits, retirement benefits, deferred compensation, bonuses, profit-sharing, stock options, stock appreciation rights or other forms of incentive compensation or post-retirement compensation or benefit which (i) is not an Welfare Plan or a Pension Plan and (ii) has been entered into or maintained, as the case may be, by the Company and any employee or former employee of the Company. Such contracts, plans and arrangements are referred to collectively as the "**Benefit Arrangements**." True and complete copies or descriptions of the Benefit Arrangements have been made available to Buyer. Each Benefit Arrangement has been maintained in material compliance with the requirements prescribed by any and all statutes, orders, rules and regulations which are applicable to such Benefit Arrangements.

(j) No payment or benefit provided pursuant to any agreement, between the Company and any "service provider" (as such term is defined in Section 409A of the Code and the Treasury Regulations and Internal Revenue Service guidance thereunder), will or may provide for the deferral of compensation subject to Section 409A of the Code that is not in compliance with Section 409A of the Code. Each stock option and stock appreciation right, if any, was granted with an exercise price that was not less than the fair market value of the underlying common stock on the date the option or right was granted based upon a reasonable valuation method. The execution and delivery of this Agreement and the consummation of the Transaction will not (either alone or upon the occurrence of any additional or subsequent events) constitute an event under any agreement that will or may result in any payment of deferred compensation which will not be in compliance with Section 409A of the Code if timely paid in accordance with the terms of the agreement.

(k) There is no contract, agreement, plan or arrangement covering any employee or former employee of the Company that, individually or in aggregate, could give rise to the payment by the Company, directly or indirectly, of any amount that would not be deductible pursuant to the terms of Section 280G of the Code.

(l) The Company is not a party to, or otherwise obligated under, any Employee Benefit Plan or other agreement, that provides for a gross-up, make-whole or other additional payment with respect to any Taxes, including those imposed by Sections 409A and 4999 of the Code.

(m) [Reserved]

(n) The Company and each applicable Employee Benefit Plan and Benefit Arrangement are in compliance in all material respects with the Patient Protection and Affordable Care Act, including compliance with all filing and reporting requirements, all waiting periods and the offering of affordable health insurance coverage compliant with the Patient Protection and Affordable Care Act to all employees and consultants who meet the definition of a full time employee under the Patient Protection and Affordable Care Act. No excise tax or penalty under the Patient Protection and Affordable Care Act is outstanding, has accrued, or will become due with respect to any period prior to the Closing.

(o) Except as set forth on Schedule 4.16(o) of the Disclosure Schedules, neither Buyer nor any of its Affiliates (including the Company upon consummation of this Transaction) will have any Liability for any Employment Benefit Plan or Benefit Arrangement after Closing.

4.17. Transactions with Certain Persons. Except as set forth on Schedule 4.17 of the Disclosure Schedules, the Company is not a party to any Related Party Agreements. Except as set forth on Schedule 4.17 of the Disclosure Schedules, neither Seller, its Affiliates (not including the Company), nor Seller's, its Affiliates' or the Company's respective Representatives own any asset, tangible or intangible, that is used in the Business.

4.18. Insurance. Schedule 4.18 of the Disclosure Schedules contains a complete and accurate list of all current policies or binders of Insurance (showing as to each policy or binder the carrier, policy number and a general description of the type of coverage provided) maintained by the Company and relating to the Business and/or its properties, assets, operations and personnel. Except as set forth on Schedule 4.18 of the Disclosure Schedules, all of the Insurance is "occurrence" based insurance. Subject to the Enforceability Limitations, the Insurance is in full force and effect and sufficient for compliance in all material respects with all requirements of applicable Law and of all contracts to which the Company is a party. The Company is not in material default under any of the Insurance, and the Company has not failed to give any notice or to present any claim under any of the Insurance in a timely manner. No notice of cancellation, termination, reduction in coverage or material increase in premium (other than reductions in coverage or increases in premiums in the Ordinary Course of Business) has been received with respect to any of the Insurance, and all premiums with respect to any of the Insurance have been paid. Except as disclosed on Schedule 4.18 of the Disclosure Schedules, the Company has not experienced claims in excess of current coverage of the Insurance. Except as disclosed on Schedule 4.18 of the Disclosure Schedules, there will be no material retrospective insurance premiums or charges or any other similar adjustment on or with respect to any of the Insurance for any period or occurrence through the Closing Date.

4.19. Inventory; No Product Recalls. Except as set forth on Schedule 4.19 of the Disclosure Schedules, (i) all of the Inventory is owned by the Company, as applicable, free and clear of any Encumbrances (other than Permitted Encumbrances) and is located at the Real Property, (ii) no material amount of the Inventory is on consignment, (iii) the Inventory as reflected in the Financial Statements has been valued in a manner consistent with past practices and procedures and in accordance with GAAP, and (iv) all Finished Goods Inventory used to calculate the Estimated Closing Net Working Capital of the Company shall be of material similar quality to the Finished Goods Inventory sold by the Company prior to the Closing Date in the Ordinary Course of Business. The levels of the Inventories are consistent in all material respects with the level of Inventories that have been maintained by the Company before the Effective Date in the Ordinary Course of Business and consistent with past practices in light of seasonal adjustments, market fluctuations and the requirements of customers of the Business. All Inventory produced by the Company or its respective Affiliates was cultivated, harvested, produced, tested, handled and delivered in accordance with all applicable Law (except for the Federal Cannabis Laws). The Company has not used any substance, including but not limited to pesticides, prohibited by Laws applicable in the states and localities in which the operates in any prohibited amount at any stage of the cultivation, harvesting, handling, storage or delivery of Inventory. The Company has performed (or caused to be performed by third parties) all tests and obtained all test certificates and certificates of ingredients required by applicable Law or industry practice, including but not limited to tests for microbials, contaminants, residuals, and pesticides. All Inventory sold by the Company has been produced, packaged and labelled in accordance with all applicable Laws in all respects and are fit for human consumption, not adulterated or misbranded and free of any defects. Except as set forth on Schedule 4.19 of the Disclosure Schedules, the Company has not sold, transferred or assigned any Other Inventory to any Person or removed any Other Inventory from the [***]prior to the Effective Date. No recalls or withdrawals of products distributed or sold by the Company have been required or suggested by Governmental Authority and, to the Knowledge of the Company, no facts or circumstances exist that could reasonably be expected to result in any such recall or withdrawal.

4.20. Accounts Receivable. All of the Accounts Receivable of the Company are bona fide receivables, are reflected on the books and records of the Company and arose in the Ordinary Course of Business. Except as set forth on Schedule 4.20 of the Disclosure Schedules, except to the extent reserved against the Accounts Receivables on the Financial Statements or except pursuant to the terms of any applicable Material Contract, the Accounts Receivable are free and clear of Encumbrances (other than Permitted Encumbrances), there is no right of offset against any of the Accounts Receivable, and no agreement for deduction or discount has been made with respect to any of the Accounts Receivable other than in the Ordinary Course of Business and as to ordinary trade discounts.

4.21. Material Contracts. Schedule 4.21 contains a true and correct list of the Material Contracts. True and correct copies of the Material Contracts, including all amendments applicable thereto, have been made available to Buyer. Each of the Material Contracts is enforceable against the Company and, to the Knowledge of the Company, each other party thereto, in accordance with its terms, in each case except as such enforcement may be limited by Enforceability Limitations. Neither the Company nor, to the Knowledge of the Company, any other party to any Material Contract, is in material default thereunder or in material breach thereof, and the Company has not, during the past twelve (12) months prior to the date hereof, obtained or granted any material waiver of or under any provision of any Material Contract except for routine waivers granted or sought in the Ordinary Course of Business. To the Knowledge of the Company, there exists no event, occurrence, condition or act which constitutes or, with the giving of notice, the lapse of time or the happening of any future event or condition, would reasonably be expected to become a material default by the Company or, to the Knowledge of the Company, any other party under any Material Contracts. To the Knowledge of the Company, there is not any default threatened in writing under any Material Contracts. To the extent any Material Contract constitutes an Application, such Material Contract has been disclosed to Buyer in its entirety and in "as submitted" form (inclusive of all final drafts submitted and any drafts, preliminary or non-final submissions), with personally identifiable information redacted.

4.22. Suppliers. Schedule 4.22 of the Disclosure Schedules contain a list of the ten (10) largest suppliers of the Business for the fiscal year ending December 31, 2019. Except as set forth on Schedule 4.22 of the Disclosure Schedules, none of the suppliers set forth on Schedule 4.22 of the Disclosure Schedules has informed the Company that it intends to terminate its relationship with the Company, and the Company has no Knowledge that any such supplier intends to terminate such relationship or of any material problem or dispute with any such supplier.

4.23. Bank Accounts; Powers of Attorney. Schedule 4.23 of the Disclosure Schedules contains a true, complete and correct list of all bank accounts and safe deposit boxes maintained by the Company and all Persons entitled to draw thereon, to withdraw therefrom or with access thereto, a description of all lock box arrangements for the Company and a description of all powers of attorney granted by the Company.

4.24. Environmental Matters.

(a) The Company has complied with, and is currently in compliance with, all Environmental Laws. The Company has not received, orally or in writing, any actual or threatened order, notice, report or other communication or information of any actual or potential violation or failure by the Company to comply with any Environmental Law.

(b) Neither the Company nor Seller has received any notice, written or oral, that there are any pending or, threatened claims or Encumbrances resulting from any Environmental, Health, and Safety Liabilities or arising under or pursuant to any Environmental Law, with respect to or affecting any Real Property (including, without Limitation, [***]) or any other properties or assets (whether real, personal, or mixed) owned or operated by the Company.

(c) The Company has not treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, released, or exposed any Person to, any Hazardous Materials, or owned or operated any property or facility which is or has been contaminated by any Hazardous Materials, so as to give rise to any current or future Liability pursuant to any Environmental Law.

(d) The Company has not assumed, undertaken, or otherwise become subject to, or provided any indemnity with respect to, any Liability pursuant to any Environmental Law of any other Person.

(e) Other than in compliance with all applicable Laws, the Company has not manufactured, sold, marketed, installed or distributed products or items containing asbestos or silica or other Hazardous Materials and does not have any Liability with respect to the presence or alleged presence of Hazardous Materials in any product or item or at or upon any property or facility.

(f) Schedule 4.24(f) of the Disclosure Schedules contains true and correct list of all environmental audits, reports, assessments and other documents in the possession of Seller or the Company, or under their reasonable control, that materially bear on environmental, health or safety liabilities relating to the past or current operations, facilities or properties of the Business, true and complete copies of which have been made available to Seller.

4.25. Privacy. The Company has complied in all material respects with all applicable contractual requirements and all applicable Law pertaining to information privacy and security. No complaint relating to an improper use or disclosure of, or a breach in the security of, any such information has been made or, to the Knowledge of the Company, threatened against the Company. To the Knowledge of the Company, there has been no: (a) material unauthorized disclosure of any third party proprietary or confidential information in the possession, custody or control of the Company, or (b) material breach of the security procedures of the Company wherein Confidential Information of the Company has been disclosed to a third party.

4.26. Absence of Certain Changes. Except as set forth on Schedule 4.26 of the Disclosure Schedules or contemplated by this Agreement, since December 31, 2019:

(a) the Company has not sold, leased, transferred, or assigned any of its assets, tangible or intangible, other than for a fair consideration in the Ordinary Course of Business;

(b) the Company has not entered into any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses) involving more than $25,000 or outside the Ordinary Course of Business, excepting only contracts directly related to the Phase 3 Construction;

(c) no party (including the Company) has accelerated, terminated, modified, or cancelled any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses) involving more than $25,000 to which the Company is a party or by which the Company is bound;

(d) no Encumbrances have been imposed upon any of the Company's assets, tangible or intangible, excepting only statutory, inchoate mechanics' liens related to the Phase 3 Construction;

(e) the Company has not made any capital expenditure (or series of related capital expenditures) either involving more than $25,000 or outside the Ordinary Course of Business, excepting only capital expenditures (or series of related capital expenditures) directly attributable to the Phase 3 Construction;

(f) the Company has not made any capital investment in, any loan to, or any acquisition of the securities or assets of, any other Person (or series of related capital investments, loans, and acquisitions) either involving more than $25,000 or outside the Ordinary Course of Business;

(g) the Company has not incurred, created, assumed, refinanced, replaced or prepaid any Indebtedness for borrowed money or issued or amended the terms of any debt securities issued by the Company, or assumed, guaranteed or endorsed, or otherwise become responsible for the Indebtedness of any other Person;

(h) the Company has not delayed or postponed the payment of accounts payable and other Liabilities outside the Ordinary Course of Business;

(i) the Company has not cancelled, compromised, waived, or released any right or claim (or series of related rights and claims) either involving more than $25,000 or outside the Ordinary Course of Business;

(j) the Company has not transferred, assigned, or granted any license, sublicense, agreement, covenant not to sue, or permission with respect to any Company Intellectual Property;

(k) the Company has not abandoned, permitted to lapse or failed to maintain in full force and effect any registration of any Company Intellectual Property, or failed to take or maintain reasonable measures to protect the confidentiality or value of any trade secrets included in the Company Intellectual Property;

(l) there has been no change made or authorized in the organizational documents of the Company;

(m) the Company has not issued, sold, or otherwise disposed of any Company Interests or other Company equity or granted any options, warrants, or other rights to purchase or obtain (including upon conversion, exchange, or exercise) any Company Interests or other Company equity;

(n) the Company has not declared, set aside, or paid any dividend or made any distribution with respect to any Company Interests or other Company equity (whether in cash or in kind) or redeemed, purchased, or otherwise acquired any Company Interests or other Company equity;

(o) the Company has not experienced any damage, destruction, or loss (whether or not covered by insurance) to its Real Property, Tangible Personal Property or other property or assets of any kind or nature;

(p) the Company has not made any loan to, or entered into any other transaction with, any of its directors, officers, or employees, excepting only employer-employee relationships;

(q) the Company has not entered into or terminated any employment contract or collective bargaining agreement, written or oral, or modified the terms of any existing employment contract or collective bargaining agreement, or become bound by any collective bargaining relationship;

(r) [Reserved]

(s) the Company has not adopted, amended, modified, or terminated any bonus, profit sharing, incentive, severance, or other plan, contract, or commitment for the benefit of any of its directors, officers, and employees (or taken any such action with respect to any other Employee Benefit Plan), other than placement and/or renewal of those plans, contracts and commitments set forth in Schedule 4.16(i) ;

(t) the Company has not made any other change in employment terms for any of its directors or officers, and is not currently in default under any collective bargaining agreement applicable to it;

(u) the Company has not hired or fired any employees.

(v) the Company has not implemented any employee layoffs or plant closing implicating or that could implicate the Worker Adjustment and Retraining Notification Act of 1988, as amended, or any similar state, local, or non-U.S. law, regulation, or ordinance (collectively the "**WARN Act**");

(w) the Company has not made or pledged to make any charitable or other capital contribution outside the Ordinary Course of Business;

(x) the Company has not discharged a material Liability or Encumbrance outside the Ordinary Course of Business;

(y) the Company has not disclosed any Confidential Information without a non-disclosure agreement in place;

(z) the Company has not formed any new funds, partnerships or joint ventures;

(aa) the company has not taken any action that would reasonably be expected to prevent or materially delay the consummation of the Transaction;

(bb) to Seller's Knowledge, there has not been any other material occurrence, event, incident, action, failure to act, or transaction outside the Ordinary Course of Business involving the Company;

(cc) to Seller's Knowledge, there has not been any Material Adverse Change with respect to the Company, the Business or Seller's ability to consummate the Transaction; and

(dd) the Company has not committed to any of the foregoing.

4.27. No Brokers.

(a) Except as set forth on Schedule 4.27(a) of the Disclosure Schedule, Seller has not entered into any agreement, arrangement or understanding with any Person which will result in the obligation to pay any finder's fee, brokerage commission or similar payment in connection with the Transaction.

(b) Except as set forth on Schedule 4.27(b) of the Disclosure Schedule, the Company has not entered into any agreement, arrangement or understanding with any Person which will result in the obligation to pay any finder's fee, brokerage commission or similar payment in connection with the Transaction.

4.28. Subsidiaries. The Company has no subsidiaries.

4.29. Product Warranty. Each product manufactured, sold, leased, or delivered by the Company has been in conformity with all applicable contractual commitments, applicable Law (except the Federal Cannabis Laws) and all express and implied warranties, and the Company has no Liability (and, to the Knowledge of the Company, there is no basis for any present or future Claim giving rise to any Liability) for damages in connection therewith, and there has not been, nor is there under consideration or investigation by the Company, any product recall or post-sale warning conducted by or on behalf of the Company concerning any product manufactured, produced, distributed or sold by or on behalf of the Company. No product manufactured, sold, or delivered by the Company is subject to any guaranty, warranty (excepting only warranties implied by law), or other indemnity.

4.30. Product Liability. The Company has no Liability (and, to the Knowledge of the Company, there is no basis for any present or future Claim against any of them giving rise to any Liability) arising out of any injury to individuals or property as a result of the ownership, possession, or use of any product manufactured, sold, or delivered by the Company.

4.31. Disclosure. The representations and warranties contained in this Article 4 do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements and information contained in this Article 4 not misleading.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF BUYER AND JUSHI

Buyer and Jushi jointly and severally represent and warrant to Seller that the statements contained in this Article 5 are correct and complete as of the Effective Date and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the Effective Date throughout this Article 5).

5.1. Organization and Good Standing. Buyer is a limited liability company, duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania. Buyer has full corporate power and authority to conduct its business as presently being conducted and to own and lease its properties and assets (except under Federal Cannabis Laws). Jushi is a corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware. Jushi has full corporate power and authority to conduct its business as presently being conducted and to own and lease its properties and assets (except under Federal Cannabis Laws).

5.2. Authority; Authorization; Binding Effect. Buyer has all necessary corporate power and authority to execute and deliver this Agreement and to consummate the Transaction and to perform its obligations under this Agreement (except under Federal Cannabis Laws). This Agreement has been duly executed and delivered by Buyer and constitutes a legal (except under Federal Cannabis Laws), valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as such enforcement may be limited by Enforceability Limitations. Jushi has all necessary corporate power and authority to execute and deliver this Agreement and to consummate the Transaction and to perform its obligations under this Agreement (except under Federal Cannabis Laws). This Agreement has been duly executed and delivered by Jushi and constitutes a legal (except under Federal Cannabis Laws), valid and binding obligation of Jushi, enforceable against Jushi in accordance with its terms, except as such enforcement may be limited by Enforceability Limitations.

5.3. No Conflict or Violation. The execution and delivery of this Agreement, the consummation of the Transaction and the performance by Buyer or Jushi of their respective obligations under this Agreement, do not and will not result in or constitute (a) a violation of or a conflict with any provision of the certificate of incorporation or formation, or by-laws or limited liability company agreement of Buyer or Jushi, as applicable (b) a breach of, a loss of rights under, or constitute an event, occurrence, condition or act which is or, with the giving of notice, the lapse of time or the happening of any future event or condition, would become, a material default under, any term or provision of any contract, agreement, indebtedness, lease, commitment, license, franchise, permit, authorization or concession to which Buyer or Jushi is a party, or (c) a violation by Buyer or Jushi of any applicable Law (except for Federal Cannabis Laws).

5.4. Consents and Approvals. No consent, approval or authorization of, or declaration, filing or registration with, any third party is required to be made or obtained by Buyer or Jushi in connection with the execution, delivery and performance of this Agreement and the consummation of the Transaction.

5.5. No Brokers. Neither Buyer nor Jushi has entered into any agreement, arrangement or understanding with any Person which will result in the obligation to pay any finder's fee, brokerage commission or similar payment in connection with the Transaction.

ARTICLE 6
PRE-CLOSING COVENANTS

6.1. Commercially Reasonable Efforts. During the period beginning on the Effective Date hereof and continuing until the earlier of the termination of this Agreement or the Closing Date:

(a) Each Party will cooperate with the other Parties and (i) promptly take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable under this Agreement, the ancillary documents referenced in this Agreement and applicable Law to consummate and make effective the Transaction, including preparing and filing all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents, (ii) use commercially reasonable efforts to obtain all approvals, consents, registrations, Permits, authorizations and other confirmations required to be obtained from any third party and/or Governmental Authority necessary, proper or advisable to consummate the Transaction and (iii) execute and deliver such documents, certificates and other papers as a Party may reasonably request to evidence another Party's satisfaction of its obligations hereunder. Subject to applicable Law relating to the exchange of information and in addition to Section 6.1(b), the Parties will have the right to review in advance, and, to the extent practicable, each will consult the others on, any information relating to the Company, Seller and their Affiliates or Buyer and its Affiliates, as the case may be, that appears in any filing made with, or written materials submitted to, any third party and/or any Governmental Authority in connection with the Transaction.

(b) Without limiting the forgoing, the Parties will: (i) cooperate with one another to determine whether any filings are required to be or should be made or consents, approvals, Permits or authorizations are required to be or should be obtained under any applicable Law and (ii) in making any such filings, promptly furnish information required in connection therewith and seek to obtain timely any such consents, permits, authorizations or approvals.

(c) Without limiting Section 6.1(a), each Party will, at its sole cost and expense, use its best efforts to avoid the entry of, or to have vacated or terminated, any Order that would restrain, prevent or delay the Closing of the Transaction, including defending through litigation or arbitration on the merits any claim asserted in any court by any Person.

(d) Each Party will keep the other Parties reasonably apprised of the status of matters relating to the completion of the Transaction and work cooperatively in connection with obtaining all required approvals or consents of any Governmental Authority (whether domestic, foreign or supranational). In that regard, Seller (on behalf of itself and the Company) and Buyer shall, without limitation: (i) promptly notify the other Party of, and if in writing, furnish the other Party with copies of (or, in the case of material oral communications, advise the other Party orally of) any communications from or with any Governmental Authority with respect to the Transaction, (ii) permit the other Party to review and discuss in advance, and consider in good faith the views of the other Party in connection with, any proposed written (or any material proposed oral) communication with any such Governmental Authority, (iii) not participate in any meeting with any such Governmental Authority unless it consults with the other Party in advance and, to the extent permitted by such Governmental Authority, gives the others the opportunity to attend and participate thereat, (iv) furnish the other Party with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between it and any such Governmental Authority with respect to this Agreement, any ancillary documents and the Transaction, and (v) furnish the other Party with such necessary information and reasonable assistance as the other Party may reasonably request in connection with its preparation of necessary filings or submissions of information to any such Governmental Authority. Notwithstanding the foregoing, Buyer and Seller may, on behalf of itself and/or any of its Affiliates (including, in the case of Seller, the Company) designate any non-public information provided to any Governmental Authority as restricted to "outside counsel only" and any such information shall not be shared with employees, officers or directors or their equivalents of the other Party without the prior written approval of the Party providing the non-public information.

(e) Except as specifically set forth in this Agreement, including without limitation Section 6.13 hereof, the Company will be responsible for all filings with any Governmental Authority relating to this Agreement and/or the Transaction contemplated hereby.

6.2. Operation of Business. Except as set forth on Schedule 6.2 of the Disclosure Schedules, from the Effective Date until the earlier to occur of the termination of this Agreement and the Closing Date, Seller will not cause or permit the Company to engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business without the prior written consent of Buyer, which shall not be unreasonably withheld, delayed or conditioned. Without limiting the generality of the foregoing, subject to applicable Law, except as set forth on Schedule 6.2 of the Disclosure Schedules, Seller will not cause or permit the Company to: (i) declare, set aside, or pay any dividend or make any distribution with respect to any Company Interests or other Company equity or redeem, purchase, or otherwise acquire any Company Interests or other Company equity, (ii) hire any new employees, (iii) make any capital expenditure (or series of related capital expenditures) involving more than $25,000; (iv) sell, assign or transfer any Other Inventory to any Person, or remove any Other Inventory from the [***] (and shall cause the Company to continue to product and manufacture Other Inventory in the Ordinary Course of Business, subject to the continued availability of plant material and other inputs on commercially reasonable terms); (v) amend any Lease (including, without limitation, the [***]); (vi) increase the base compensation, pay or increase any bonus or promote any director, officer or employee, except as required in any collective bargaining agreement to which the Company is a party, or (vii) engage in any practice, take any action, or enter into any transaction of the sort described in Section 4.26 (other than (w) filling any preexisting employee position that is vacated prior to the Closing Date (provided the base compensation and bonus offered to any new employee shall not exceed [***] of the base compensation and bonus offered to the prior employee), (x) hiring new employees as disclosed to Buyer in writing prior to the Effective Date (at a base compensation and bonus within [***] of the base compensation and bonus disclosed to Buyer), (y) transferring cash to or from the Company to Seller or its Affiliate if and to the extent reasonably anticipated to be needed to meet the Target Net Working Capital amount, and (z) in the Ordinary Course of Business), in each case without the prior written consent of Buyer, which shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, the Parties acknowledge and agree that nothing contained in this Agreement shall give Buyer or any of its Affiliates, directly or indirectly, the right to control or direct the operations of Seller, the Company or any of their Affiliates prior to Closing. Prior to Closing, Seller, the Company and their Affiliates shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over their respective operations.

6.3. Preservation of Business. From the Effective Date until the earlier to occur of the termination of this Agreement and the Closing Date, Seller will use commercially reasonable efforts to cause the Company to keep the Company's Business and properties substantially intact in the Ordinary Course of Business, including the Company's operations, physical facilities (subject to ordinary wear and tear), working conditions, Insurance policies, and relationships with lessors, licensors, suppliers, customers, and employees.

6.4. Publicity. Seller and Buyer will: (a) develop a joint communication plan with respect to this Agreement and the Transaction, (b) ensure that all press releases and other public statements with respect to this Agreement and the Transaction will be consistent with such joint communication plan, and (c) consult promptly with each other prior to issuing any press release or otherwise making any public statement with respect to this Agreement or the Transaction, provide to the other Party for review a copy of any such press release or statement, and not issue any such press release or make any such public statement without the other Party's consent, unless the Party making issuing such release or making such public statement determines in good faith in consultation with such Party's legal counsel that such disclosure is required or advisable under applicable Law, or pursuant to the rules and regulations of any applicable securities exchange. For the avoidance of doubt, this Section 6.4 will not restrict communications by any Party or its Affiliates that do not relate to the Transaction, nor will it restrict any Party from making any public statement or press release regarding the other Party that is materially consistent with prior disclosures made pursuant to this Section 6.4 following a period of sixty (60) days after the Closing Date.

6.5. Access. During the period from the Effective Date and until the earlier of the termination of this Agreement or the Closing Date, Seller shall permit, and shall cause the Company to permit, representatives of Buyer (including legal counsel and accountants) to have, upon prior written notice, reasonable access during normal business hours and under reasonable circumstances, and in a manner so as not to interfere with the normal business operations of the Company, to the premises, personnel, books, records (including Tax records, Material Contracts, and documents of or pertaining to the Company). Notwithstanding anything to the contrary in this Section 6.5, Seller and/or the Company will not be required to provide information that: (a) Seller or the Company is required by applicable Law to keep confidential, or (b) constitutes information protected by the attorney/client and/or attorney work product privilege. Buyer will comply with, and will cause its Affiliates and their respective Representatives to comply with, all of the confidentiality obligations of JMGT, LLC ("**JMGT**"), a Florida limited liability company and Affiliate of Buyer, under that certain mutual nondisclosure and proprietary information agreement previously signed by Seller and JMGT in connection with the Transaction on April 4, 2020 (the "**NDA**"), with respect to the information disclosed pursuant to this Section 6.5. The confidentiality obligations set forth in the NDA will remain in full force and effect and survive any termination of this Agreement in accordance with the terms thereof, provided that, notwithstanding anything contained herein or in the NDA to the contrary, any obligations or restrictions imposed upon Buyer or its Affiliates under the NDA or this Agreement relating solely to Company Confidential Information will be null and void as of the Closing Date.

6.6. Notification of Certain Matters. Each Party will give prompt written notice to the other Parties of: (a) any act, omission or other development constituting a material breach of any of the representations or warranties of such Party set forth herein, and (b) any material failure of such Party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party as set forth herein. No disclosure by Seller or the Company pursuant to this Section 6.6 shall be deemed to, and shall not, amend or supplement the Disclosure Schedules or prevent or cure any misrepresentation, breach of warranty, or breach of covenant.

6.7. No Solicitation.

(a) During the period from the Effective Date and continuing until the earlier of the termination of this Agreement or the Closing Date, Seller will not, nor will Seller authorize or permit the Company to, nor will Seller or the Company permit any of their respective Representatives to: (i) directly or indirectly solicit, initiate or encourage the submission of, any Acquisition Proposal, (ii) enter into any agreement (including, without limitation, a confidentiality agreement) with respect to, or consummate, any Acquisition Proposal, or (iii) directly or indirectly participate in any substantive discussions or negotiations regarding, furnish to any Person any Confidential Information with respect to, or take any other action to facilitate the making of, an Acquisition Proposal.

(b) During the period from the Effective Date and continuing until the earlier of the termination of this Agreement or the Closing Date, Seller shall, and shall cause the Company to, promptly will advise Buyer orally and in writing of any Acquisition Proposal received by Seller, the Company or any of their respective Representatives, and the material terms and conditions of any such Acquisition Proposal and provide Buyer with copies of any documents related to such Acquisition Proposal. Seller and the Company will keep Buyer reasonably informed of the status (including any change to the material terms thereof) of any such Acquisition Proposal. Notwithstanding anything contained in this Section 6.7(b) to the contrary, neither Seller nor the Company is obligated to disclose the names of the parties involved in an Acquisition Proposal.

6.8. Member Loans. Except to the extent Buyer may elect in writing to the contrary, on or prior to the Closing Date all loans and the obligations relating thereto between Seller or any of its Affiliates (other than the Company), on the one hand, and the Company, on the other hand, will be terminated.

6.9. Maintenance of Real Property. Subject to improvements to the [***] made by Company in consultation with Buyer, Seller will cause the Company to maintain the Real Property, including all of the improvements thereto, in substantially the same condition as existed on the Effective Date, ordinary wear and tear excepted.

6.10. Leases. Seller will not cause or permit any Lease to be amended, modified, extended, renewed or terminated, nor shall the Company enter into any new lease, sublease, license, or other agreement for the use or occupancy of any Real Property, without the prior written consent of Buyer.

6.11. Pre-Closing Tax Matters. Except as otherwise provided herein, Seller shall not, and shall cause the Company not to, make or change any material election, change an annual accounting period, adopt or change any accounting method, file any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment relating to the Company, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to the Company, if such election, adoption, change, amendment, agreement, settlement, surrender, or consent could reasonably be expected to increase the Tax liability of the Company for any period ending after the Closing Date.

6.12. Pre-Closing Financial Statements. Seller shall deliver to Buyer on or prior to the twentieth (20^{th}) day of each calendar month after the Effective Date a true and complete statement of unaudited monthly financial statements for the immediately preceding calendar month prepared in accordance with GAAP in effect at the time of such preparation applied on a consistent basis with past practice of the Company and throughout the periods involved.

6.13. Application for Change of Ownership.

(a) Buyer (and all of its affiliated persons and entities required to do so under the Pennsylvania Cannabis Laws assuming that Buyer or its successor is a publicly-traded company) (each, an "**Application Party**" and collectively, the "**Application Parties**") has provided or will provide the Company with all necessary information for the Company to submit the DOH form labeled "Reporting Individuals Affiliated with a Medical Marijuana Organization," or the applicable successor form (the "**Affiliation Form**") to be approved as an affiliated person of the Company within five (5) Business Days of the Effective Date. The Company shall submit the Affiliation Form within one (1) Business Day of the Company's receipt of the required information from Buyer. Each Application Party has submitted, or will submit, the following additional materials with respect to such Application Party as requested by the DOH: (i) fingerprint card; (ii) background check conducted by DOH's agent for same; (iii) tax clearance certificate; and (iv) any other requisite materials as further directed by DOH or required by the Affiliation Form or any other provision of the Pennsylvania Cannabis Laws.

(b) Concurrently with the Company's submission of the Affiliation Form for the Application Parties, the Company and Buyer will jointly notify the DOH of the Parties' intention to (i) add the Application Parties as affiliated persons of the and (ii) remove from affiliated person status all affiliated persons of the Company other than the Application Parties and any existing officer or employee of the Company that Buyer has agreed in writing to retain following the Closing, effective as of the DOH approving all Application Parties as affiliated persons of the Company as a result of Buyer's prospective ownership of the Company. Buyer and Seller will coordinate with each other and keep each other apprised of the submission of the Application Materials and any response or request for additional information received from DOH. In the event that the DOH requests any additional information with respect to the Application Materials, Buyer and Seller will promptly respond to such requests.

(c) As set forth in Section 7.2(c), it is a condition to Closing that all Application Parties have been approved by DOH as affiliated persons of the Company in accordance with the Pennsylvania Cannabis Laws or, if any Application Party is not so approved, that Buyer provides evidence satisfactory to the Company (and, if required or requested, DOH) that Buyer is no longer affiliated (as defined by Pennsylvania Cannabis Laws) with such rejected Application Party.

6.14. Designation of Industry Professionals. Upon execution of this Agreement, Buyer may designate one (1) industry professionals to serve as a consultant to the Company, at no cost to the Company, solely to monitor the ongoing progress of capital projects and expenditures. Such industry professional shall have no decision-making rights or any rights to execute any documents on behalf of the Company, and the Company shall not be bound to follow any recommendations from such industry professional.

6.15. Composition of Finished Goods Inventory at Closing. Seller shall, and shall cause the Company to, use commercially reasonable efforts to ensure that the aggregate wholesale value of Prepack Flower at Closing is not less than [***] of the aggregate wholesale value of all Finished Goods Inventory, measured using a valuation per unit consistent with past practice of the Company.

6.16. Loan Agreement. Commencing promptly after the Effective Date, Jushi and Seller shall use best efforts and good faith to negotiate and execute a promissory note, security agreement and related documents for the Bridge Loan prior to the expiration of the Due Diligence Period, provided that Buyer shall not have timely exercised its right to terminate this Agreement pursuant to Section 8.1(c) hereof.

ARTICLE 7
CONDITIONS TO CLOSING

7.1. Conditions to Buyer's Obligation. Buyer's obligation to consummate the Transaction is subject to the satisfaction of the following conditions:

(a) the representations and warranties of Seller and the Company set forth in Article 4 shall be true and correct in all material respects at and as of the Closing Date (except to the extent that they expressly speak as of a specific date or time other than the Closing Date, in which case they need only have been true and correct as of such specified date or time), except to the extent that such representations and warranties are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case such representations and warranties (as so written, including the term "material" or "Material") shall be true and correct in all respects at and as of the Closing Date;

(b) Seller and the Company shall have performed and complied with all of their respective covenants hereunder in all material respects through the Closing, except to the extent that such covenants are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case Seller shall have performed and complied with all of such covenants (as so written, including the term "material" or "Material") in all respects through the Closing;

(c) The Parties shall have obtained approvals from all necessary Governmental Authorities to consummate the Transaction, including, without limitation, approval from the DOH if and to the extent required;

(d) no Governmental Authority shall have enacted, issued, promulgated, enforced or entered an Order which is in effect and has the effect of making the Transaction contemplated by this Agreement illegal, excepting illegality arising out of the Federal Cannabis Laws, otherwise restraining or prohibiting consummation of the Transaction or causing the Transaction to be rescinded following consummation.

(e) no Claim shall be pending or threatened before (or that could come before) any Governmental Authority wherein an unfavorable Order could (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, (C) adversely affect the right of Buyer to own the Company Interests or to control the Company, or (D) adversely affect the right of the Company to own its assets and to operate its Business (and, in each case, no such Order shall be in effect);

(f) Seller shall have delivered to Buyer a certificate to the effect that each of the conditions specified in Sections 7.1(a), (b) and (e) are satisfied in all respects;

(g) Buyer shall have received the resignations, effective as of the Closing, of each manager, director and/or officer of the Company other than those whom Buyer shall have specified to Seller in writing at least five (5) Business Days prior to the Closing Date;

(h) Buyer shall have received, free and clear of all Encumbrances, all certificates representing the Company Interests, properly endorsed, or, if the Company Interests are not certificated, an equity power and assignment separate from security for the Company Interests in favor of Buyer,;

(i) all actions to be taken by Seller and the Company in connection with consummation of the Transaction and all certificates, opinions, instruments, agreements and other documents required to effect the Transaction shall be reasonably satisfactory in form and substance to Buyer;

(j) the Company shall have obtained and delivered to Buyer a written consent of Landlord approving the transfer of a controlling interest of the Company in accordance with Section 16.1(b) of [***], in form and substance reasonably satisfactory to Buyer;

(k) Buyer and Landlord shall have negotiated (in form and substance reasonably satisfactory to Buyer), and executed such documents, instruments and agreements as may be required for Buyer to assume any obligations of Seller under the [***];

(l) the Company shall have obtained from Landlord and delivered to Buyer an estoppel certificate with respect to the [***], dated no more than thirty (30) days prior to the Closing Date, in form and substance reasonably satisfactory to Buyer (the "**Estoppel Certificate**");

(m) Seller shall have delivered to Buyer a copy of the certificate of status of the Company issued within thirty (30) days of the Closing Date by the Secretary of State for the Commonwealth of Pennsylvania showing the Company is in good standing in the Commonwealth of Pennsylvania;

(n) Seller shall have delivered to Buyer a certificate of the secretary or an assistant secretary of the Company, dated as of the Closing Date, in form and substance reasonably satisfactory to Buyer, attesting to: (i) the certificate of formation and bylaws or similar organizational documents of the Company; (ii) the operating agreement of the Company; and (iii) a resolutions of the board of managers or other authorizing body (or a duly authorized committee thereof) of the Company authorizing the execution, delivery, and performance of this Agreement by and Company and the consummation of the Transaction;

(o) From the Effective Date, there shall not have occurred any Material Adverse Effect on the Company or the Business, or Seller's ability to consummate the Transaction, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect on the Company or the Business, or Seller's ability to consummate the Transaction ;

(p) The Company shall have terminated all Related Party Agreements;

(q) The Company shall have either: (i) drawn the entire [***] (as such term is defined in the [***]) and applied the [***]to bona fide construction or other projects related to the improvement of the Facility or for such other purposes as may be permitted under the [***]; or (ii) provided Buyer with a written statement executed by Landlord expressly permitting the Company to use the remaining undrawn balance of the [***] following the Closing Date;

(r) The Due Diligence Period has expired without Buyer terminating this Agreement pursuant to Section 8.1(c) hereof;

(s) There has not been any Unremediated UMAF;

(t) Buyer and Pennsylvania Dispensary Solutions, LLC, a Pennsylvania limited liability company ("**PADS**") shall have executed a supply agreement ("**Supply Agreement**") in the form attached hereto as Exhibit C; and

(u) Seller and Company shall have executed a transition services agreement ("**Transition Services Agreement**"), by and among Seller, Company and Buyer, in the form attached hereto as Exhibit D.

Buyer may waive any condition specified in this Section 7.1 if Buyer executes a writing so stating at or prior to the Closing.

7.2. Conditions to Seller's Obligation. The obligation of Seller to consummate the Transaction is subject to satisfaction of the following conditions:

(a) the representations and warranties set forth in Article 5 shall be true and correct in all material respects at and as of the Closing Date, except to the extent that such representations and warranties are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case such representations and warranties (as so written, including the term "material" or "Material") shall be true and correct in all respects at and as of the Closing Date;

(b) Buyer shall have performed and complied with all of its covenants hereunder in all material respects through the Closing, except to the extent that such covenants are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case Buyer shall have performed and complied with all of such covenants (as so written, including the term "material" or "Material") in all respects through the Closing;

(c) The Parties shall have obtained approvals from all necessary Governmental Authorities to consummate the Transaction, including, without limitation, approval from the DOH;

(d) no Claim shall be pending or threatened before (or that could come before) any Governmental Authority wherein an unfavorable injunction, judgment, Order, decree, ruling, or charge could (A) prevent consummation of the Transaction, or (B) cause the Transactions to be rescinded following consummation;

(e) Buyer and Jushi shall each have delivered to Seller a certificate to the effect that each of the conditions specified above in Section 7.2 (a), (b) and (d) are satisfied in all respects;

(f) all actions to be taken by Buyer in connection with consummation of the Transactions and all certificates, opinions, instruments, agreements and other documents required to effect the Transactions will be reasonably satisfactory in form and substance to Seller;

(g) Buyer shall have executed the Supply Agreement; and

(h) Buyer shall have executed the Transition Services Agreement.

Seller may waive any condition specified in this Section 7(b) if Seller executes a writing so stating at or prior to the Closing.

ARTICLE 8
TERMINATION

8.1. Termination. This Agreement may be terminated and the Transaction may be abandoned at any time prior to the Closing Date:

(a) By mutual written consent of Buyer and Seller;

(b) By either Buyer or Seller if a Governmental Authority will have issued an Order or taken any other action (excluding any Order or action arising under, relating to or in connection with the Federal Cannabis Laws), in each case that has become final and non-appealable and that restrains, enjoins or otherwise prohibits the Transaction or any part of it; provided, that the right to terminate this Agreement under this Section 8.1(b) will not be available to any Party whose failure to fulfill any material obligation under this Agreement has been a cause of, or resulted in, the issuance of such Order or such action;

(c) By Buyer upon written notice to Seller at any time on or before [***] (the "**Due Diligence Period**"), in each case if Buyer is not satisfied, in its sole discretion, with its examinations, inspections, tests, studies, analyses, appraisals, evaluations and other due diligence of Seller, the Company, their Affiliates, all of their respective businesses (including, without limitation, the Business), facilities, properties and assets, or the Transaction.

(d) By Buyer upon written notice to Seller at any time prior to Closing if: (i) there has been an Unremediated UMAF, (ii) Seller or the Company has breached any representation, warranty or covenant contained in this Agreement in any material respect and (A) the breach cannot be cured, or (B) Buyer has notified Seller of the breach in writing, and the breach has continued without cure for a period of thirty (30) days after receipt by Seller of the written notice of breach; (iii) Buyer reasonably determines in there has been, or is likely to be, a failure of a condition precedent to Buyer's obligation to consummate the Transaction; (iv) Buyer identifies a material issue that, in Buyer's reasonable judgment, is currently having or will likely have a Material Adverse Effect on the Company or the Business and (1) Buyer gives Seller notice of such material issue within five (5) Business Days after identifying same, and (2) Seller is unable or unwilling to cure or cause the cure of such issue to Buyer's reasonable satisfaction prior to the scheduled Closing Date; or (v) the Closing has not occurred by [***]; or

(e) By Seller if Buyer has breached any representation, warranty or covenant contained in this Agreement in any material respect and (i) the breach cannot be cured, or (ii) Seller has notified Buyer of the breach in writing, and the breach has continued without cure for a period of thirty (30) days after receipt by Buyer of the written notice of breach.

(f) In the event of any termination of this Agreement, the Parties will promptly notify DOH of such termination and execute all documents and take all steps necessary to terminate the request for DOH approval of the change of equity ownership including without limitation (i) revocation of all Affiliation Forms of all Application Parties and (ii) notifying DOH of the termination of the Parties' intent to remove all affiliated persons of the Company other than the Application Parties.

8.2. Effect of Termination. Except as specifically provided in this Section 8.2, in the event of the termination of this Agreement pursuant to Section 8.1, this Agreement (other than Sections 6.4, 6.16, 8.2, 11.2, 11.3, 11.4 and 11.17, Article 10, and such other provisions herein that expressly survive termination of this Agreement, which shall all survive such termination) will forthwith become void, and there will be no Liability on the part of any Party or any of their respective officers or directors to the other and all rights and obligations of any Party will cease, except that nothing in this Section 8.2 will relieve any Party from Liability: (a) for fraud in the giving of any representations, warranties or in the fulfilment of any covenant prior to termination of this Agreement or (b) for willful and material breach prior to termination of this Agreement.

ARTICLE 9
REMEDIES FOR BREACH OF THIS AGREEMENT

9.1. Survival of Representations, Warranties, Covenants and Agreements.

(a) The Parties, intending to shorten the applicable statute of limitation period, agree that all representations and warranties of Seller and the Company contained in Article 4 of this Agreement will survive the Closing Date for the duration of the applicable Representation Survival Period; except that the representations and warranties in Section 4.1 (Organization and Authority to Conduct Business), Section 4.2 (Power and Authority; Binding Effect), Section 4.3 (Equity Information), Section 4.4 (Title), and Section 4.13 (Compliance with Laws and Permits) (collectively, the " **Seller Fundamental Representations**") will survive the Closing Date indefinitely, and the representations and warranties made in Section 4.9 (Taxes) and Section 4.16 (Employee Benefit Plans) (collectively, the "**Tax and ERISA Representations**" and together with Seller Fundamental Representations, the "**Seller Excluded Representations**") will survive the Closing Date until sixty (60) days following the expiration of all applicable statute of limitations (giving effect to any waiver, or extension thereof). All covenants and agreements made by Seller or the Company contained in this Agreement (including the obligation of Seller to convey the Company Interests to Buyer pursuant to Section 2.1 and the indemnification obligations of Seller set forth in this Section 9.1) will survive the Closing Date until fully performed or discharged. Any Claim by Buyer for a breach of a representation, warranty or covenant by Seller or the Company contained in Article 4 of this Agreement must be delivered to Seller in writing prior to the applicable expiration date set forth in this Section 9.1(a). All of the representations and warranties of Seller or the Company contained in this Agreement will not be limited or diminished in any respect by any past or future inspection, investigation, examination or possession on the part of Buyer or its Representatives. Notwithstanding the foregoing or anything contained herein to the contrary, any Claim by Buyer based on Seller's or the Company's fraud in the giving of any representations or warranties or in the fulfilment of any covenant herein will survive indefinitely.

(b) All representations and warranties of Buyer contained in Article 5 of this Agreement will survive the Closing Date for the duration of the applicable Representation Survival Period; except that the representations and warranties in Section 5.1 (Organization and Good Standing), Section 5.2 (Authority; Authorization; Binding Effect), and Section 5.6 (No Brokers) (collectively, the "**Buyer Excluded Representations**") will survive the Closing Date indefinitely. All covenants and agreements made by Buyer contained in this Agreement (including the indemnification obligations of Buyer set forth in this Section 9.1) will survive the Closing Date until fully performed or discharged. Any Claim by Seller for a breach of a representation or warranty by Buyer contained in Article 5 of this Agreement must be delivered in writing to Buyer prior to the above-referenced applicable expiration date. Notwithstanding the foregoing or anything contained herein to the contrary, any Claim by Seller based on Buyer's fraud in the giving of any representations or warranties or in the fulfilment of any covenant herein will survive indefinitely.

(c) Written notice of any Claim for breach of representation, warranty or covenant delivered to the Party against whom such indemnification is sought prior to the above-referenced applicable expiration date will survive thereafter and, as to any such Claim, such expiration, if any, will not affect the rights to indemnification under this Article 9 of the Party bringing such Claim.

9.2. Indemnification by Seller. In the event Seller or the Company breaches (or in the event any third party alleges facts that, if true, would mean Seller or the Company has breached) any of its representations, warranties, or covenants contained herein, and provided Buyer provides Seller with timely written notice of a Claim for which Buyer is seeking indemnification pursuant to Section 9.1 hereof, Seller shall be obligated to indemnify, defend and hold Buyer and its Affiliates (the "**Buyer Parties**") harmless from and against the entirety of any Adverse Consequences Buyer and/or its Affiliates may suffer (including any Adverse Consequences Buyer and/or its Affiliates may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by the breach (or the alleged breach).

9.3. Indemnification by Buyer. In the event Buyer breaches (or in the event any third party alleges facts that, if true, would mean Buyer has breached) any of its representations, warranties, and covenants contained herein, and provided provides Buyer with timely written notice of a Claim for which Seller is seeking for indemnification pursuant to Section 9.1 hereof, Buyer shall be obligated to indemnify, defend and hold Seller harmless from and against the entirety of any Adverse Consequences Seller may suffer (including any Adverse Consequences Seller may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by the breach (or the alleged breach).

9.4. Limitations on Indemnifications.

(a) For purposes of this Section 9.4, the term "**Threshold**" means a dollar amount equal to $[***].

(b) Seller shall not be liable for any Adverse Consequences pursuant to Section 9.2 until the aggregate amount of all Adverse Consequences suffered by the Buyer Parties exceeds the Threshold, in which case, subject to Seller Maximum Indemnification Liability, the Buyer Parties will be entitled to recover all Adverse Consequences paid, incurred, suffered or sustained by the Buyer Parties (including, for the avoidance of doubt, the Threshold amount). For purposes hereon, the "**Seller Maximum Indemnification Liability**" shall be equal to [***] of the Purchase Price, except for any Claim by a Buyer Party arising from, related to or in connection with: (i) a Seller Excluded Representation, or (ii) Seller's, the Company's or any of their Affiliates' intentional misrepresentation, willful breach or fraud, in which case Seller shall be responsible for all Adverse Consequences without limitation.

(c) Buyer shall not be liable for any Adverse Consequences pursuant to Section 9.3 until the aggregate amount of all Adverse Consequences suffered by Seller exceeds the Threshold, in which case, subject to the Buyer Maximum Indemnification Liability, Seller will be entitled to recover all Adverse Consequences paid, incurred, suffered or sustained by Seller (including, for the avoidance of doubt, the Threshold amount). For purposes hereon, the "**Buyer Maximum Indemnification Liability**" shall be equal to [***] of the Purchase Price, except for any Claim by Seller arising from, related to or in connection with: (i) a Buyer Excluded Representation, or (ii) Buyer's or any of its Affiliates' intentional misrepresentation, willful breach or fraud, in which case Buyer shall be responsible for all Adverse Consequences without limitation.

9.5. Notification of Claims. In the event that any Party entitled to indemnification pursuant to this Agreement (the "**Indemnified Party**") proposes to make any claim for such indemnification, the Indemnified Party will deliver to the indemnifying Party (the "**Indemnifying Party**"), which delivery with respect to the Adverse Consequences arising from breaches of representations and warranties will be on or prior to the date upon which the applicable representations and warranties expire pursuant to Section 9.1(a) hereof, a signed certificate, which certificate will (i) state that Adverse Consequences have been incurred or that a Claim has been brought for which Adverse Consequences may be incurred, (ii) specify the sections of this Agreement under which such Claim is brought and (iii) specify in reasonable detail each individual Adverse Consequence or other Claim including the amount thereof and the date such Adverse Consequence was incurred. In addition, each Indemnified Party will give notice to the Indemnifying Party promptly following its receipt of service of any suit or proceeding initiated by a third party which pertains to a matter for which indemnification may be sought (a "**Third-Party Claim**"); provided, however, that the failure to give such notice will not relieve the Indemnifying Party of its obligations hereunder if the Indemnifying Party has not been prejudiced thereby.

9.6. Defense of Third-Party Claims.

(a) Any Indemnifying Party will have the right to defend the Indemnified Party against the Third-Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party so long as (i) the Indemnifying Party notifies the Indemnified Party in writing within fifteen (15) days after the Indemnified Party has given notice of the Third-Party Claim that the Indemnifying Party will indemnify the Indemnified Party from and against the entirety of any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim, (ii) the Indemnifying Party provides the Indemnified Party with evidence reasonably acceptable to the Indemnified Party that the Indemnifying Party will have the financial resources to defend against the Third-Party Claim and fulfill its indemnification obligations hereunder, (iii) the Third-Party Claim involves only money damages and does not seek an injunction or other equitable relief, (iv) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the good faith judgment of the Indemnified Party, likely to establish a precedential custom or practice materially adverse to the continuing business interests or the reputation of the Indemnified Party or its Affiliates, (v) the Indemnifying Party conducts the defense of the Third-Party Claim with reasonable diligence, and (vi) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the good faith judgment of the Indemnified Party, likely to result in criminal proceedings against the Indemnified Party or its Affiliates.

(b) So long as the Indemnifying Party is conducting the defense of the Third-Party Claim in accordance with Section 9.6(a): (i) the Indemnified Party may retain separate co-counsel at his, her, or its sole cost and expense and participate in the defense of the Third-Party Claim, (ii) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld), and (iii) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) and without the Indemnified Party receiving an unconditional release of such Third-Party Claims.

(c) In the event any of the conditions in Section 9.6(a) above is or becomes unsatisfied, however: (i) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner it may reasonably deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith), (ii) the Indemnifying Party will reimburse the Indemnified Party promptly and periodically for the costs of defending against the Third-Party Claim (including reasonable attorneys' fees and expenses), and (iii) the Indemnifying Party will remain responsible for any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Article 9.

9.7. Direct Claims. In the event of a Claim for indemnification under this Agreement for which an Indemnified Party has provided notice of such Claim to an Indemnifying Party under this Article 9 (but excluding any Third-Party Claim) and the Indemnifying Party receiving such notice disputes all or any part of such Claim, then Buyer and Seller will first attempt to resolve such claim through direct negotiations in good faith. No settlement reached in such negotiations under this Section 9.7 will be binding until reduced to a writing signed by all of the applicable Parties. If the dispute is not resolved within twenty (20) Business Days after the date of delivery of such Claim, then such dispute will be resolved in accordance with Section 11.3. Nothing in this Section 9.7 will prevent any Party from seeking injunctive relief in accordance with this Agreement.

9.8. Other Indemnification Matters.

(a) All indemnification payments made pursuant to this Article 9 will be treated as an adjustment to the Purchase Price unless otherwise required by applicable Law.

(b) Any indemnification to which the Buyer Parties are entitled under this Agreement as a result of any Adverse Consequences the Buyer Parties suffers shall be offset against the outstanding principal and interest due to Seller under the Note[***].

ARTICLE 10
COVENANTS AND CONDUCT OF THE PARTIES AFTER CLOSING

10.1. Non-Solicitation; Non-Disparagement.

(a) Non-Solicitation. In consideration for the Purchase Price payable hereunder, Seller covenants and agrees with Buyer that, except with the prior written consent of Buyer (which consent may be withheld or given in Buyer's sole discretion), during the period commencing on the Closing Date and expiring on the day that is [***] months after the Closing Date, Seller shall not, and shall cause its Affiliates and all of their respective Representatives not to, directly or indirectly, in any capacity whatsoever: (i) hire or solicit any current employee of the Company, or induce or encourage any such employee to leave such employment, or hire any such employee who has left such employment less than [***]prior to Closing; (ii) solicit, induce or entice, or attempt to solicit, induce or entice, any suppliers or customers of the Company or potential suppliers or customers of the Company for purposes of diverting their business or services from the Company; or (iii) discourage any suppliers or customers of the Company from maintaining the same business relationships with the Company after the Closing as it maintained with the Company prior to Closing. Notwithstanding the foregoing, hiring or engaging any individual or contractor who (A) applies for a position in response to an advertisement in a publication or medium of general circulation that is not specifically targeted to individuals or independent contractors who are or have been engaged by or associated with the Company, (B) is identified through an employee recruiting or search firm engaged to conduct a search that does not specifically target any employees or independent contractors who are or have been engaged by or associated with the Company, or (C) is terminated by Buyer or its Affiliates shall not constitute a violation of this Section 10.1.

(b) Non-Disparagement. Each of Buyer and Seller covenants and agrees that it will not make (or permit its Affiliates or any of their respective Representatives, successors or assigns) to make any false, misleading, derogatory or disparaging statements concerning the other Party, its Affiliates, or any of their respective Representatives, successors or assigns. Nothing in this Section 10.1(c) shall limit either Party's, its Affiliates' or any of their respective Representatives' ability to make true and accurate statements or communications in connection with any disclosure such Party, Affiliate or Representative is required pursuant to applicable Law.

(c) Equitable Remedies/Reasonableness of Limitations. Each Party acknowledges that (a) a remedy at law for failure to comply with the covenants contained in this Section 10.1 may be inadequate and (b) the other Party will be entitled to seek from a court having jurisdiction, in its sole discretion, specific performance, an injunction, a restraining order or any other equitable relief in order to enforce any such provision without the need to post a bond. The right to obtain such equitable relief will be in addition to any other remedy to which the Party is entitled under applicable Law (including, but not limited to, monetary damages). Each Party acknowledges that it has had an opportunity to consult with counsel regarding this Agreement, has fully and completely reviewed this Agreement with such counsel and fully understands the contents hereof. Seller agrees that the territorial, time and other limitations contained in this Agreement are reasonable and properly required for the adequate protection of the business and affairs of Buyer, and in the event that any one or more of such territorial, time or other limitations is found to be unreasonable by a court of competent jurisdiction, Seller agrees to submit to the reduction of said territorial, time or other limitations to such an area, period or otherwise as the court may determine to be reasonable. In the event that any limitation under this Agreement is found to be unreasonable or otherwise invalid in any jurisdiction, in whole or in part, Seller acknowledge and agree that such limitation will remain and be valid in all other jurisdictions.

10.2. Tax Matters.

(a) Seller will prepare or cause to be prepared and will file or cause to be filed all Tax Returns for the Company for all Tax periods ending on or prior to the Closing Date (the "**Pre-Closing Tax Periods**"). Each Tax Return referred to in this Section 10.2(a) will be prepared in a manner consistent with past practices of the Company and without a change of any election, accounting method or convention (in each case except as otherwise required by applicable Law). Seller will provide or cause to be provided such Tax Returns to Buyer, no later than thirty (30) days prior to the due date for such Tax Returns (including any applicable extensions) for Buyer's review and comment, and Seller shall consider in good faith all comments provided by Buyer in connection with the filing of such Tax Returns. Buyer will reasonably cooperate with Seller, at Seller's sole cost and expense, in connection with the filing of such Tax Returns.

(b) Buyer will prepare or cause to be prepared and will file or cause to be filed all Tax Returns of the Company that are required to be filed after the Closing Date with respect to any Straddle Period. Each Tax Return referred to in this Section 10.2(b) will be prepared in a manner consistent with past practices of the Company and without a change of any election, accounting method or convention (in each case except as otherwise required by applicable Law). At least thirty (30) days prior to the date on which each such Tax Return is due (with applicable extensions), Buyer will submit such Tax Return to Seller for review, and comment, and approval (not to be unreasonably withheld, conditioned or delayed). Seller will provide any written comments to Buyer no later than fifteen (15) days after receiving any such Tax Return and, if Seller does not provide any written comments within fifteen (15) days, Seller will be deemed to have accepted such Tax Return. Buyer and Seller will attempt in good faith to resolve any dispute with respect to any such Tax Return. If Buyer and Seller the Parties are unable to resolve any such dispute at least five (5) days before the due date (with applicable extensions) for any such Tax Return, Buyer shall make the final determination with respect to the issues underlying such dispute.

(c) For purposes of this Section 10.2, the portion of Tax with respect to the income, property or operations of the Company that is attributable to any Tax period that begins on or before the Closing Date and ends on or after the Closing Date (a "**Straddle Period**") will be apportioned between the period of the Straddle Period that extends before the Closing Date through the Closing Date (the "**Pre-Closing Straddle Period**") and the period of the Straddle Period that extends from the day after the Closing Date to the end of the Straddle Period (the "**Post-Closing Straddle Period**") in accordance with this Section 10.2(c). The portion of such Tax attributable to the Pre-Closing Straddle Period will (i) in the case of any Taxes other than sales or use taxes, value-added taxes, employment taxes, withholding taxes, and any Tax based on or measured by income, receipts or profits earned during a Straddle Period, be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction, the numerator of which is the number of days in the Pre-Closing Straddle Period and the denominator of which is the number of days in the Straddle Period, and (ii) in the case of any sales or use taxes, value-added taxes, employment taxes, withholding taxes, and any Tax based on or measured by income, receipts or profits earned during a Straddle Period, be deemed equal to the amount that would be payable if the Straddle Period ended on and included the Closing Date. The portion of a Tax attributable to a Post-Closing Straddle Period will be calculated in a corresponding manner.

(d) Seller will be liable for all Taxes owed with respect to any Tax Return for any Pre-Closing Tax Period and, in the case of a Tax Return for a Straddle Period, all Taxes attributable to the Pre-Closing Straddle Period. Seller shall pay to Buyer within fifteen (15) days after the date on which Seller receive written notice that Taxes are paid with respect to such periods in an amount equal to the portion of such Taxes which relates to the portion of such Pre-Closing Tax Period or Pre-Closing Straddle Period, as the case may be.

(e) To the extent permitted by applicable Law, any Tax deductions with respect to any selling expenses, transaction costs or similar expenses (including, without limitation, Seller Transaction Expenses) will be allocated to the Pre-Closing Tax Period or the Pre-Closing Straddle Period.

(f) Buyer and Seller will cooperate fully in connection with the filing of Tax Returns pursuant to this Section 10.2 and any audit, litigation, or other proceeding with respect to Taxes. Such cooperation will include (upon another Party's request) the provision of records and information that are available and reasonably relevant to any such audit, litigation, or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Buyer shall cause the Company to retain all books and records with respect to Tax matters pertinent to the Company relating to any Tax period beginning before the Closing Date until the expiration of the statute of limitations of the respective Tax periods. Buyer and Seller further agree, upon the request of the other Party, to use their commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce, or eliminate any Tax that could be imposed (including, but not limited to, with respect to the Transaction).

(g) Notwithstanding Article 9, this Section 10.2(g) will control any inquiries, assessments, proceedings or similar events with respect to Taxes. Buyer will promptly notify Seller: (i) upon receipt by Buyer or any Affiliate of Buyer of any notice of any audit or examination of any Tax Return of the Company relating to any Pre-Closing Tax Period or Straddle Period and any other proposed change or adjustment, claim, dispute, arbitration or litigation related to Taxes from any Tax authority relating to any Pre-Closing Tax Period or Straddle Period (a "**Tax Matter**"); or (ii) prior to Buyer or the Company initiating any Tax Matter with any Tax authority relating to any Pre-Closing Tax Period or Straddle Period (any such initiation shall be subject to Seller's approval, not to be unreasonably withheld, conditioned or delayed). Seller may, at Seller's sole cost and expense, participate in and, upon written notice to Buyer, assume the defense of any such Tax Matter; provided that the failure of Buyer to provide notices as required under this Section 10.2(g) will not negate Buyer's right to indemnification under this Section 10.2 and Article 9 with respect to Tax liabilities resulting from such Tax Matter except to the extent that Seller is prejudiced as a result of such failure. If Seller assumes such defense, then Seller will have the authority, with respect to any Tax Matter, to represent the interests of the Company before the relevant Tax authority and Seller will have the right to control the defense, compromise or other resolution of any such Tax Matter, subject to the limitations contained herein, including responding to inquiries, and contesting, defending against and resolving any assessment for additional Taxes or notice of Tax deficiency or other adjustment of Taxes of, or relating to, such Tax Matter. If Seller has assumed such defense, then Seller will be entitled to defend and settle such Tax Matter; provided, however, that Seller will not enter into any settlement of or otherwise resolve any such Tax Matter to the extent that it adversely affects the Tax liability of Buyer, the Company or any Affiliate of the foregoing for a post-Closing Tax period without the prior written consent of Buyer, which consent will not be unreasonably withheld, conditioned or delayed. Seller will keep Buyer informed with respect to the commencement, status and nature of any such Tax Matter and will, in good faith, allow Buyer to consult with Seller regarding the conduct of or positions taken in any such proceeding. Buyer shall have the right (but not the duty) to participate in the defense of such Tax Matter and to employ counsel, solely at its own expense, separate from the counsel employed by Seller. Except as otherwise provided in this Section 10.2(g), Buyer shall have the right, at its own expense, to exercise control at any time over any Tax Matter regarding any Tax Return of the Company (including the right to settle or otherwise terminate any contest with respect thereto).

(h) Any refunds for Taxes (including any interest in respect thereof actually received from a Taxing Authority), net of reasonable expenses and net of any income Taxes of Buyer, the Company or any of their respective Affiliates attributable to such refund, actually received by Buyer or the Company, and any amounts credited against Taxes to which Buyer, the Company, or any of their respective Affiliates become entitled and that reduce or could reduce the Taxes otherwise payable by Buyer, the Company, or any of their respective Affiliates (including by way of any amended tax return), related to, or resulting or arising, directly or indirectly from Taxes of the Company for any Pre-Closing Tax Period or Pre-Closing Straddle Period shall be property of Seller (excluding any refund or credit attributable to any loss in a tax year (or portion of a Straddle Period) beginning after the Closing Date applied (e.g., as a carryback) to income in a tax year (or portion of a Straddle Period) ending on or before the Closing Date).

(i) Notwithstanding anything in this Agreement to the contrary, the provisions of this Section 10.2 will survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof) plus thirty (30) days and, except to the extent specifically set forth in Section 10.2(g) above, will be subject to the provisions of Article 9 as if an indemnification obligation pursuant to this Section 10.2 is an indemnification obligation pursuant to Article 9.

10.3. PADS Purchase Option. Seller is the owner of one hundred percent (100%) of the issued and outstanding equity of PADS (the "**PADS Equity**"). PADS is the holder of a medical marijuana dispensary permit, registration number D18-2007. Provided that Buyer shall not have terminated this Agreement during the Due Diligence Period, Seller shall grant to Buyer the right, but not the obligation, in Buyer's sole discretion, to purchase all, but not less than all, of the PADS Equity (the "**Option**") on a fully-diluted basis. Buyer may exercise the Option at any time during the period commencing on the expiration of the Due Diligence Period and continuing to the the eighteen (18) month anniversary of the Closing Date (the "**Option Period**") upon written notice to Seller. If Buyer terminates this Agreement during the Due Diligence Period, the Option shall be null and void. The purchase price for the PADS Equity shall be based on an enterprise value (on a cash-and-debt-free basis) of [***]. Upon exercise of the Option, the closing on the purchase and sale of the PADS Equity shall be consummated as soon as practicable thereafter upon such terms and conditions as are set forth on Exhibit E hereto. During the Option Period, Seller shall provide to Jushi: (a) within thirty (30) days of the end of each calendar month, unaudited financial statements of PADS for such calendar month; (b) any updates, revisions or other information material to PADS financial projections through the end of the Option Period; (c) any updates, revisions or other information material to PADS construction of its third dispensary location; (d) any information regarding PADS seeking or obtaining approval to open its third dispensary location for business to the public, and the expected timing of such opening; and (e) any other information Buyer may request in its reasonable discretion. Buyer will comply with, and will cause its Affiliates and their respective Representatives to comply with, all of the confidentiality obligations of JMGT under the NDA with respect to the information disclosed pursuant to this Section 10.3. Notwithstanding anything contained herein to the contrary, Buyer may assign its rights under this Section 10.3 in its sole discretion, provided that in the event that Buyer assigns its rights under this Section 10.3 to an unaffiliated third party, [***]. For the avoidance of doubt, Buyer shall have the sole right and discretion to determine the assignee and the amount and form of consideration to be received by Buyer in connection with any assignment pursuant to this Section 10.3.

10.4. Litigation Support. In the event and for so long as any Party is actively contesting or defending against any Claim in connection with: (a) the Transaction, or (b) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the Company, each of the other Parties will cooperate with such Party and its counsel in the contest or defense, make available such Party's personnel, and provide such testimony and access to his, her, or its books and records as shall be necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefor in accordance with the terms of this Agreement).

10.5. Change of Ownership. To the extent that any additional filings are required by a Governmental Authority in connection with the change of ownership of the Company, Buyer, Seller and the Company, as applicable, shall cooperate to prepare and make such filings within the time period required by such Governmental Authority.

10.6. Confidentiality. Seller has had access to, and has gained knowledge with respect to, financial results of the Business, information concerning customers and suppliers of the Business, and other confidential or proprietary information concerning the Company that is not shared by the Company and other Affiliates of Seller (the "**Confidential Information**"). Seller acknowledges that unauthorized disclosure or misuse of the Confidential Information, whether before or after the Closing, could cause irreparable damage to the Company and Buyer after to the Closing. The Parties also agree that covenants by Seller not to make unauthorized disclosures of the Confidential Information are essential to the growth and stability of the business of the Company and Buyer. Accordingly, Seller agrees that, beginning on the Closing Date and continuing until the two (2) year anniversary of the Closing Date, they will not use or disclose any Confidential Information obtained in the course of their past connection with the Business, except to the extent required for the performance of any duties under any documents or agreements entered into with the Company, Buyer, or any of their respective Affiliates, if any, and in accordance with that Person's policies regarding Confidential Information. Notwithstanding the foregoing, Seller may disclose the Confidential Information: (a) to Seller's Affiliates and Representatives, so long as the receiving party is subject to written obligations of confidentiality in favor of Seller at least as stringent as those set forth herein and provided Seller is responsible to Buyer for all disclosures of such Confidential information by Seller's Affiliates and Representatives, (b) to the extent required by Law or legal process or any Governmental Authority, or in connection with the defense or enforcement of Seller's rights and obligations under this Agreement or another agreement with the Company, Buyer or any of their respective Affiliates, or (c) to the extent such Confidential Information becomes publicly available through no breach of this Agreement or other fault of Seller, its Affiliates or any of their respective Representatives. If Seller or any of its Affiliates is requested or required by Law or legal process to disclose any Confidential Information, such Person will notify Buyer promptly of the request or requirement so that Buyer may seek an appropriate protective order at its sole expense or waive compliance with the provisions of this Section 10.6. If in the absence of a protective order or the receipt of a waiver hereunder, such Person is, on the advice of counsel, compelled to disclose any Confidential Information to any Governmental Authority or else stand liable for contempt, such Person may disclose such Confidential Information to such Governmental Authority; provided, however, that the disclosing party will use commercially reasonable efforts to obtain, at the request and sole expense of Buyer, an Order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as Buyer may designate.

10.7. Insurance Claims. Any Insurance Claim (including, without limitation, any Claim for benefits arising therefrom or related thereto) existing on the Closing Date that was made under an Insurance policy or other contract, plan or arrangement pertaining to Seller or any of its Affiliates (other than the Company) shall remain the responsibility of Seller and/or its applicable Affiliate (other than the Company) after Closing, including all Liabilities arising therefrom and all proceeds derived from such Insurance Claim. Any Insurance Claim (including, without limitation, any Claim for benefits arising therefrom or related thereto) arising after the Closing Date directly out of an event occurring prior to the Closing Date, and all Liabilities arising therefrom, shall be made under an Insurance policy or other contract, plan or arrangement pertaining to Seller or its Affiliates, and shall be the sole responsibility of Seller and its Affiliates, unless such Claim is made under an Insurance policy or other contract, plan or arrangement that is held by the Company after Closing. The Parties will reasonably cooperate, including the execution of assignments of rights and other documents, as may be necessary or desirable to effectuate the intent of this Section 10.7. The provisions of this Section 10.7 shall survive the Closing Date.

ARTICLE 11
MISCELLANEOUS

11.1. Further Assurances. Following the Closing Date, each Party will cooperate in good faith with each other Party and will take all commercially reasonable actions which may be reasonably necessary or advisable to carry out and consummate the Transaction.

11.2. Notices. Unless otherwise provided in this Agreement, any agreement, notice, request, instruction or other communication to be given hereunder by any Party to the other will be in writing and (a) delivered personally (such delivered notice to be effective on the date it is delivered), (b) deposited with a reputable overnight courier service for next Business Day delivery (such couriered notice to be effective one (1) Business Day after the date it is sent by courier), (c) sent by facsimile transmission (such facsimile notice to be effective on the date that confirmation of such facsimile transmission is received), with a confirmation sent by way of one of the above methods, or (d) sent by e-mail (with electronic confirmation of delivery or receipt), as follows:

If to Seller or the Company, addressed to:

c/o Vireo Health International, Inc.
Attention: General Counsel
207 S. 9th Street
Minneapolis MN 55402
Email: [***]

If to Buyer, addressed to:

c/o Jushi Inc
Attn: Legal Department
1800 NW Corporate Blvd, Suite 200
Boca Raton, FL 33431
Email:[***]

Any Party may designate in a writing to any other Party any other address or facsimile number to which, and any other Person to whom or which, a copy of any such notice, request, instruction or other communication should be sent.

11.3. Governing Law; Dispute Resolution.

(a) Governing Law. All issues and questions concerning the application, construction, validity, interpretation, and enforcement of this Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Pennsylvania, without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Pennsylvania or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the Commonwealth of Pennsylvania.

(b) Jurisdiction and Venue. The Parties hereby agree that any suit, action, or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby, whether in contract, tort, or otherwise, shall be brought exclusively in the state courts of the Commonwealth of Pennsylvania located in the City of Philadelphia. Each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action, or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action, or proceeding in any such court or that any such suit, action, or proceeding which is brought in any such court has been brought in an inconvenient forum.

(c) Waiver of Jury Trial. EACH OF THE PARTIES WAIVES THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OR RELATED TO THIS AGREEMENT IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AFFILIATE OF ANY OTHER SUCH PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. THE PARTIES AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

11.4. Expenses. Except to the extent expressly provided to the contrary in this Agreement: (a) Seller will pay all legal, accounting and other expenses of (i) Seller related to this Agreement and (ii) the Company related to this Agreement that are incurred prior to the Closing Date, and (b) Buyer will pay all legal, accounting and other expenses of (i) Buyer related to this Agreement and (ii) the Company related to this Agreement that are first incurred on or after the Closing Date.

11.5. Titles. The headings of the articles and sections of this Agreement are inserted for convenience of reference only, and will not affect the meaning or interpretation of this Agreement.

11.6. Waiver. No failure of any Party to require, and no delay by any Party in requiring, any other Party to comply with any provision of this Agreement will constitute a waiver of the right to require such compliance. No failure of any Party to exercise, and no delay by any Party in exercising, any right or remedy under this Agreement will constitute a waiver of such right or remedy. No waiver by any Party of any right or remedy under this Agreement will be effective unless made in writing. Any waiver by any Party of any right or remedy under this Agreement will be limited to the specific instance and will not constitute a waiver of such right or remedy in the future.

11.7. Effective; Binding. This Agreement will be effective upon the due execution hereof by each Party. Upon becoming effective, this Agreement will be binding upon each Party and upon each successor and assignee of each Party and will inure to the benefit of, and be enforceable by, each Party and each successor and assignee of each Party; provided, however, that, except as provided for in the immediately following sentence, no Party may assign any right or obligation arising pursuant to this Agreement without first obtaining the written consent of the other Parties. Buyer may assign all or a portion of its rights and obligations under this Agreement to one or more Affiliates of Buyer upon prior written notice to Seller, provided that Buyer will remain liable hereunder notwithstanding any such assignment.

11.8. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes each course of conduct previously pursued, accepted or acquiesced in, and each written or oral agreement and representation previously made, by the Parties with respect to the subject matter of this Agreement.

11.9. Modification. No course of performance or other conduct hereafter pursued, accepted or acquiesced in, and no oral agreement or representation made in the future, by any Party, whether or not relied or acted upon, and no usage of trade, whether or not relied or acted upon, will modify or terminate this Agreement, impair or otherwise affect any obligation of any Party pursuant to this Agreement or otherwise operate as a waiver of any such right or remedy. No modification of this Agreement will be effective unless made in writing duly executed by Buyer and Seller.

11.10. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which taken together will constitute one and the same instrument. Any Party may execute this Agreement by facsimile (or other means of electronic transmission, such as by electronic mail in ".pdf" form) signature and the other Party will be entitled to rely on such facsimile (or other means of electronic transmission) signature as evidence that this Agreement has been duly executed by such Party. Any Party executing this Agreement by facsimile (or other means of electronic transmission) signature will immediately forward to the other Party an original signature page by overnight mail.

11.11. Time is of the Essence. It is understood by each of the Parties that time is of the essence hereof in connection with all obligations of under this Agreement.

11.12. Usage of Terms. Except where the context otherwise requires, words importing the singular number will include the plural number and vice versa. Use of the word "including" means "including, without limitation."

11.13. References to Articles, Sections, Exhibits and Schedules. All references in this Agreement to Articles, Sections (and other subdivisions), Exhibits and Schedules refer to the corresponding Articles, Sections (and other subdivisions), Exhibits and Schedules of or attached to this Agreement, unless the context expressly, or by necessary implication, otherwise requires. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

11.14. Press Releases and Public Announcements. No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement prior to the Closing without the prior written approval of Buyer and Seller; provided, however, that any Party may make any public disclosure it believes in good faith is required by applicable Law or any listing or trading agreement concerning its or its Affiliates publicly traded securities (in which case the disclosing Party will use commercially reasonable efforts to advise the other Parties prior to making the disclosure).

11.15. No Third-Party Beneficiaries. Except to the extent expressly provided to the contrary in this Agreement, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

11.16. Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

11.17. Attorneys' Fees. In the event of any controversy arising under this Agreement or and ancillary agreement, the prevailing Party in such controversy will be entitled to receive such Party's fees and costs, including reasonable attorneys' fees, from the other Party or Parties to such controversy.

11.18. Specific Performance. Each Party acknowledges and agrees that the other Parties would be damaged irreparably in the event any provision of this Agreement is not performed in accordance with its specific terms or otherwise is breached, so that a Party shall be entitled to seek injunctive relief to prevent breaches of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in addition to any other remedy to which such Party may be entitled, at law or in equity. In particular, the Parties acknowledge that the Business of the Company and the Option to purchase the PADS Equity are unique and recognize and affirm that in the event Seller breach this Agreement, money damages would be inadequate and Buyer would have no adequate remedy at law, so that Buyer shall have the right, in addition to any other rights and remedies existing in its favor, to enforce its rights and the other Parties' obligations hereunder not only by action for damages but also by action for specific performance, injunctive, and/or other equitable relief.

11.19. GENERAL RELEASE AND DISCHARGE. BY VIRTUE OF SELLER'S EXECUTION AND DELIVERY OF THIS AGREEMENT, AS OF THE CLOSING AND THEREAFTER, SELLER, FOR AND ON BEHALF OF ITSELF AND ITS SUCCESSORS, ASSIGNS, BENEFICIARIES, ADMINISTRATORS, AND AFFILIATES (THE "**RELEASING PARTIES**") DO HEREBY FULLY AND IRREVOCABLY REMISE, RELEASE AND FOREVER DISCHARGE THE COMPANY, AND THE COMPANY'S CURRENT AND FORMER DIRECTORS, OFFICERS AND MEMBERS FROM ANY AND ALL ACTIONS (AS DEFINED HEREIN) AND LIABILITIES (AS DEFINED HEREIN) OF EVERY KIND, EITHER IN LAW OR IN EQUITY, WHETHER CONTINGENT, MATURE, KNOWN OR UNKNOWN, OR SUSPECTED OR UNSUSPECTED, INCLUDING, WITHOUT LIMITATION, ANY CLAIMS ARISING UNDER ANY FEDERAL, STATE, LOCAL OR MUNICIPAL LAW, COMMON LAW OR STATUTE, WHETHER ARISING IN CONTRACT OR IN TORT, AND ANY CLAIMS ARISING UNDER ANY OTHER LAWS OR REGULATIONS OF ANY NATURE WHATSOEVER, THAT SELLER EVER HAD, NOW HAVE OR MAY HAVE, FOR OR BY REASON OF ANY CAUSE, MATTER OR THING WHATSOEVER, FROM THE BEGINNING OF THE WORLD TO THE DATE HEREOF. NOTWITHSTANDING THE FOREGOING, THE RELEASING PARTIES DO NOT WAIVE OR RELEASE ANY RIGHTS BASED UPON, ARISING OUT OF OR RELATING TO RIGHTS IN FAVOR OF SELLER CREATED PURSUANT TO THE TERMS OF THIS AGREEMENT AND ANY AGREEMENT ENTERED IN CONNECTION WITH THIS AGREEMENT. Notwithstanding anything to the contrary, none of the Releasing Parties are releasing any claims against the individuals comprising the Company's current or former directors or officers except in connection with the actions and omissions of such individuals in their respective capacities for the Company. As an example only and without limiting the foregoing sentence, an individual who serves as an officer of an Affiliate of the Company as well as an officer of the Company is not being released by the Releasing Parties for Actions or Liabilities arising out of such individual's actions or omissions in her capacity as an officer of the Affiliate of the Company.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

COMPANY:

By: /s/ Dr. Kyle Kingsley
Name: Dr. Kyle Kingsley
Title: CEO

SELLER:

By: /s/ Dr. Kyle Kingsley
Name: Dr. Kyle Kingsley
Title: CEO

BUYER:

By: /s/ Jon Barack
Name: Jon Barack
Title: President

JUSHI:

By: /s/ Jon Barack
Name: Jon Barack
Title: President

Exhibit 10.14

CERTAIN CONFIDENTIAL INFORMATION (MARKED BY BRACKETS AS "[***]" HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

LEASE

DATED

October 23, 2017

by and between

IIP-NY 2 LLC,
a Delaware limited liability company

and

VIREO HEALTH OF NEW YORK, LLC,
a New York limited liability company

LEASE AGREEMENT

This Lease Agreement (this "**Lease**"), dated October 23, 2017 (the "**Execution Date**"), is made between IIP-NY 2 LLC, a Delaware limited liability company ("**Landlord**"), and VIREO HEALTH OF NEW YORK, LLC, a New York limited liability company ("**Tenant**").

RECITALS

A. WHEREAS, concurrent with the execution of this Lease, Landlord closed on the purchase of certain real property (the "**Property**") and the improvements on the Property located at 256 County Route 117, Perth, New York, including the building located thereon (the "**Building**" and, together with the Property, the "**Project**"), pursuant to that certain Purchase and Sale Agreement, dated September 21, 2017 (the "**Purchase Agreement**"), by and between Landlord and Tenant; and

B. WHEREAS, Landlord wishes to lease to Tenant, and Tenant desires to lease from Landlord, the Premises (as defined below), pursuant to the terms and conditions of this Lease, as detailed below; and

C. WHEREAS, each of Vireo Health, LLC, a Minnesota limited liability company, and Minnesota Medical Solutions, LLC, a Minnesota limited liability company ("**Guarantor**"), is an affiliate of Tenant that is deriving a benefit from Landlord and Tenant entering into this Lease, and has agreed to enter into a guaranty in the form attached as Exhibit E hereto (the "**Guaranty**"), without which Landlord would not agree to enter into this Lease.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Lease of Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the premises described on Exhibit A attached hereto, including shafts, cable runs, mechanical spaces, rooftop areas, landscaping, parking facilities, private drives and other improvements and appurtenances related thereto (including the Building), for use by Tenant in accordance with the Permitted Use (as defined below) and no other uses (collectively, the "**Premises**"). For the avoidance of doubt, Landlord acquires no rights under this Lease to any of Tenant's or its Affiliates' personal property (as set forth on Exhibit B) that it uses in connection with the Permitted Use or any of its or its Affiliates' inventory which includes, but is not limited to, any of the following: cannabis plants, derivatives of such plants including goods in process or finished goods extracted from such plants; extractors and related equipment and lab equipment.

2. Basic Lease Provisions. For convenience of the parties, certain basic provisions of this Lease are set forth herein. The provisions set forth herein are subject to the remaining terms and conditions of this Lease and are to be interpreted in light of such remaining terms and conditions.

2.1 The monthly Base Rent for the first twelve (12) months of the Term of the Lease shall be equal to Fifty-Five Thousand Dollars ($55,000), subject to subsequent adjustment under this Lease.

2.2 Security Deposit: Three Hundred Thirty Thousand Dollars ($330,000), subject to adjustment as set forth herein.

2.3 "**Permitted Use**": Agricultural growth and processing of agricultural materials, including cannabis, industrial and office space, in accordance with current zoning for the Premises and in conformity with all Applicable Laws (as defined below). The Permitted Use shall include the cultivation and processing of cannabis plant parts and resins into products, and the storage of same for transport, and such other related use or uses permitted under Applicable Laws.

2.4 Address for Rent Payment:

IIP-NY 2 LLC
[***]

2.5 Address for Notices to Landlord:

IIP-NY 2 LLC
11440 West Bernardo Court, Suite 220
San Diego, California 92127
Attn: General Counsel

2.6 Address for Notices and Invoices to Tenant:

Vireo Health of New York, LLC
207 S 9th Street
Minneapolis, MN. 55402
Attn: Chief Financial Officer
Cc: General Counsel

2.7 The following Exhibits are attached hereto and incorporated herein by reference:

Exhibit A	Premises
Exhibit B	Tenant's Personal Property
Exhibit C	Form of Estoppel Certificate
Exhibit D	Form of Guaranty
Exhibit E	Work Letter
Exhibit E-1	Tenant Work Insurance Requirements

3. Term and Extension Options.

3.1 Term. The actual term of this Lease (as the same may be extended or earlier terminated in accordance with this Lease, the "**Term**") shall commence on October 23, 2017 (the "**Commencement Date**") and end on October 23, 2032, subject to extension or earlier termination of this Lease as provided herein.

3.2 Options to Extend Term. Tenant shall have two (2) options (each an "**Extension Option**") to extend the Term of this Lease for a period of five (5) years each (each an "**Extension Period**"), on the same terms and conditions in effect under this Lease immediately prior to the commencement of the Extension Period, except that (a) Tenant shall have no further right to extend the Term of this Lease after the second Extension Period, (b) the Base Rent payable during the Extension Period shall be an amount equal to Base Rent in effect immediately prior to the Extension Period, increased by three and one-half percent (3.5%) on an annual basis.

3.2.1 If Tenant exercises an Extension Option, such Extension Option shall apply to the entire Premises (and no less than the entire Premises). Tenant may exercise an Extension Option only by giving Landlord irrevocable and unconditional written notice thereof (the "**Extension Notice**") not later than twenty-four (24) months prior to the commencement date of the Extension Period. Upon delivery of the Extension Notice, Tenant shall be irrevocably bound to lease the Premises for the Extension Period.

3.2.2 Notwithstanding the foregoing, Tenant shall not have the right to exercise an Extension Option (i) during the time commencing from the date Landlord delivers to Tenant a written notice that Tenant is in default under any provisions of this Lease and continuing until Tenant has cured the specified default to Landlord's reasonable satisfaction; (ii) at any time after any Default and continuing until Tenant cures any such Default, if such Default is susceptible to being cured; or (iii) in the event that Tenant has defaulted in the performance of its obligations under this Lease two (2) or more times during the six (6)-month period immediately prior to the date that Tenant intends to exercise an Extension Option, whether or not Tenant has cured such defaults.

3.2.3 If Tenant shall fail to timely exercise the Extension Option in accordance with the provisions of this Section 3.2, then the Extension Option shall terminate, and shall be null and void and of no further force and effect. If this Lease or Tenant's right to possession of the Premises shall terminate in any manner whatsoever before Tenant shall exercise the Extension Option, or if Tenant shall have assigned or transferred any interest in this Lease or sublet any part of the Premises (other than in the case of a Permitted Transfer as set forth in Section 16.8 below, then immediately upon such termination, assignment, transfer or sublease, the Extension Option shall simultaneously terminate and become null and void. Time is of the essence with regard to this Section 3.2.

3.2.4 The Extension Options are conditioned upon each Guarantor executing an amendment to such Guarantor's Guaranty that explicitly extends such Guarantor's obligations so that each Guarantor guarantees Tenant's Lease obligations incurred pursuant to Tenant's timely and proper exercise of an Extension Option.

4. Possession.

4.1 Possession. Tenant hereby acknowledges that immediately prior to the Commencement Date, Tenant was in possession of the Premises, and is familiar with the condition thereof and accepts the Premises in its "as is" condition with all faults, and Landlord makes no representation or warranty of any kind with respect the Premises, and Landlord will have no obligation to improve, alter or repair the Premises. It is understood and agreed that Landlord is not obligated to install any equipment, or make any repairs, improvements or alterations to the Premises. Tenant's continued occupancy and possession of the Premises following the Closing (as defined in the Purchase Agreement) shall conclusively establish that the Premises, the Building and the Project were at such time in good, sanitary and satisfactory condition and repair.

4.2 NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT LANDLORD IS LEASING THE PREMISES "AS IS" AND "WHERE IS," AND WITH ALL FAULTS, AND THAT LANDLORD IS MAKING NO REPRESENTATIONS AND WARRANTIES WHETHER EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, WITH RESPECT TO THE QUALITY OR PHYSICAL CONDITION OF THE PREMISES, THE INCOME OR EXPENSES FROM OR OF THE PREMISES, OR THE COMPLIANCE OF THE PREMISES WITH APPLICABLE BUILDING OR FIRE CODES, ENVIRONMENTAL LAWS OR OTHER LAWS, RULES, ORDERS OR REGULATIONS. WITHOUT LIMITING THE FOREGOING, IT IS UNDERSTOOD AND AGREED THAT LANDLORD MAKES NO WARRANTY WITH RESPECT TO THE HABITABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TENANT AGREES THAT IT ASSUMES FULL RESPONSIBILITY FOR, AND THAT IT HAS PERFORMED EXAMINATIONS AND INVESTIGATIONS OF THE PREMISES, INCLUDING SPECIFICALLY, WITHOUT LIMITATION, EXAMINATIONS AND INVESTIGATIONS FOR THE PRESENCE OF ASBESTOS, PCBS AND OTHER HAZARDOUS SUBSTANCES, MATERIALS AND WASTES (AS THOSE TERMS MAY BE DEFINED HEREIN OR BY APPLICABLE FEDERAL OR STATE LAWS, RULES OR REGULATIONS) ON OR IN THE PREMISES. WITHOUT LIMITING THE FOREGOING, TENANT IRREVOCABLY WAIVES ALL CLAIMS AGAINST LANDLORD WITH RESPECT TO ANY ENVIRONMENTAL CONDITION, INCLUDING CONTRIBUTION AND INDEMNITY CLAIMS, WHETHER STATUTORY OR OTHERWISE. TENANT ASSUMES FULL RESPONSIBILITY FOR ALL COSTS AND EXPENSES REQUIRED TO CAUSE THE PREMISES TO COMPLY WITH ALL APPLICABLE BUILDING AND FIRE CODES, MUNICIPAL ORDINANCES, ENVIRONMENTAL LAWS AND OTHER LAWS, RULES, ORDERS, AND REGULATIONS. THE ABOVE WAIVER EXCLUDES ANY CLAIMS MADE BY TENANT BY REASON OF ANY GROSSLY NEGLIGENT OR WILLFUL ACT OR OMISSION BY LANDLORD.

4.3 Holding Over.

4.3.1 If, with Landlord's prior written consent, Tenant holds possession of all or any part of the Premises after the Term, Tenant shall become a tenant from month-to-month after the expiration or earlier termination of the Term, and in such case Tenant shall continue to pay (a) Base Rent, as adjusted in accordance with Section 6, (b) Additional Rent, and (c) any amounts for which Tenant would otherwise be liable under this Lease if the Lease were still in effect. Any such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

4.3.2 If Tenant retains possession of any portion of the Premises after the Term without Landlord's prior written consent, then (a) Tenant shall be a tenant at sufferance subject to the terms and conditions of this Lease, except that the monthly rent shall be equal to one hundred fifty percent (150%) of the monthly Rent in effect during the last thirty (30) days of the Term, and (b) to the extent such holdover continues for a period of thirty (30) days beyond the end of the Term, Tenant shall be liable to Landlord for any and all damages suffered by Landlord directly as a result of such holdover, including any lost rent.

4.3.3 Acceptance by Landlord of Rent after the expiration or earlier termination of the Term shall not result in an extension, renewal or reinstatement of this Lease. The foregoing provisions of this Section 4 are in addition to and do not affect Landlord's right of reentry or any other rights of Landlord hereunder or as otherwise provided by Applicable Laws. The provisions of this Section 4 shall survive the expiration or earlier termination of this Lease.

5. Tenant Improvements.

5.1 Tenant shall cause appropriate improvements consistent with the Permitted Use (the "**Tenant Improvements**") to be constructed in the Premises pursuant to the Work Letter attached hereto as Exhibit E (the "**Work Letter**") at a cost to Landlord not to exceed One Million Dollars ($1,000,000.00) (the "**TI Allowance**"). The TI Allowance may be applied to the costs of (a) construction, (b) project review by Landlord (which fee shall equal one and one-half percent (1.5%) of the cost of the Tenant Improvements, including the TI Allowance), (c) commissioning of mechanical, electrical and plumbing systems by a licensed, qualified commissioning agent hired by Tenant, and review of such party's commissioning report by a licensed, qualified commissioning agent hired by Landlord, (d) space planning, architect, engineering and other related services performed by third parties unaffiliated with Tenant, (e) building permits and other taxes, fees, charges and levies by governmental authorities for permits or for inspections of the Tenant Improvements, and (f) costs and expenses for labor, material, equipment and fixtures. In no event shall the TI Allowance be used for (m) the cost of work that is not authorized by the Approved Plans (as defined in the Work Letter) or otherwise approved in writing by Landlord, (n) payments to Tenant or any affiliates of Tenant, (o) the purchase of any furniture, personal property or other non-building system equipment, (p) costs resulting from any default by Tenant of its obligations under this Lease or (q) costs that are recoverable by Tenant from a third party (e.g., insurers, warrantors, or tortfeasors).

5.2 Tenant shall have until October 23, 2030 to request disbursement for the final installment of the TI Allowance, and may request no more than five (5) disbursements of the TI Allowance, with each disbursement (other than the final disbursement) being no less than Two Hundred Thousand Dollars ($200,000.00). Landlord's obligation to disburse any of the TI Allowance shall be conditional upon Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter. In addition, Landlord's obligation to disburse any of the TI Allowance in excess of Eight Hundred Dollars ($800,000.00) shall be conditional upon the satisfaction of the following: (a) Tenant's delivery to Landlord of a certificate of occupancy for the Premises suitable for the Permitted Use, as applicable; (b) Tenant's delivery to Landlord of a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor or such other form or certification as may be reasonably acceptable to Landlord; (c) Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter; and (d) there shall be no uncured event of default by Tenant under this Lease.

6. Rent.

6.1 Rent. Base Rent and Additional Rent (as defined below) shall together be denominated "**Rent**." Rent shall be paid by ACH, wire transfer or check (but in no event may Rent be payable in cash) to Landlord, without abatement, deduction or offset, in lawful money of the United States of America to the address set forth in Section 2 or to such other person or at such other place as Landlord may from time designate in writing. In the event the Term commences on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, then the Rent for such fraction of a month shall be prorated for such period on the basis of the number of days in the month and shall be paid at the then-current rate for such fractional month.

6.2 Base Rent. Tenant shall pay to Landlord as Base Rent for the Premises, commencing on the Commencement Date, the sums set forth in Section 2, subject to the rental adjustments provided in Section 6.5. Base Rent shall be paid in equal monthly installments, subject to the rental adjustments provided in Section 6.5, each in advance on, or before, the first day of each and every calendar month during the Term.

6.3 Additional Rent. In addition to Base Rent, Tenant shall pay to Landlord as additional rent ("**Additional Rent**") at times hereinafter specified in this Lease (a) amounts related to Operating Expenses and Taxes (each as defined below), unless paid directly by Tenant to third parties to whom such amounts are owed, (b) the Property Management Fee (as defined below) and (c) any other amounts that Tenant assumes or agrees to pay under the provisions of this Lease that are owed to Landlord (whether or not such amounts are referred to herein as "Additional Rent"), including any and all other sums that may become due by reason of any default of Tenant or failure on Tenant's part to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant.

6.3.1 Operating Expenses. Tenant will pay directly all Operating Expenses of the Premises in a timely manner and prior to delinquency, unless otherwise specified herein that Landlord shall pay directly such Operating Expenses and receive reimbursement from Tenant. In the event that Tenant fails to pay any Operating Expense within ten (10) days after written notice by Landlord to Tenant, and without being under any obligation to do so and without hereby waiving any default by Tenant, Landlord may pay any delinquent Operating Expenses. Any Operating Expense paid by Landlord and any expenses reasonably incurred by Landlord in connection with the payment of the delinquent Operating Expense may be billed immediately to Tenant, or at Landlord's option and upon written notice to Tenant, may be deducted from the Security Deposit. "**Operating Expenses**" means all costs and expenses incurred by Landlord with respect to the ownership, maintenance and operation of the Premises including, but not limited to: insurance, maintenance, repair and replacement of the foundation, roof, walls, heating, ventilation, air conditioning, plumbing, electrical, mechanical, utility and safety systems, paving and parking areas, roads and driveways; maintenance of exterior areas such as gardening and landscaping, snow removal and signage; maintenance and repair of roof membrane, flashings, gutters, downspouts, roof drains, skylights and waterproofing; painting; lighting; cleaning; refuse removal; security; utilities for, or the maintenance of, outside areas; building personnel costs; personal property taxes; rentals or lease payments paid by Landlord for rented or leased personal property used in the operation or maintenance of the Premises; and fees for required licenses and permits**.** Operating Expenses expressly exclude any costs and expenses specific to the cultivation and processing of cannabis, and otherwise in connection with Tenant's Permitted Use, such costs and expenses will be borne by Tenant and not paid to Landlord as Operating Expenses.

6.3.2 Taxes. Tenant will promptly pay to Landlord upon Landlord's written request the amount of all Taxes levied and assessed for any such year upon the Premises. "**Taxes**" means any and all real estate taxes, fees, assessments and other charges of any kind or nature, whether general, special, ordinary or extraordinary, that Landlord shall pay or accrue (without regard to any different fiscal year used by such governmental authority) that are levied in respect of the Premises, or in respect of any improvement, fixture, equipment or other property of Landlord, real or personal, located at the Premises, or used in connection with the operation of the Premises, and all fees, expenses, and costs incurred by Landlord in investigating, protesting, contesting, or in any way seeking to reduce or avoid increases in any assessments, levies, or the tax rate pertaining to the Taxes. Taxes shall not include Landlord's corporate franchise taxes, estate taxes, inheritance taxes or federal or state income taxes.

6.3.3 Estimated Costs. If and to the extent applicable, within sixty (60) days after the Commencement Date, and within sixty (60) days after the beginning of each calendar year, Landlord shall give Tenant a written estimate, for such calendar year, of the cost of Taxes and Operating Expenses payable by Landlord. Tenant shall pay such estimated amount to Landlord in equal monthly installments, in advance. Within ninety (90) days after the end of each calendar year, Landlord shall furnish to Tenant a statement showing in reasonable detail the cost of Taxes and Operating Expenses paid or payable by Landlord (the "**Annual Statement**"), and Tenant shall pay to Landlord the cost incurred by Landlord in excess of the payments made by Tenant within ten (10) days of receipt of such Annual Statement. In the event that the payments made by Tenant to Landlord for the estimated Taxes and Operating Expenses exceed the aggregate amount set forth in the Annual Statement, such excess amount shall be credited by Landlord to the Rent or other charges next due and owing, provided that, if the Term has expired, Landlord shall accompany said statement with the amount due Tenant.

6.3.4 Property Management Fee. Tenant shall pay to Landlord on, or before, the first day of each calendar month of the Term, as Additional Rent, the Property Management Fee. The "**Property Management Fee**" shall equal one and one-half percent (1.5%) of the then-current Base Rent due from Tenant. Tenant shall pay the Property Management Fee with respect to the entire Term, including any extensions thereof or any holdover periods, regardless of whether Tenant is obligated to pay Base Rent or any other Rent with respect to any such period or portion thereof.

6.3.5 Absolute Net Lease. This Lease shall be deemed and construed to be an "absolute net lease" and, except as herein expressly provided, the Landlord shall receive all payments required to be made by Tenant, free from all charges, assessments, impositions, expenses, deductions of any and every kind or nature whatsoever. Tenant shall, at Tenant's sole cost and expense, maintain the landscaping and parking lot, and make all additional repairs and alterations as required to maintain the Premises consistent with current practices and otherwise in the condition required pursuant to this Lease.

6.4 Security Deposit. On or before the Execution Date of this Lease, Tenant shall deposit with Landlord a security deposit (the "**Security Deposit**") in cash in the amount of Three Hundred Thirty Thousand Dollars ($330,000), which sum shall be held by Landlord as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the Term. Landlord shall not be required to maintain a separate account for the Security Deposit, but may intermingle it with other funds of Landlord. If Tenant defaults with respect to any provision of this Lease (and any such default is not remedied within applicable cure periods), then without notice to Tenant, Landlord may (but shall not be required to) apply all or any part of the Security Deposit for the payment of any Rent or any other sum in default. If any portion of the Security Deposit is so used or applied, then Tenant shall, upon demand therefor, restore the Security Deposit to its original amount. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, then the unapplied portion of the Security Deposit shall be returned to Tenant, or, at Landlord's option, to the last assignee of Tenant's interest hereunder, within sixty (60) days following the expiration of the Term. Tenant shall not be entitled to any interest on the Security Deposit. Tenant hereby irrevocably waives and relinquishes any and all rights, benefits, or protections, if any, Tenant now has, or in the future may have under any provision of law which (i) establishes the time frame by which a landlord must refund a security deposit under a lease, or (ii) provides that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant, or to clean the subject premises. Tenant acknowledges and agrees that (A) any statutory time frames for the return of a security deposit are superseded by the express period identified in this Section 6.4, and (B) rather than be so limited, Landlord may claim from the Security Deposit (i) any and all sums expressly identified in this Section 6.4, and (ii) any additional sums reasonably necessary to compensate Landlord for any and all losses or damages caused by Tenant's default of this Lease, including, but not limited to, all damages or rent due upon termination of this Lease. In the event of bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for all periods prior to the filing of such proceedings. The Security Deposit shall be reduced to Two Hundred Forty-Seven Thousand Five Hundred Dollars ($247,500) on October 23, 2020, provided that no Default has occurred and is continuing on such date; the Security Deposit shall be further reduced to One Hundred Sixty-Five Thousand Dollars ($165,000) on October 23, 2023, provided that no Default has occurred and is continuing on such date; and the Security Deposit shall be further reduced to Eighty-Two Thousand Five Hundred Dollars ($82,500) on October 23, 2026, provided that no Default has occurred and is continuing on such date. In each such case, Landlord shall promptly refund to Tenant the excess Security Deposit, in accordance with Tenant's written instructions.

6.5 Base Rent Adjustments. Base Rent shall be subject to an annual upward adjustment of three and one-half percent (3.5%) of the then-current Base Rent. The first such adjustment shall become effective commencing on the first annual anniversary of the Commencement Date, and subsequent adjustments shall become effective on every successive annual anniversary for so long as this Lease continues in effect.

6.6 No Discharge of Rent Obligations. Tenant's obligation to pay Rent shall not be discharged or otherwise affected by (a) any Applicable Laws now or hereafter applicable to the Premises, (b) any other restriction on Tenant's use, (c) except as expressly provided herein, any casualty or taking or (d) any other occurrence; and Tenant waives all rights now or hereafter existing to terminate or cancel this Lease or quit or surrender the Premises or any part thereof, or to assert any defense in the nature of constructive eviction to any action seeking to recover rent. Tenant's obligation to pay Rent with respect to any period or obligations arising, existing or pertaining to the period prior to the date of the expiration or earlier termination of the Term or this Lease shall survive any such expiration or earlier termination; provided, however, that nothing in this sentence shall in any way affect Tenant's obligations with respect to any other period. Except as expressly provided in this Lease, Tenant, to the extent now or hereafter permitted by Applicable Laws, waives all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this Lease or to any diminution, abatement or reduction of Rent payable hereunder.

7. Use.

7.1 Use. Tenant shall use the Premises solely for the Permitted Use, and shall not use the Premises, or permit or suffer the Premises to be used, for any other purpose without Landlord's prior written consent, which consent Landlord may withhold in its sole and absolute discretion. Tenant shall comply, and cause Tenant Parties to comply, with all Applicable Laws, zoning ordinances and certificates of occupancy issued for the Premises or any portion thereof. Tenant shall not use any portion of the roof of the Premises. Tenant shall not commit, or allow Tenant Parties to commit, any waste of the Premises. Tenant shall not do, or permit Tenant Parties to do, anything on or about the Premises that in any way increases the rate, or invalidates or prevents the procuring, of any insurance protecting against loss or damage to any portion of the Premises or its contents, or against liability for damage to property or injury to persons in or about any portion of the Premises. For purposes hereof, "**Tenant Parties**" means Tenant's agents, contractors, subcontractors, employees, customers, licensees, invitees, assignees and subtenants; and the term "**Applicable Laws**" means all federal (to the extent not in direct conflict with applicable state, municipal or local cannabis licensing and program laws, rules and regulations), state, municipal and local laws, codes, ordinances, rules and regulations of governmental authorities, committees, associations, or other regulatory committees, agencies or governing bodies having jurisdiction over the Premises or any portion thereof, Landlord or Tenant, including both statutory and common law, hazardous waste rules and regulations, and state cannabis licensing and program laws, rules and regulations. Tenant may only place equipment within the Premises with floor loading consistent with the Building's structural design unless Tenant obtains Landlord's prior written approval. Tenant may place such equipment only in a location designed to carry the weight of such equipment.

7.2 Legal Compliance. Notwithstanding any other provision herein to the contrary, Tenant shall be responsible for all improvements or alterations required to be made and all liabilities, costs and expenses arising out of or in connection with the compliance of the Premises with Applicable Laws, including, without limitation, the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., and any state and local accessibility laws, codes, ordinances and rules (collectively, and together with regulations promulgated pursuant thereto, the "**ADA**"), and Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any Claims arising out of any such failure of the Premises to comply with Applicable Laws, including, without limitation, the ADA.

7.3 Indemnification. Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold Landlord and its affiliates, lenders, employees, agents and contractors (collectively, the "**Landlord Indemnitees**") harmless from and against any and all demands, claims, liabilities, losses, costs, expenses, criminal or civil actions, forfeiture seizures, causes of action, damages, suits or judgments, and all reasonable expenses (including reasonable attorneys' fees, charges and disbursements, regardless of whether the applicable demand, claim, action, cause of action or suit is voluntarily withdrawn or dismissed) incurred in investigating or resisting the same (collectively, "**Claims**") of any kind or nature that arise before, during or after the Term as a result of Tenant's breach of this Section 7.

7.4 Use in Accordance with Medical Cannabis Laws**.** Landlord acknowledges Tenant's Permitted Use is in connection with Tenant's participation in New York's medical cannabis program and such Permitted Use will be in accordance with applicable state, municipal or local cannabis licensing and program laws, rules and regulations as the same may be amended from time to time (including, to the extent that the Medical Cannabis Laws are amended to permit recreational use) (as so amended, the "Medical Cannabis Laws"). Landlord understands, acknowledges and agrees that the Permitted Use is acceptable under Medical Cannabis Laws but that the Medical Cannabis Laws and federal law are in conflict on this point and that the manufacturing, distribution and/or sale of cannabis remain in violation of federal law, including, without limitation, the Controlled Substances Act.

Notwithstanding the foregoing, Landlord consents specifically to Tenant's Permitted Use of the Premises and agrees to reasonably cooperate with Tenant (at Tenant's sole cost and expense) in connection with obtaining (or maintaining) any permits or approvals necessary to continue to conduct the Permitted Use at the Premises in accordance with the Medical Cannabis Laws. Landlord also acknowledges that, pursuant to the Medical Cannabis Laws, Tenant is subject to certain security and operational requirements that limit access by third parties to the Premises. As such Landlord agrees to the additional following requirements, to the extent reasonably required for compliance with the Medical Cannabis Laws:

(i) Except as expressly provided in this Lease, Landlord shall not access, nor shall it permit any third parties to access, the Premises without the prior written consent of Tenant;

(ii) Landlord shall not make any changes, alterations, modifications or improvements to the Premises without Tenant's prior written consent; however, Tenant shall be permitted to make any such changes to the extent necessary for its compliance with the Medical Cannabis Laws;

(iii) Landlord shall permit Tenant exclusively to perform all security requirements under the Medical Cannabis Laws with respect to the Premises including, without limitation, the installation of security cameras, alarms, surveillance systems, lighting and the services of security personnel.

8. Hazardous Materials.

8.1 Tenant shall not cause or permit any Hazardous Materials (as defined below) to be brought upon, kept or used in or about the Premises in violation of Applicable Laws by Tenant or any Tenant Party. If (a) Tenant breaches such obligation, (b) the presence of Hazardous Materials as a result of such a breach results in contamination of the Premises, any portion thereof, or any adjacent property, (c) contamination of the Premises otherwise occurs during the Term or any extension or renewal hereof or holding over hereunder or (d) contamination of the Premises occurs as a result of Hazardous Materials that are placed on or under or are released into the Premises by a Tenant Party, then Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any and all Claims of any kind or nature, including (w) diminution in value of the Premises or any portion thereof, (x) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, (y) damages arising from any adverse impact on marketing of space in the Premises or any portion thereof and (z) sums paid in settlement of Claims that arise before, during or after the Term as a result of such breach or contamination. This indemnification by Tenant includes costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any governmental authority because of Hazardous Materials present in the air, soil or groundwater above, on, under or about the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials in, on, under or about the Premises, any portion thereof or any adjacent property caused or permitted by any Tenant Party results in any contamination of the Premises, any portion thereof or any adjacent property, then Tenant shall promptly take all actions at its sole cost and expense as are necessary to return the Premises, any portion thereof or any adjacent property to its respective condition existing prior to the time of such contamination; provided that Landlord's written approval of such action shall first be obtained, which approval Landlord shall not unreasonably withhold; and provided, further, that it shall be reasonable for Landlord to withhold its consent if such actions could have a material adverse long-term or short-term effect on the Premises, any portion thereof or any adjacent property. Tenant's obligations under this Section shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation.

8.2 Landlord acknowledges that it is not the intent of this Section 8 to prohibit Tenant from operating its business for the Permitted Use. Tenant may operate its business according to the custom of Tenant's industry so long as the use or presence of Hazardous Materials is strictly and properly monitored in accordance with Applicable Laws. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord (a) a list identifying each type of Hazardous Material to be present at the Premises that is subject to regulation under any environmental Applicable Laws in the form of a Tier II form pursuant to Section 312 of the Emergency Planning and Community Right-to-Know Act of 1986 (or any successor statute) or any other form reasonably requested by Landlord, (b) a list of any and all approvals or permits from governmental authorities required in connection with the presence of such Hazardous Material at the Premises and (c) correct and complete copies of notices of violations of Applicable Laws related to Hazardous Materials (collectively, "**Hazardous Materials Documents**"). Tenant shall deliver to Landlord updated Hazardous Materials Documents, within fourteen (14) days after receipt of a written request therefor from Landlord, not more often than once per year, unless (m) there are any changes to the Hazardous Materials Documents or (n) Tenant initiates any Tenant Improvements or Alterations or changes its business, in either case in a way that involves any material increase in the types or amounts of Hazardous Materials. In the event that a review of the Hazardous Materials Documents indicates non-compliance with this Lease or Applicable Laws, Tenant shall, at its expense, diligently take steps to bring its storage and use of Hazardous Materials into compliance. Notwithstanding anything in this Lease to the contrary or Landlord's review into Tenant's Hazardous Materials Documents or use or disposal of hazardous materials, however, Landlord shall not have and expressly disclaims any liability related to Tenant's or other tenants' use or disposal of Hazardous Materials, it being acknowledged by Tenant that Tenant is best suited to evaluate the safety and efficacy of its Hazardous Materials usage and procedures.

8.3 Tenant represents and warrants to Landlord that Tenant is not, nor has it been, in connection with the use, disposal or storage of Hazardous Materials, (a) subject to a material enforcement order issued by any governmental authority or (b) required to take any remedial action.

8.4 At any time, and from time to time, prior to the expiration of the Term, Landlord shall have the right to conduct appropriate tests of the Premises or any portion thereof to demonstrate that Hazardous Materials are present or that contamination has occurred due to the acts or omissions of a Tenant Party, the cost of which shall be an Operating Expense.

8.5 If underground or other storage tanks storing Hazardous Materials installed or utilized by Tenant are located on the Premises, or are hereafter placed on the Premises by Tenant (or by any other party, if such storage tanks are utilized by Tenant), then Tenant shall monitor the storage tanks, maintain appropriate records, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other steps necessary or required under the Applicable Laws.

8.6 Tenant shall promptly report to Landlord any actual or suspected presence of mold or water intrusion at the Premises.

8.7 Tenant's obligations under this Section 8 shall survive the expiration or earlier termination of the Lease. During any period of time needed by Tenant or Landlord after the termination of this Lease to complete the removal from the Premises of any such Hazardous Materials, Tenant shall be deemed a holdover tenant and subject to the provisions of Section 4.

8.8 As used herein, the term "**Hazardous Material**" means any toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous substance, material or waste that is or becomes regulated by Applicable Laws or any governmental authority. Hazardous Materials shall not include cannabis or any cannabis derived material or products.

9. Alterations.

9.1 Tenant shall not make any alterations, additions or improvements in or to the Premises or engage in any construction, demolition, reconstruction, renovation or other work (whether major or minor) of any kind in, at or serving the Premises ("**Alterations**"), without obtaining Landlord's prior written consent, except Tenant may make non-structural Alterations to the interior of the Premises (excluding the roof) without such consent but upon at least ten (10) days' prior notice to Landlord, provided that the cost thereof does not exceed One Hundred Twenty Thousand Dollars ($120,000.00) per occurrence or an aggregate amount of Three Hundred Thousand Dollars ($300,000.00) annually. Notwithstanding the foregoing, Tenant will not do anything that could have a material adverse effect on the Building or life safety systems, without obtaining Landlord's prior written consent. Any such improvements, excepting movable furniture, trade fixtures and equipment, shall become part of the realty and belong to Landlord. All alterations and improvements shall be properly permitted and installed at Tenant's sole cost, by a licensed contractor, in a good and workmanlike manner, and in conformity with all Applicable Laws. Any alterations that Tenant shall desire to make and which require the consent of Landlord shall be presented to Landlord in written form with detailed plans. Tenant shall: (i) acquire all applicable governmental permits; (ii) furnish Landlord with copies of both the permits and the plans and specifications at least thirty (30) days before the commencement of the work, and (iii) comply with all conditions of said permits in a prompt and expeditious manner. Any alterations shall be performed in a workmanlike manner with good and sufficient materials. Upon completion of any Alterations, Tenant shall promptly upon completion furnish Landlord with a reproducible copy of as-built drawings and specifications for any Alterations.

9.2 At least twenty (20) days prior to commencing any work relating to any Alterations requiring the approval of Landlord that have been so approved, Tenant shall notify Landlord in writing of the expected date of commencement. Tenant shall pay, when due, all claims for labor or materials furnished to or for Tenant for use in improving the Premises. Tenant shall not permit any mechanics' or materialmen's liens to be levied against the Premises arising out of work performed, materials furnished, or obligations to have been performed on the Premises by or at the request of Tenant. Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold Landlord Indemnitees from and against any and all Claims of any kind or nature that arise before, during or after the Term on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished for Tenant or its contractors, agents or employees. If Tenant fails to discharge or undertake to defend against such liability, upon receipt of written notice from Landlord of such failure, Tenant shall have fifteen (15) days (the "**Defense Cure Period**") to cure such failure by prosecuting such a defense. If Tenant fails to do so within the Defense Cure Period, then Landlord may settle the same and Tenant's liability to Landlord shall be conclusively established by such settlement provided that such settlement is entered into on commercially reasonable terms and conditions, the amount of such liability to include both the settlement consideration and the costs and expenses (including attorneys' fees) incurred by Landlord in effecting such settlement. In the event any contractor, agent or employee notifies Tenant of its intent to file a mechanics' or materialmen's lien against the Premises, Tenant shall immediately notify Landlord of such intention to file a lien or a lawsuit with respect to such lien.

9.3 Tenant shall repair any damage to the Premises caused by Tenant's removal of any property from the Premises. During any such restoration period, Tenant shall pay Rent to Landlord as provided herein as if such space were otherwise occupied by Tenant. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

9.4 The Premises plus any Alterations, Tenant Improvements, attached equipment, decorations, fixtures and trade fixtures; movable casework and related appliances; and other additions and improvements attached to or built into the Premises made by either of the parties (including all floor and wall coverings; paneling; sinks and related plumbing fixtures; attached benches; production equipment; walk-in refrigerators; ductwork; conduits; electrical panels and circuits; attached machinery and equipment; and built-in furniture and cabinets, in each case, together with all additions and accessories thereto), shall (unless, prior to such construction or installation, Landlord elects otherwise in writing) at all times remain the property of Landlord, shall remain in the Premises and shall (unless, prior to construction or installation thereof, Landlord elects otherwise in writing) be surrendered to Landlord upon the expiration or earlier termination of this Lease. For the avoidance of doubt, the items listed on Exhibit B attached hereto (which Exhibit B may be updated by Tenant from and after the Commencement Date, subject to Landlord's written consent) constitute Tenant's property and shall be removed by Tenant upon the expiration or earlier termination of the Lease.

9.5 If Tenant shall fail to remove any of its property from the Premises prior to the expiration of the Term, then Landlord may, at its option, remove the same in any manner that Landlord shall choose and store such effects without liability to Tenant for loss thereof or damage thereto, and Tenant shall pay Landlord, upon demand, any costs and expenses incurred due to such removal and storage or Landlord may, at its sole option and without notice to Tenant, sell such property or any portion thereof at private sale and without legal process for such price as Landlord may obtain and apply the proceeds of such sale against any (a) amounts due by Tenant to Landlord under this Lease and (b) any expenses incident to the removal, storage and sale of such personal property.

9.6 Tenant shall pay to Landlord an amount equal to one and one-half percent (1.5%) of the cost to Tenant of all Alterations to cover Landlord's overhead and expenses for plan review, engineering review, coordination, scheduling and supervision thereof, except that Tenant shall not be required to pay the above amount for any non-structural Alterations to the extent they are within the limits set forth in Section 9.1 above and do not require Landlord's prior consent. For purposes of payment of such sum, Tenant shall submit to Landlord copies of all bills, invoices and statements covering the costs of such charges, accompanied by payment to Landlord of the fee set forth in this Section. In addition, Tenant shall reimburse Landlord for all third-party costs actually incurred by Landlord in connection with any Alterations, including any non-structural Alterations that do not require Landlord's prior consent.

9.7 Tenant shall require its contractors and subcontractors performing work on the Premises to name Landlord and its affiliates and any lender as additional insureds on their respective insurance policies.

10. Odors and Fumes. Tenant shall not cause or permit (or conduct any activities that would cause) any release of any odors or fumes of any kind from the Premises. Tenant shall, at Tenant's sole cost and expense, provide odor eliminators and other devices (such as filters, air cleaners, scrubbers and whatever other equipment may in Landlord's judgment be necessary or appropriate from time to time) to abate any odors, fumes or other substances in Tenant's exhaust stream that, in Landlord's reasonable judgment, emanate from Tenant's Premises. Any work Tenant performs under this Section shall constitute Alterations. Tenant's responsibility to abate odors, fumes and exhaust shall continue throughout the Term. If Tenant fails to install satisfactory odor control equipment within thirty (30) business days after Landlord's written demand made at any time, then Landlord may, without limiting Landlord's other rights and remedies, require Tenant to cease and suspend any operations in the Premises that, in Landlord's reasonable determination, cause odors, fumes or exhaust.

11. Repairs and Maintenance.

11.1 Care of Premises. This Lease shall be deemed and construed to be an "absolute net lease." Tenant shall, at its sole cost and expense, keep the Premises in a working, neat, clean, sanitary, safe condition and repair, and shall keep the Premises free from trash. Tenant shall make all repairs or replacements thereon or thereto, whether ordinary or extraordinary. Without limiting the foregoing, Tenant's obligations hereunder shall include the maintenance, repair and replacement of the Building foundation, roof (including roof membrane), walls and all other structural components of the Building; all heating, ventilation, air conditioning, plumbing, electrical, mechanical, utility and safety systems serving the Building or Premises; the parking areas, roads and driveways located on the Premises; maintenance of exterior areas such as gardening and landscaping; snow removal and signage; maintenance and repair of flashings, gutters, downspouts, roof drains, skylights and waterproofing; and painting. Landlord shall not be required to furnish any services or facilities or to make any repairs, replacements or alterations of any kind in or on the Premises. Tenant shall receive all invoices and bills relative to the Premises and, except as otherwise provided herein, shall pay for all expenses directly to the person or company submitting a bill without first having to forward payment for the expenses to Landlord. Tenant hereby expressly waives the right to make repairs at the expense of Landlord as provided for in any Applicable Laws in effect at the time of execution of this Lease, or in any other Applicable Laws that may hereafter be enacted, and waives its rights under Applicable Laws relating to a landlord's duty to maintain its premises in a tenantable condition.

11.2 Service Contracts and Invoices. Tenant shall, promptly upon Landlord's written request therefor, provide Landlord with copies of all service contracts relating to the Tenant's maintenance of the Premises and invoices received from Tenant from such service providers.

11.3 Action by Landlord if Tenant Fails to Maintain. If Tenant refuses or neglects to repair or maintain the Premises as required hereunder to the reasonable satisfaction of Landlord, Landlord, at any time following ten (10) business days from the date on which Landlord shall make written demand on Tenant to affect such repair or maintenance, may, but shall not have the obligation to, make such repair and/or maintenance (without liability to Tenant for any loss or damage which may occur to Tenant's merchandise, fixtures or other personal property, or to Tenant's business by reason thereof) and upon completion thereof, Tenant shall pay to Landlord as Landlord Additional Rent Landlord's costs for making such repairs, plus interest at the Default Rate from the date of expenditure by Landlord upon demand therefor. Moreover, Tenant's failure to pay any of the charges in connection with the performance of its maintenance and repair obligations under this Lease will constitute a material default under the Lease.

11.4 No Rent Abatement. There shall be no abatement of Rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Premises, or in or to improvements, fixtures, equipment and personal property therein.

11.5 Right of Entry. Landlord and Landlord's agents shall have the right, subject to the requirements of Section 7.4 above, to enter upon the Premises or any portion thereof for the purposes of performing any repairs or maintenance Landlord is permitted to make pursuant to this Lease, and of ascertaining the condition of the Premises or whether Tenant is observing and performing Tenant's obligations hereunder, all without unreasonable interference from Tenant or Tenant Parties. Except for emergency maintenance or repairs, the right of entry contained in this paragraph shall be exercisable at reasonable times, at reasonable hours and on reasonable notice, and subject to Tenant's authorized personnel accompanying Landlord's agents in sensitive areas of the Premises.

12. Liens. Tenant shall keep the Premises free from any liens arising out of work or services performed, materials furnished to or obligations incurred by Tenant. Tenant further covenants and agrees that any mechanic's or materialman's lien filed against the Premises for work or services claimed to have been done for, or materials claimed to have been furnished to, or obligations incurred by Tenant shall be discharged or bonded by Tenant within ten (10) days after the filing thereof, at Tenant's sole cost and expense. Should Tenant fail to discharge or bond against any lien of the nature described in this Section, Landlord may, at Landlord's election, pay such claim or otherwise provide security to eliminate the lien as a claim against title, and Tenant shall immediately reimburse Landlord for the costs thereof as Additional Rent. Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any Claims arising from any such liens, including any administrative, court or other legal proceedings related to such liens. In the event that Tenant leases or finances the acquisition of office equipment, furnishings or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code financing statement shall, upon its face or by exhibit thereto, indicate that such financing statement is applicable only to removable personal property of Tenant located within the Premises.

13. Rules and Regulations and CC&Rs and Parking Facilities. Tenant shall faithfully observe and comply with and shall ensure that its contractors, subcontractors, employees, subtenants and invitees faithfully observe and comply with such reasonable and nondiscriminatory rules and regulations as are hereafter promulgated by Landlord in its sole and absolute discretion. This Lease is subject to any recorded covenants, conditions or restrictions on the Property or Premises, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time (the "**CC&Rs**"). Tenant shall, at its sole cost and expense, comply with the CC&Rs.

14. Utilities and Services. Tenant shall make all arrangements for and pay for all water, sewer, gas, heat, light, power, telephone service and any other service or utility Tenant requires at the Premises. Landlord shall not be liable for any failure or interruption of any utility service being furnished to the Premises, and no such failure or interruption shall entitle Tenant any abatement or right to terminate this Lease. In the event that any utilities are furnished by Landlord, Tenant shall pay to Landlord the cost thereof as an Operating Expense.

15. Estoppel Certificate. Tenant shall, within ten (10) days after receipt of written notice from Landlord, execute, acknowledge and deliver a statement in writing substantially in the form attached to this Lease as Exhibit C, or on any other form reasonably requested by a current or proposed lender or encumbrancer or proposed purchaser, (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which rental and other charges are paid in advance, if any, (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (c) setting forth such further information with respect to this Lease or the Premises as may be requested thereon. Each Guarantor shall, within ten (10) days after receipt of written notice from Landlord, execute, acknowledge and deliver a statement in writing in the same form. Tenant's or any Guarantor's failure to deliver any such statement within such the prescribed time shall, at Landlord's option, constitute a Default (as defined below) under this Lease, and, in any event, shall be binding upon Tenant or such Guarantor (as applicable) that the Lease and such Guaranty are in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant or such Guarantor (as applicable) for execution.

16. Assignment or Subletting.

16.1 None of the following (each, a "**Transfer**"), either voluntarily or by operation of Applicable Laws, shall be directly or indirectly performed without Landlord's prior written consent: (a) Tenant selling, hypothecating, assigning, pledging, encumbering or otherwise transferring this Lease or subletting the Premises or (b) a controlling interest in Tenant being sold, assigned or otherwise transferred (other than as a result of shares in Tenant being sold on a public stock exchange, transferred to an Affiliate, or a Permitted Transfer as defined below). For purposes of the preceding sentence, "control" means (a) owning (directly or indirectly) more than fifty percent (50%) of the stock or other equity interests of another person or (b) possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of such person.

16.2 In the event Tenant desires to effect a Transfer, then, at least thirty (30) but not more than ninety (90) days prior to the date when Tenant desires the Transfer to be effective (the "**Transfer Date**"), Tenant shall provide written notice to Landlord (the "**Transfer Notice**") containing information (including references) concerning the character of the proposed transferee, assignee or sublessee; the proposed Transfer Date; the most recent unconsolidated financial statements of Tenant and of the proposed transferee, assignee or sublessee ("**Required Financials**"); any ownership or commercial relationship between Tenant and the proposed transferee, assignee or sublessee; and the consideration and all other material terms and conditions of the proposed Transfer, all in such detail as Landlord shall reasonably require. In no event shall Landlord be deemed to be unreasonable for declining to consent to a Transfer to a transferee, assignee or sublessee of poor reputation, lacking financial qualifications or seeking a change in the Permitted Use, or jeopardizing directly or indirectly the status of Landlord or any of Landlord's affiliates as a Real Estate Investment Trust under the Internal Revenue Code of 1986, as amended from time to time.

16.3 The following are conditions precedent to a Transfer or to Landlord considering a request by Tenant to a Transfer:

16.3.1 Tenant shall remain fully liable under this Lease and each Guarantor shall continue to remain fully liable under such Guarantor's Guaranty, including with respect to the Term after the Transfer Date. Tenant agrees that it shall not be (and shall not be deemed to be) a guarantor or surety of this Lease, however, and waives its right to claim that it is a guarantor or surety or to raise in any legal proceeding any guarantor or surety defenses permitted by this Lease or by Applicable Laws;

16.3.2 Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord that the value of Landlord's interest under this Lease shall not be diminished or reduced by the proposed Transfer. Such evidence shall include evidence respecting the relevant business experience and financial responsibility and status of the proposed transferee, assignee or sublessee;

16.3.3 Tenant shall reimburse Landlord for Landlord's actual costs and expenses, including attorneys' fees, charges and disbursements incurred in connection with the review, processing and documentation of such request;

16.3.4 If Tenant's transfer of rights or sharing of the Premises provides for the receipt by, on behalf of or on account of Tenant of any consideration of any kind whatsoever (including a premium rental for a sublease or lump sum payment for an assignment, but excluding Tenant's reasonable costs in marketing and subleasing the Premises) in excess of the rental and other charges due to Landlord under this Lease, Tenant shall pay fifty percent (50%) of all of such excess to Landlord, after making deductions for any reasonable marketing expenses, tenant improvement funds expended by Tenant, alterations, cash concessions, brokerage commissions, attorneys' fees and free rent actually paid by Tenant. If such consideration consists of cash paid to Tenant, payment to Landlord shall be made upon receipt by Tenant of such cash payment;

16.3.5 The proposed transferee, assignee or sublessee shall agree that, in the event Landlord gives such proposed transferee, assignee or sublessee notice that Tenant is in default under this Lease, such proposed transferee, assignee or sublessee shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments shall be received by Landlord without any liability being incurred by Landlord, except to credit such payment against those due by Tenant under this Lease, and any such proposed transferee, assignee or sublessee shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, that in no event shall Landlord or its Lenders, successors or assigns be obligated to accept such attornment;

16.3.6 Tenant shall not then be in Default hereunder in any respect;

16.3.7 Such proposed transferee, assignee or sublessee's use of the Premises shall be the same as the Permitted Use;

16.3.8 Landlord shall not be bound by any provision of any agreement pertaining to the Transfer, except for Landlord's written consent to the same;

16.3.9 Tenant shall pay all transfer and other taxes (including interest and penalties) assessed or payable for any Transfer;

16.3.10 Landlord's consent (or waiver of its rights) for any Transfer shall not waive Landlord's right to consent or refuse consent to any later Transfer; and

16.3.11 Tenant shall deliver to Landlord a list of Hazardous Materials (as defined below), certified by the proposed transferee, assignee or sublessee to be true and correct, that the proposed transferee, assignee or sublessee intends to use or store in the Premises. Additionally, Tenant shall deliver to Landlord, on or before the date any proposed transferee, assignee or sublessee takes occupancy of the Premises, all of the items relating to Hazardous Materials of such proposed transferee, assignee or sublessee as described in Section 8.

16.4 Any Transfer that is not in compliance with the provisions of this Section or with respect to which Tenant does not fulfill its obligations pursuant to this Section shall be void and shall, at the option of Landlord, terminate this Lease.

16.5 Notwithstanding any Transfer, Tenant shall remain fully and primarily liable for the payment of all Rent and other sums due or to become due hereunder, and for the full performance of all other terms, conditions and covenants to be kept and performed by Tenant. The acceptance of Rent or any other sum due hereunder, or the acceptance of performance of any other term, covenant or condition thereof, from any person or entity other than Tenant shall not be deemed a waiver of any of the provisions of this Lease or a consent to any Transfer.

16.6 If Tenant delivers to Landlord a Transfer Notice indicating a desire to transfer this Lease to a proposed transferee, assignee or sublessee, then Landlord shall have the option, exercisable by giving notice to Tenant within ten (10) days after Landlord's receipt of such Transfer Notice, to terminate this Lease as of the date specified in the Transfer Notice as the Transfer Date, except for those provisions that, by their express terms, survive the expiration or earlier termination hereof. If Landlord exercises such option, then Tenant shall have the right to withdraw such Transfer Notice by delivering to Landlord written notice of such election within five (5) days after Landlord's delivery of notice electing to exercise Landlord's option to terminate this Lease. In the event Tenant withdraws the Transfer Notice as provided in this Section, this Lease shall continue in full force and effect. No failure of Landlord to exercise its option to terminate this Lease shall be deemed to be Landlord's consent to a proposed Transfer.

16.7 If Tenant sublets the Premises or any portion thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and appoints Landlord as assignee and attorney-in-fact for Tenant, and Landlord (or a receiver for Tenant appointed on Landlord's application) may collect such rent and apply it toward Tenant's obligations under this Lease; provided that, until the occurrence of a Default (as defined below) by Tenant, Tenant shall have the right to collect such rent.

16.8 Permitted Transfers. Tenant may assign its entire interest under this Lease or sublease all or a portion of the Premises without the consent of Landlord to: (i) an affiliate, subsidiary or parent of Tenant; (ii) any entity into which that Tenant or an affiliated party may merge or consolidate; (iii) any entity that acquires all or substantially all of the assets of Tenant; each a "Permitted Transfer" and such transferee a "Permitted Transferee", provided that (a) Tenant notifies Landlord at least twenty (20) days prior to the effective date of any such Permitted Transfer, (b) Tenant is not in default and such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease, (c) such Permitted Transferee shall have a tangible net worth (not including goodwill as an asset) computed in accordance with generally accepted accounting principles ("Net Worth") at least equal to the Net Worth of the original Tenant on the day immediately preceding the effective date of such assignment or sublease and reasonably sufficient to comply with the obligations under this Lease, (d) no assignment or sublease relating to this Lease, whether with or without Landlord's consent, shall relieve Tenant from any liability under this Lease, and (e) the liability of such Permitted Transferee under either an assignment or sublease shall be joint and several with Tenant and each Guarantor. Tenant's notice to Landlord shall include information and documentation showing that each of the above conditions has been satisfied. As used in this Section 16.8, (w) "parent" shall mean a company which owns a majority of Tenant's voting equity; (x) "subsidiary" shall mean an entity wholly owned by Tenant or at least fifty-one percent (51%) of whose voting equity is owned by Tenant; (y) "affiliate" shall mean an entity controlled by, controlling or under common control with Tenant; and (z) "control" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity.

17. Indemnification and Exculpation.

17.1 Tenant agrees to indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any and all Claims of any kind or nature, real or alleged, arising from (a) injury to or death of any person or damage to any property occurring within or about the Premises arising directly or indirectly out of the presence at or use or occupancy of the Premises or Project by a Tenant Party, (b) an act or omission on the part of any Tenant Party; (c) a breach or default by Tenant in the performance of any of its obligations hereunder or (d) injury to or death of persons or damage to or loss of any property, real or alleged, arising from the serving of any intoxicating substances at the Premises or Project, except to the extent any of the foregoing are directly caused by Landlord's or its agents' gross negligence or willful misconduct. Tenant's obligations under this Section shall not be affected, reduced or limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation. Tenant's obligations under this Section shall survive the expiration or earlier termination of this Lease.

Landlord agrees to indemnify, save, defend (at Tenant's option and with counsel reasonably acceptable to Tenant) and hold Tenant and its agents, employees, affiliates and contractors harmless from and against any and all Claims of any kind or nature, real or alleged, arising from (a) the active negligence or the gross negligence or willful misconduct of Landlord or its agents, (b) a breach or default by Landlord in the performance of any of its obligations hereunder, except to the extent any of the foregoing are directly caused by Tenant's or its agents' negligence or willful misconduct. Landlord's obligations under this Section shall not be affected, reduced or limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Landlord under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation. Landlord's obligations under this Section shall survive the expiration or earlier termination of this Lease.

17.2 Notwithstanding anything in this Lease to the contrary, Landlord shall not be liable to Tenant for and Tenant assumes all risk of (a) damage or losses caused by fire, electrical malfunction, gas explosion or water damage of any type (including broken water lines, malfunctioning fire sprinkler systems, roof leaks or stoppages of lines), and (b) damage to personal property (in each case, regardless of whether such damages are foreseeable). Tenant further waives any claim for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property as described in this Section. Notwithstanding anything in the foregoing or this Lease to the contrary, except as otherwise provided herein or as may be required by Applicable Laws, in no event shall Landlord be liable to Tenant for any consequential, special or indirect damages arising out of this Lease, including lost profits.

17.3 Except as otherwise provided in this Lease, Landlord shall not be liable for any damages arising from any act, omission or neglect of any third party.

17.4 The provisions of this Section shall survive the expiration or earlier termination of this Lease.

18. Insurance; Waiver of Subrogation.

18.1 Landlord shall maintain a policy or policies of insurance protecting Landlord against the following (all of which shall be payable by Tenant as Operating Expenses):

18.1.1 Fire and other perils normally included within the classification of fire and extended coverage, together with insurance against vandalism and malicious mischief, to the extent of the full replacement cost of the Premises, including, at Landlord's option, earthquake and flood coverage, exclusive of trade fixtures, equipment and improvements insured by Tenant, with agreed value, full replacement and other endorsements which Landlord may elect to maintain;

18.1.2 Thirty-six (36) months of rental loss insurance and to the extent of 100% of the gross rentals from the Premises;

18.1.3 Comprehensive general liability insurance with a single limit of not less than $2,000,000 for bodily injury or death and property damage with respect to the Premises, a general aggregate not less than $2,000,000 for bodily injury or death and property damage with respect to the Premises, and not less than $4,000,000 of excess umbrella liability insurance; and

18.1.4 At Landlord's sole option, environmental liability or environmental clean-up/remediation insurance in such amounts and with such deductibles and other provisions as Landlord may determine in its sole and absolute discretion.

18.2 Tenant shall, at its own cost and expense, procure and maintain during the Term the following insurance for the benefit of Tenant and Landlord (as their interests may appear) with insurers financially acceptable and lawfully authorized to do business in the state where the Premises are located:

18.2.1 Commercial General Liability insurance on a broad-based occurrence coverage form, with coverages including but not limited to bodily injury (including death), property damage (including loss of use resulting therefrom), premises/operations, personal & advertising injury, and contractual liability with limits of liability of not less than $2,000,000 for bodily injury and property damage per occurrence, $5,000,000 general aggregate, which limits may be met by use of excess and/or umbrella liability insurance provided that such coverage is at least as broad as the primary coverages required herein.

18.2.2 Commercial Automobile Liability insurance covering liability arising from the use or operation of any auto, including those owned, hired or otherwise operated or used by or on behalf of the Tenant. The coverage shall be on a broad-based occurrence form with combined single limits of not less than $1,000,000 per accident for bodily injury and property damage.

18.2.3 Commercial Property insurance covering property damage to the full replacement cost value and business interruption. Covered property shall include all tenant improvements in the Premises (to the extent not insured by Landlord) and Tenant's property including personal property, furniture, fixtures, machinery, equipment, stock, inventory and improvements and betterments, which may be owned by Tenant or Landlord and required to be insured hereunder, or which may be leased, rented, borrowed or in the care custody or control of Tenant, or Tenant's agents, employees or subcontractors. Such insurance, with respect only to all Alterations, Tenant Improvements or other work performed on the Premises by Tenant (collectively, "**Tenant Work**"), shall name Landlord and Landlord's current and future mortgagees as loss payees as their interests may appear, however this expressly excludes any personal property or inventory of Tenant including but not limited to those items listed on Exhibit B. Such insurance shall be written on an "all risk" of physical loss or damage basis including the perils of fire, extended coverage, electrical injury, mechanical breakdown, windstorm, vandalism, malicious mischief, sprinkler leakage, back-up of sewers or drains, and such other risks Landlord may from time to time designate, for the full replacement cost value of the covered items with an agreed amount endorsement. Business interruption coverage shall have limits sufficient to cover Tenant's lost profits and necessary continuing expenses, including rents due Landlord under the Lease. The minimum period of indemnity for business interruption coverage shall be twelve (12) months plus twelve (12) months' extended period of indemnity.

18.2.4 Workers' Compensation insurance as is required by statute or law, or as may be available on a voluntary basis and Employers' Liability insurance with limits of not less than the following: each accident, Five Hundred Thousand Dollars ($500,000); disease, Five Hundred Thousand Dollars ($500,000); disease (each employee), Five Hundred Thousand Dollars ($500,000).

18.2.5 Pollution Legal Liability insurance is required if Tenant stores, handles, generates or treats Hazardous Materials on or about the Premises (Landlord acknowledging that for purposes of this Section 18.2.5, cannabis shall not be deemed a Hazardous Material). Such coverage shall include bodily injury, sickness, disease, death or mental anguish or shock sustained by any person; property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically injured or destroyed; and defense costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages. Coverage shall apply to both sudden and non-sudden pollution conditions including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water. Claims-made coverage is permitted, provided the policy retroactive date is continuously maintained prior to the commencement date of this Lease, and coverage is continuously maintained during all periods in which Tenant occupies the Premises. Coverage shall be maintained with limits of not less than $1,000,000 per incident with a $2,000,000 policy aggregate and for a period of two (2) years thereafter.

18.3 During all construction by Tenant at the Premises, with respect to tenant improvements being constructed (including the Tenant Improvements and any Alterations), insurance required in Exhibit E-1 must be in place.

18.4 The insurance required of Tenant by this Section shall be with companies at all times having a current rating of not less than A- and financial category rating of at least Class VII in "A.M. Best's Insurance Guide" current edition. Tenant shall obtain for Landlord from the insurance companies/broker or cause the insurance companies/broker to furnish certificates of insurance evidencing all coverages required herein to Landlord. Landlord reserves the right to require complete, certified copies of all required insurance policies including any endorsements. No such policy shall be cancelable or subject to reduction of coverage or cancellation except after twenty (20) days' prior written notice to Landlord from Tenant or its insurers (except in the event of non-payment of premium, in which case ten (10) days' written notice shall be given). All such policies shall be written as primary policies, not contributing with and not in excess of the coverage that Landlord may carry. Tenant's required policies shall contain severability of interests clauses stating that, except with respect to limits of insurance, coverage shall apply separately to each insured or additional insured. Tenant shall, at least twenty-five (25) days prior to the expiration of such policies, make commercially reasonable efforts to furnish Landlord with renewal certificates of insurance or binders. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure such insurance on Tenant's behalf and at its cost to be paid by Tenant as Additional Rent. Commercial General Liability, Commercial Automobile Liability, Umbrella Liability and Pollution Legal Liability insurance as required above shall name Landlord, IIP Operating Partnership, LP and Innovative Industrial Properties, Inc. and their respective officers, employees, agents, general partners, members, subsidiaries, affiliates and Lenders ("**Landlord Parties**") as additional insureds as respects liability arising from work or operations performed by or on behalf of Tenant, Tenant's use or occupancy of Premises, and ownership, maintenance or use of vehicles by or on behalf of Tenant.

18.5 Tenant assumes the risk of damage to any fixtures, goods, inventory, merchandise, equipment and leasehold improvements, and Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom, relative to such damage, all as more particularly set forth within this Lease. Tenant shall, at Tenant's sole cost and expense, carry such insurance as Tenant desires for Tenant's protection with respect to personal property of Tenant or business interruption.

18.6 Each of Landlord, Tenant and their respective insurers hereby waive any and all rights of recovery or subrogation against the Landlord Parties and Tenant Parties respectively with respect to any loss, damage, claims, suits or demands, howsoever caused, that are covered, or should have been covered, by valid and collectible insurance, including any deductibles or self-insurance maintained thereunder. If necessary, each party agrees to endorse the required insurance policies to permit waivers of subrogation as required hereunder and hold harmless and indemnify the other for any loss or expense incurred as a result of a failure to obtain such waivers of subrogation from insurers. Each party shall, upon obtaining the policies of insurance required or permitted under this Lease, shall give notice to its insurance carriers that the foregoing waiver of subrogation is contained in this Lease.

18.7 Landlord may require insurance policy limits required under this Lease to be raised to conform with requirements of Landlord's lender, if any.

18.8 Any costs incurred by Landlord pursuant to this Section shall be included as Operating Expenses payable by Tenant pursuant to this Lease.

18.9 The provisions of this Section shall survive the expiration or earlier termination of this Lease.

19. Subordination and Attornment.

19.1 This Lease shall be subject and subordinate to the lien of any mortgage, deed of trust, or lease in which Landlord is tenant now or hereafter in force against the Premises or any portion thereof and to all advances made or hereafter to be made upon the security thereof without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination.

19.2 Notwithstanding the foregoing, Tenant shall execute and deliver upon demand such further instrument or instruments evidencing such subordination of this Lease to the lien of any such mortgage or mortgages or deeds of trust or lease in which Landlord is tenant as may be required by Landlord. If any such mortgagee, beneficiary or landlord under a lease wherein Landlord is tenant (each, a "**Mortgagee**") so elects, however, this Lease shall be deemed prior in lien to any such lease, mortgage, or deed of trust upon or including the Premises regardless of date and Tenant shall execute a statement in writing to such effect at Landlord's request. If Tenant fails to execute any document required from Tenant under this Section within ten (10) days after written request therefor, Tenant hereby constitutes and appoints Landlord or its special attorney-in-fact to execute and deliver any such document or documents in the name of Tenant. Such power is coupled with an interest and is irrevocable.

19.3 Upon written request of Landlord and opportunity for Tenant to review, Tenant agrees to execute any Lease amendments not materially altering the terms of this Lease, if required by a Mortgagee incident to the financing of the real property of which the Premises constitute a part.

19.4 In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Landlord covering the Premises, Tenant shall at the election of the purchaser at such foreclosure or sale attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Landlord under this Lease.

20. Defaults and Remedies.

20.1 Late payment by Tenant to Landlord of Rent and other sums due shall cause Landlord to incur costs not contemplated by this Lease, the exact amount of which shall be extremely difficult and impracticable to ascertain. Such costs include processing and accounting charges and late charges that may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Therefore, if any installment of Base Rent or the Property Management Fee or any other recurring monthly payment of Rent due from Tenant is not received by Landlord within five (5) business days after the date such payment is due, , then Tenant shall pay to Landlord (a) an additional sum of five percent (5%) of the overdue Rent as a late charge plus (b) interest at an annual rate (the "**Default Rate**") equal to the lesser of (a) fifteen percent (15%) and (b) the highest rate permitted by Applicable Laws. Furthermore, if any other payment of Rent due from Tenant is not received by Landlord within ten (10) days after Landlord has provided Tenant with written notice that such amount is overdue, then Tenant shall pay to Landlord (i) an additional sum of five percent (5%) of the overdue Rent as a late charge plus (ii) interest at the Default Rate. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord shall incur by reason of late payment by Tenant and shall be payable as Additional Rent to Landlord due with the next installment of Rent. Landlord's acceptance of any Additional Rent (including a late charge or any other amount hereunder) shall not be deemed an extension of the date that Rent is due or prevent Landlord from pursuing any other rights or remedies under this Lease, at law or in equity.

20.2 No payment by Tenant or receipt by Landlord of a lesser amount than the Rent payment herein stipulated shall be deemed to be other than on account of the Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease or in equity or at law.

20.3 If Tenant fails to pay any sum of money required to be paid by it hereunder or perform any other act on its part to be performed hereunder, in each case within the applicable cure period (if any) described herein, then Landlord may (but shall not be obligated to), without waiving or releasing Tenant from any obligations of Tenant, make such payment or perform such act. Notwithstanding the foregoing, in the event of an emergency, Landlord shall have the right to enter the Premises and act in accordance with its rights as provided elsewhere in this Lease. Tenant shall pay to Landlord as Additional Rent all sums so paid or incurred by Landlord, together with interest at the Default Rate, computed from the date such sums were paid or incurred.

20.4 The occurrence of any one or more of the following events shall constitute a "**Default**" hereunder by Tenant:

20.4.1 Tenant abandons or vacates the Premises;

20.4.2 Tenant fails to make any payment of Rent, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof from Landlord to Tenant;

20.4.3 Tenant fails to observe or perform any obligation or covenant contained herein, after the expiration of any applicable notice and cure periods;

20.4.4 Tenant makes an assignment for the benefit of creditors, or a receiver, trustee or custodian is appointed to or does take title, possession or control of all or substantially all of Tenant's or any Guarantor's assets;

20.4.5 Tenant or any Guarantor files a voluntary petition under the United States Bankruptcy Code or any successor statute (as the same may be amended from time to time, the "**Bankruptcy Code**") or an order for relief is entered against Tenant or any Guarantor (as applicable) pursuant to a voluntary or involuntary proceeding commenced under any chapter of the Bankruptcy Code;

20.4.6 Any involuntary petition is filed against Tenant or any Guarantor under any chapter of the Bankruptcy Code and is not dismissed within one hundred twenty (120) days;

20.4.7 A default exists under any Guaranty executed by a Guarantor in favor of Landlord, after the expiration of any applicable notice and cure periods;

20.4.8 Tenant's interest in this Lease is attached, executed upon or otherwise judicially seized and such action is not released within one hundred twenty (120) days of the action;

20.4.9 A governmental authority seizes any part of the Property seeking forfeiture, whether or not a judicial forfeiture proceeding has commenced;

20.4.10 A final, non-appealable judgment having the effect of establishing that Tenant's operation violates Landlord's contractual obligations (i) pursuant to any private covenants of record restricting Landlord's Building containing the Premises or (ii) of good faith and fair dealing to any third party, including other tenants of the Building containing the Premises or occupants or owners of any other building within the Project; or

20.4.11 An event occurs that results in any insurance carrier that provides insurance coverage with respect to any aspect of the Project providing notice to the Landlord of its intent to cancel such insurance coverage, and Landlord, exercising commercially reasonable efforts, is not able to procure comparable replacement insurance coverage that is reasonably acceptable to Landlord prior to the actual cancellation date specified in the notice from the cancelling insurance carrier.

20.5 Notices given under this Section shall specify the alleged default and shall demand that Tenant perform the provisions of this Lease or pay the Rent that is in arrears, as the case may be, within the applicable period of time, or quit the Premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice.

20.6 In the event of a Default by Tenant, and at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy that Landlord may have under Applicable Laws or this Lease, Landlord has the right to do any or all of the following:

20.6.1 Halt any Tenant Improvements or Alterations and order Tenant's contractors to stop work;

20.6.2 Terminate Tenant's right to possession of the Premises by written notice to Tenant or by any lawful means, in which case Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall have the immediate right to re-enter and remove all persons and property, and such property may be removed and stored elsewhere at the cost and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage; and

20.6.3 Terminate this Lease, in which event Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall have the immediate right to re-enter and remove all persons and property, and such property may be removed and stored elsewhere at the cost and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage. In the event that Landlord shall elect to so terminate this Lease, then Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including:

20.6.3.1 The sum of: (i) the worth at the time of award (computed by allowing interest at the Default Rate) of any unpaid Rent that had accrued at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent that would have accrued during the period commencing with termination of the Lease and ending at the time of award exceeds that portion of the loss of Landlord's rental income from the Premises that Tenant proves to Landlord's reasonable satisfaction could have been reasonably avoided; plus; (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds that portion of the loss of Landlord's rental income from the Premises that Tenant proves to Landlord's reasonable satisfaction could have been reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment caused by Tenant's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, including the cost of restoring the Premises to the condition required under the terms of this Lease, including any rent payments not otherwise chargeable to Tenant (e.g., during any "free" rent period or rent holiday); plus (v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Applicable Laws; or

20.6.3.2 At Landlord's election, as minimum liquidated damages in addition to any (A) amounts paid or payable to Landlord pursuant to Section 20.6.3.1.(i) prior to such election and (B) costs of restoring the Premises to the condition required under the terms of this Lease, an amount (the "**Election Amount**") equal to either (Y) the positive difference (if any, and measured at the time of such termination) between (1) the then-present value of the total Rent and other benefits that would have accrued to Landlord under this Lease for the remainder of the Term if Tenant had fully complied with the Lease minus (2) the then-present cash rental value of the Premises as determined by Landlord for what would be the then-unexpired Term if the Lease remained in effect, computed using the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one (1) percentage point (the "**Discount Rate**") or (Z) twelve (12) months (or such lesser number of months as may then be remaining in the Term) of Base Rent and Additional Rent at the rate last payable by Tenant pursuant to this Lease, in either case as Landlord specifies in such election. Landlord and Tenant agree that the Election Amount represents a reasonable forecast of the minimum damages expected to occur in the event of a breach, taking into account the uncertainty, time and cost of determining elements relevant to actual damages, such as fair market rent, time and costs that may be required to re-lease the Premises, and other factors; and that the Election Amount is not a penalty.

20.7 In addition to any other remedies available to Landlord at law or in equity and under this Lease, Landlord may continue this Lease in effect after Tenant's Default or abandonment and recover Rent as it becomes due. In addition, Landlord shall not be liable in any way whatsoever for its failure or refusal to relet the Premises. For purposes of this Section, the following acts by Landlord will not constitute the termination of Tenant's right to possession of the Premises: Acts of maintenance or preservation or efforts to relet the Premises, including alterations, remodeling, redecorating, repairs, replacements or painting as Landlord shall consider advisable for the purpose of reletting the Premises or any part thereof; or the appointment of a receiver upon the initiative of Landlord to protect Landlord's interest under this Lease or in the Premises.

20.8 Notwithstanding the foregoing, in the event of a Default by Tenant, Landlord may elect at any time to terminate this Lease and to recover damages to which Landlord is entitled.

20.9 If Landlord does not elect to terminate this Lease as provided in this Section 20, then Landlord may, from time to time, recover all Rent as it becomes due under this Lease. At any time thereafter, Landlord may elect to terminate this Lease and to recover damages to which Landlord is entitled.

20.10 All of Landlord's rights, options and remedies hereunder shall be construed and held to be nonexclusive and cumulative. Notwithstanding any provision of this Lease to the contrary, in no event shall Landlord be required to mitigate its damages with respect to any default by Tenant, except as required by Applicable Laws. Any such obligation imposed by Applicable Laws upon Landlord to relet the Premises after any termination of this Lease shall be subject to the reasonable requirements of Landlord to lease to high quality tenants on such terms as Landlord may from time to time deem appropriate in its discretion. Landlord shall not be obligated to relet the Premises to any party (i) unacceptable to a Lender, (ii) that requires Landlord to make improvements to or re-demise the Premises, (iii) that desires to change the Permitted Use, (iv) that desires to lease the Premises for more or less than the remaining Term or (v) to whom Landlord or an affiliate of Landlord may desire to lease other available space in the Project or at another property owned by Landlord or an affiliate of Landlord.

20.11 To the extent permitted by Applicable Laws, Tenant waives any and all rights of redemption granted by or under any present or future Applicable Laws if Tenant is evicted or dispossessed for any cause, or if Landlord obtains possession of the Premises due to Tenant's default hereunder or otherwise.

20.12 Landlord shall not be in default or liable for damages under this Lease unless Landlord fails to perform obligations required of Landlord within a reasonable time. In no event shall Tenant have the right to terminate or cancel this Lease or to withhold or abate rent or to set off any Claims against Rent as a result of any default or breach by Landlord of any of its covenants, obligations, representations, warranties or promises hereunder, except as may otherwise be expressly set forth in this Lease.

20.13 In the event of any default by Landlord, Tenant shall give notice by registered or certified mail to any (a) beneficiary of a deed of trust or (b) mortgagee under a mortgage covering the Premises or any portion thereof and to any landlord of any lease of land upon or within which the Premises are located, and shall offer such beneficiary, mortgagee or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Premises by power of sale or a judicial action if such should prove necessary to effect a cure; provided that Landlord shall furnish to Tenant in writing, upon written request by Tenant, the names and addresses of all such persons who are to receive such notices.

21. Damage or Destruction.

21.1 Tenant's Obligation to Rebuild. If the Premises are damaged or destroyed, Tenant shall immediately provide notice thereof to Landlord, and shall promptly thereafter deliver to Landlord Tenant's good faith estimate of the time it will take to repair and rebuild the Premises (the "Estimated Time For Repair"). Subject to the other provisions of this Section 21, Tenant shall promptly and diligently repair and rebuild the Premises in accordance with this Section 21 unless Landlord or Tenant terminates this Lease in accordance with Section 21.2.

21.2 Termination.

21.2.1 Landlord's Right to Terminate.

21.2.1.1 Landlord shall have the right to terminate this Lease following damage to or destruction of all or a substantial portion of the Premises if any of the following occurs (each, a "**Termination Condition**"): (i) insurance proceeds, together with additional amounts Tenant agrees to contribute under this Section 21, are not confirmed to be available to Landlord, within 90 days following the date of damage, to pay 100% of the cost to fully repair the damaged Premises, excluding the deductible for which Tenant shall also be responsible for paying as an Operating Expense; (ii) based upon the Estimated Time For Repair, the Premises cannot, with reasonable diligence, be fully repaired by Tenant within eighteen (18) months after the date of the damage or destruction; (iii) the Premises cannot be safely repaired because of the presence of hazardous factors, including, but not limited to, earthquake faults, chemical waste and other similar dangers; (iv) subject to the terms and conditions of Section 21.2.1.1. hereof, all or a substantial portion of the Premises are destroyed or damaged during the last 24 months of the Term; or (v) Tenant is in Default at the time of such damage or destruction past any period of notice and cure as elsewhere provided in this Lease. For purposes of this Section 21.2, a "substantial portion" of the Premises shall be deemed to be damaged or destroyed if the Premises is rendered unsuitable for the continued use and occupancy of Tenant's business substantially in the same manner conducted prior to the event causing the damage or destruction.

21.2.1.2 If all or a substantial portion of the Premises are destroyed or damaged within the last twenty-four (24) months of the initial Term, or within the last twenty-four (24) months of the first Extension Period under this Lease, and Landlord desires to terminate this Lease under Section 21.2.1.1. hereof, Landlord shall deliver a Termination Notice to Tenant pursuant to Section 21.2.3 below and Tenant shall have a period of thirty (30) days after receipt of the Termination Notice ("**Tenant's Early Option Period**") to exercise its option to extend the initial Term or the first Extension Period, as applicable, by providing Landlord with written notice of Tenant's exercise of its respective option prior to the expiration of Tenant's Early Option Period. If Tenant exercises its option rights under the immediately preceding sentence, the Termination Notice shall be deemed rescinded and Tenant shall proceed to repair and rebuild the Premises in accordance with the other provisions of this Section 21. If Tenant fails to deliver such written notice to Landlord prior to the end of Tenant's Early Option Period, then Tenant shall be deemed to have waived its option to extend the Term, and the last day of Tenant's Early Option Period shall be deemed to be the date of the occurrence of the Termination Condition under Section 21.2.1.1.

21.2.2 Tenant's Right to Terminate. Tenant shall have the right to terminate this Lease following damage to or destruction of all or a substantial portion of the Premises if the Premises are destroyed or damaged during the last twenty-four (24) months of the Term or any Extension, which termination shall be deemed to constitute a Termination Condition.

21.2.3 Exercise of Termination Right. If a party elects to terminate this Lease and has the right to so terminate, such party will give the other party written notice of its election to terminate ("**Termination Notice**") within thirty (30) days after the occurrence of the applicable Termination Condition, and this Lease will terminate fifteen (15) days after the receiving party's receipt of such Termination Notice, except in the case of a termination by Landlord under Section 21.2.1.1., in which case this Lease will terminate fifteen (15) days after expiration of the Tenant Early Option Period if Tenant timely fails to exercise timely Tenant's option to extend the Term. If this Lease is terminated pursuant to Section 21.2, Landlord shall, subject to the rights of its lender(s), be entitled to receive and retain all the insurance proceeds resulting from such damage, including rental loss insurance, except for those proceeds payable under policies obtained by Tenant which specifically insure Tenant's personal property, trade fixtures and machinery and Tenant is expressly allowed to retrieve and retain its personal property and inventory including, without limitation those items set forth on Exhibit B.

21.3 Tenant's Obligation to Repair. If Tenant is required to repair or rebuild any damage or destruction of the Premises under Section 21.1, then Tenant shall (a) submit its plans to repair such damage and reconstruct the Premises to Landlord for review and approval, which approval shall not be unreasonably withheld; (b) diligently repair and rebuild the Premises in the same or better condition and with the same or better quality of materials as the condition of the Premises as of the Commencement Date, and in a manner that is consistent with the plans and specifications approved by Landlord; (c) obtain all permits and governmental approvals necessary to repair or reconstruct the Premises (which permits shall not contain any conditions that are materially more restrictive than the permits in existence on the date hereof); (d) cause all work to be performed only by qualified contractors that are reasonably approved by Landlord; (e) allow Landlord and its consultants and agents to enter the Premises at all reasonable times to inspect the Premises and Tenant's ongoing work and cooperate reasonably in good faith with their effort to ensure that the work is proceeding in a manner that is consistent with this Lease; (f) comply with all applicable laws and permits in connection with the performance of such work; (g) timely pay all of its consultants, suppliers and other contractors in connection with the performance of such work; (h) notify Landlord if Tenant receives any notice of any default or any violation of any applicable law or any permit or similar notice in connection with such work; (i) deliver as-built plans for the Premises within thirty (30) days after the completion of such repair and restoration; (j) ensure that Landlord has fee simple title to the Premises during such work without any claim by any contractor or other party; (k) maintain such insurance as Landlord may reasonably require (including insurance in the nature of builders' risk insurance) and (l) comply with such other conditions as Landlord may reasonably require. In addition, Tenant shall, at its expense, replace or fully repair all of Tenant's personal property and any alterations installed by Tenant existing at the time of such damage or destruction. To the fullest extent permitted by law, Tenant shall indemnify, protect, defend and hold Landlord (and its employees and agents) harmless from and against any and all claims, costs, expenses, suits, judgments, actions, investigations, proceedings and liabilities arising out of or in connection with Tenant's obligations under this Section 21, including, without limitation, any acts, omissions or negligence in the making or performance of any such repairs or replacements. In the event Tenant does not repair and rebuild the Premises pursuant to this Section 21, Tenant shall be in breach, and Landlord shall have the right to retain all casualty insurance proceeds and condemnation proceeds.

21.4 Application of Insurance Proceeds for Repair and Rebuilding. Landlord shall cause the insurance proceeds (the "**Insurance Proceeds**") on account of such damage or destruction to be held by Landlord and disbursed as follows:

21.4.1 Minor Restorations. If (i) the estimated cost of restoration is less than One Million Dollars ($1,000,000.00), (ii) prior to commencement of restoration, no Default or event which, with the passage of time, would give rise to a Default shall exist and no mechanics' or materialmen's liens shall have been filed and remain undischarged, (iii) the architects, contracts, contractors, plans and specifications for the restoration shall have been approved by Landlord (which approval shall not be unreasonably withheld or delayed), (iv) Landlord shall be provided with reasonable assurance against mechanics' liens, accrued or incurred, as Landlord or its lenders may reasonably require and such other documents and instruments as Landlord or its lenders may reasonably require, and (v) Tenant shall have procured acceptable performance and payment bonds reasonably acceptable to Landlord in an amount and form, and from a surety, reasonably acceptable to Landlord, and naming Landlord as an additional obligee; then Landlord shall make available that portion of the Insurance Proceeds to Tenant for application to pay the costs of restoration incurred by Tenant and Tenant shall promptly complete such restoration.

21.4.2 Other Than Minor Restorations. If the estimated cost of restoration is equal to or exceeds One Million Dollars ($1,000,000), and if Tenant provides evidence satisfactory to Landlord that sufficient funds are available to restore the Premises, Landlord shall make disbursements from the available Insurance Proceeds from time to time in an amount not exceeding the cost of the work completed since the date covered by the last disbursement, upon receipt of (a) satisfactory evidence, including architect's certificates, of the stage of completion, of the estimated cost of completion and of performance of the work to date in a good and workmanlike manner in accordance with the contracts, plans and specifications, (b) reasonable assurance against mechanics' or materialmen's liens, accrued or incurred, as Landlord or its lenders may reasonably require, (c) contractors' and subcontractors' sworn statements, (d) a satisfactory bring-to-date of title insurance, (e) performance and payment bonds reasonably acceptable to Landlord in an amount and form, and from a surety, reasonably acceptable to Landlord, and naming Landlord as an additional obligee, (f) such other documents and instruments as Landlord or its lenders may reasonably require, and (g) other evidence of cost and payment so that Landlord can verify that the amounts disbursed from time to time are represented by work that is completed, in place and free and clear of mechanics' lien claims.

21.4.3 Requests for Disbursements. Requests for disbursement shall be made no more frequently than monthly and shall be accompanied by a certificate of Tenant describing in detail the work for which payment is requested, stating the cost incurred in connection therewith and stating that Tenant has not previously received payment for such work; the certificate to be delivered by Tenant upon completion of the work shall, in addition, state that the work has been completed and complies with the applicable requirements of this Lease. Landlord may retain 10% of each requisition until the restoration is fully completed. In addition, Landlord may withhold from amounts otherwise to be paid to Tenant, any amount that is necessary in Landlord's reasonable judgment to protect Landlord from any potential loss due to work that is improperly performed or claims by Tenant's contractors and consultants.

21.4.4 Costs in Excess of Insurance Proceeds. In addition, prior to commencement of restoration and at any time during restoration, if the estimated cost of restoration, as determined by the evaluation of an independent engineer acceptable to Landlord and Tenant, exceeds the amount of the Insurance Proceeds, Tenant will provide evidence satisfactory to Landlord that the amount of such excess will be available to restore the Premises. Any Insurance Proceeds remaining upon completion of restoration shall be refunded to Tenant up to the amount of Tenant's payments pursuant to the immediately preceding sentence. If no such refund is required, any sum of Insurance Proceeds remaining upon completion of restoration shall be paid to Landlord. In the event Landlord and Tenant cannot agree on an independent engineer, an independent engineer designated by Tenant and an independent engineer designated by Landlord shall within five (5) business days select an independent engineer licensed to practice in California who shall resolve such dispute within ten (10) business days after being retained by Landlord. All fees, costs and expenses of such third engineer so selected shall be shared equally by Landlord and Tenant.

21.5 Abatement of Rent. In the event of repair, reconstruction and restoration as provided in this Section, all Rent to be paid by Tenant under this Lease shall be abated proportionately based on the extent to which Tenant's use of the Premises is impaired during the period of such repair, reconstruction or restoration, unless Landlord provides Tenant with other space during the period of repair, reconstruction and restoration that, in Tenant's reasonable opinion, is suitable for the temporary conduct of Tenant's business; provided, however, that the amount of such abatement shall be reduced by the amount of Rent that is received by Tenant as part of the business interruption or loss of rental income with respect to the Premises from the proceeds of business interruption or loss of rental income insurance. Tenant shall not otherwise be entitled to any compensation or damages from Landlord for loss of the use of the Premises, damage to Tenant's personal property or any inconvenience occasioned by such damage, repair or restoration.

21.6 Replacement Cost. The determination in good faith by Landlord of the estimated cost of repair of any damage, of the replacement cost, or of the time period required for repair shall be conclusive for purposes of this Section 21.

21.7 This Section 21 sets forth the terms and conditions upon which this Lease may terminate in the event of any damage or destruction. Accordingly, the parties hereby waive the provisions of any Applicable Laws (and any successor statutes) permitting the parties to terminate this Lease as a result of any damage or destruction.

22. Eminent Domain.

22.1 In the event (a) the whole of the Premises or (b) such part thereof as shall substantially interfere with Tenant's use and occupancy of the Premises for the Permitted Use shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking, Tenant or Landlord may terminate this Lease effective as of the date possession is required to be surrendered to such authority, except with regard to (y) items occurring prior to the taking and (z) provisions of this Lease that, by their express terms, survive the expiration or earlier termination hereof.

22.2 In the event of a partial taking of the Premises for any public or quasi-public purpose by any lawful power or authority by exercise of right of appropriation, condemnation, or eminent domain, or sole to prevent such taking, then, without regard to whether any portion of the Premises occupied by Tenant was so taken, Landlord may elect to terminate this Lease (except with regard to (a) items occurring prior to the taking and (b) provisions of this Lease that, by their express terms, survive the expiration or earlier termination hereof) as of such taking if such taking is, in Landlord's sole opinion, of a material nature such as to make it uneconomical to continue use of the unappropriated portion for purposes of renting space for the Permitted Use.

22.3 Tenant shall be entitled to any award that is specifically awarded as compensation for (a) the taking of Tenant's personal property that was installed at Tenant's expense and including, but not limited to, those items listed on Exhibit B and (b) the costs of Tenant moving to a new location. Except as set forth in the previous sentence, any award for such taking shall be the property of Landlord unless such taking is temporary and the Lease is not terminated in which case the entirety of the award remains with Tenant, net of any costs incurred by Landlord to restore the Premises pursuant to Section 22.4 or to obtain such award, for which Landlord shall be entitled to be reimbursed prior to remitting the balance of such award to Tenant.

22.4 If, upon any taking of the nature described in this Section, this Lease continues in effect, then Landlord shall promptly proceed to restore the Premises to substantially their same condition prior to such partial taking. To the extent such restoration is infeasible, as determined by Landlord in its sole and absolute discretion, the Rent shall be decreased proportionately to reflect the loss of any portion of the Premises no longer available to Tenant.

22.5 This Section 22 sets forth the terms and conditions upon which this Lease may terminate in the event of any damage or destruction. Accordingly, the parties hereby waive the provisions of any Applicable Laws (and any successor statutes) permitting the parties to terminate this Lease as a result of any damage or destruction.

23. Surrender. At least thirty (30) days prior to Tenant's surrender of possession of any part of the Premises, Tenant shall provide Landlord with a facility decommissioning and Hazardous Materials closure plan for the Premises ("**Exit Survey**") prepared by an independent third party state-certified professional with appropriate expertise, which Exit Survey must be reasonably acceptable to Landlord. In addition, at least ten (10) days prior to Tenant's surrender of possession of any part of the Premises, Tenant shall (a) provide Landlord with written evidence of all appropriate governmental releases obtained by Tenant in accordance with Applicable Laws, including laws pertaining to the surrender of the Premises, and (b) conduct a site inspection with Landlord. In addition, Tenant agrees to remain responsible after the surrender of the Premises for the remediation of any recognized environmental conditions set forth in the Exit Survey and comply with any recommendations set forth in the Exit Survey. Tenant's obligations under this Section shall survive the expiration or earlier termination of the Lease. The provisions of this Section 23 shall survive the termination or expiration of this Lease, and no surrender of possession of any part of the Premises shall release Tenant from any of its obligations hereunder, unless such surrender is accepted in writing by Landlord.

24. Bankruptcy. In the event a debtor, trustee or debtor in possession under the Bankruptcy Code, or another person with similar rights, duties and powers under any other Applicable Laws, proposes to cure any default under this Lease or to assume or assign this Lease and is obliged to provide adequate assurance to Landlord that (a) a default shall be cured, (b) Landlord shall be compensated for its damages arising from any breach of this Lease and (c) future performance of Tenant's obligations under this Lease shall occur, then such adequate assurances shall include any or all of the following, as designated by Landlord in its sole and absolute discretion: (i) those acts specified in the Bankruptcy Code or other Applicable Laws as included within the meaning of "adequate assurance," even if this Lease does not concern a facility described in such Applicable Laws; (ii) a prompt cash payment to compensate Landlord for any monetary defaults or actual damages arising directly from a breach of this Lease; (iii) a cash deposit in an amount at least equal to the then-current amount of the Security Deposit; or (iv) the assumption or assignment of all of Tenant's interest and obligations under this Lease.

25. Brokers. Tenant represents and warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease and that it knows of no real estate broker or agent that is or might be entitled to a commission in connection with this Lease. Tenant agrees to indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from any and all cost or liability for compensation claimed by any broker or agent employed or engaged by Tenant or claiming to have been employed or engaged by Tenant. The provisions of this Section 25 shall survive the expiration or termination of this Lease.

26. Definition of Landlord. With regard to obligations imposed upon Landlord pursuant to this Lease, the term "**Landlord**," as used in this Lease, shall refer only to Landlord or Landlord's then-current successor-in-interest. In the event of any transfer, assignment or conveyance of Landlord's interest in this Lease or in Landlord's fee title to or leasehold interest in the Property, as applicable, Landlord herein named (and in case of any subsequent transfers or conveyances, the subsequent Landlord) shall be automatically freed and relieved, from and after the date of such transfer, assignment or conveyance, from all liability for the performance of any covenants or obligations contained in this Lease thereafter to be performed by Landlord and, without further agreement, the transferee, assignee or conveyee of Landlord's in this Lease or in Landlord's fee title to or leasehold interest in the Property, as applicable, shall be deemed to have assumed and agreed to observe and perform any and all covenants and obligations of Landlord hereunder during the tenure of its interest in the Lease or the Property. Landlord or any subsequent Landlord may transfer its interest in the Premises or this Lease without Tenant's consent.

27. Limitation of Landlord's Liability. If Landlord is in default under this Lease and, as a consequence, Tenant recovers a monetary judgment against Landlord, the judgment shall be satisfied only out of (a) the proceeds of sale received on execution of the judgment and levy against the right, title and interest of Landlord in the Premises, (b) rent or other income from such real property receivable by Landlord or (c) the consideration received by Landlord from the sale, financing, refinancing or other disposition of all or any part of Landlord's right, title or interest in the Premises. Neither Landlord nor any of its affiliates, nor any of their respective partners, shareholders, directors, officers, employees, members or agents shall be personally liable for Landlord's obligations or any deficiency under this Lease. No partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates shall be sued or named as a party in any suit or action. No partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates shall be required to answer or otherwise plead to any service of process, and no judgment shall be taken or writ of execution levied against any partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates. Each of the covenants and agreements of this Section 28 shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by Applicable Laws and shall survive the expiration or earlier termination of this Lease.

28. Control by Landlord. Landlord reserves full control over the Premises to the extent not inconsistent with Tenant's enjoyment of the same as provided by this Lease; provided, however, that such rights shall be exercised in a way that does not adversely affect Tenant's beneficial use and occupancy of the Premises, including the Permitted Use and Tenant's access to the Premises. Tenant shall, at Landlord's request, promptly execute such further documents as may be reasonably appropriate to assist Landlord in the performance of its obligations hereunder; provided that Tenant need not execute any document that creates additional liability for Tenant or that deprives Tenant of the quiet enjoyment and use of the Premises as provided for in this Lease. Landlord may, upon twenty-four (24) hours' prior notice (which may be oral or by email to the office manager or other Tenant-designated individual at the Premises; but provided that no time restrictions shall apply or advance notice be required if an emergency necessitates immediate entry), enter the Premises to (v) inspect the same and to determine whether Tenant is in compliance with its obligations hereunder, (w) supply any service Landlord is required to provide hereunder, (x) post notices of nonresponsibility and (y) show the Premises to prospective tenants during the final year of the Term and current and prospective purchasers and lenders at any time (in all situations provided that Landlord's personnel are accompanied by Tenants' authorized personnel in sensitive areas of the Premises). In no event shall Tenant's Rent abate as a result of Landlord's activities pursuant to this Section 29; provided, however, that all such activities shall be conducted in such a manner so as to cause as little interference to Tenant as is reasonably possible. If an emergency necessitates immediate access to the Premises, Landlord may use whatever force is necessary to enter the Premises, and any such entry to the Premises shall not constitute a forcible or unlawful entry to the Premises, a detainer of the Premises, or an eviction of Tenant from the Premises or any portion thereof.

29. Joint and Several Obligations. If more than one person or entity executes this Lease as Tenant, then (i) each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed or performed by Tenant, and such terms, covenants, conditions, provisions and agreements shall be binding with the same force and effect upon each and all of the persons executing this Lease as Tenant; and (ii) the term "**Tenant**," as used in this Lease, shall mean and include each of them, jointly and severally. The act of, notice from/to, refund to, or signature of any one or more of them with respect to the tenancy under this Lease, including any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted, so given or received such notice or refund, or so signed.

30. Representations. Each of Tenant and Landlord guarantees, warrants and represents that (a) such party is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) such party is duly qualified to do business in the state in which the Property is located, (c) such party has full corporate, partnership, trust, association or other appropriate power and authority to enter into this Lease and to perform its obligations hereunder, (d) each person (and all of the persons if more than one signs) signing this Lease on behalf of such party is duly and validly authorized to do so and (e) neither (i) the execution, delivery or performance of this Lease nor (ii) the consummation of the transactions contemplated hereby will violate or conflict with any provision of documents or instruments under which such party is constituted or to which such party is a party. In addition, Tenant guarantees, warrants and represents that none of (x) it, (y) its affiliates or partners nor (z) to the best of its knowledge, its members, shareholders or other equity owners or any of their respective employees, officers, directors, representatives or agents is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other similar governmental action.

31. Confidentiality. Tenant shall keep the terms and conditions of this Lease confidential and shall not (a) disclose to any third party any terms or conditions of this Lease or any other Lease-related document (including subleases, assignments, work letters, construction contracts, letters of credit, subordination agreements, non-disturbance agreements, brokerage agreements or estoppels) or (b) provide to any third party an original or copy of this Lease (or any Lease-related document). Notwithstanding the foregoing, confidential information under this Section may be released by Landlord or Tenant under the following circumstances: (x) if required by Applicable Laws or in any judicial proceeding; provided that the releasing party has given the other party reasonable notice of such requirement, if feasible, (y) to a party's attorneys, investors, accountants, brokers and other bona fide consultants or advisers; provided such third parties agree to be bound by this Section or (z) to bona fide prospective assignees or subtenants of this Lease; provided they agree in writing to be bound by this Section.

32. Notices. Except as otherwise stated in this Lease, any notice, consent, demand, invoice, statement or other communication required or permitted to be given hereunder shall be in writing and shall be given by (a) personal delivery, (b) overnight delivery with a reputable international overnight delivery service, such as FedEx, or (c) facsimile or email transmission, so long as such transmission is followed within one (1) business day by delivery utilizing one of the methods described in Subsection 33(a) or (b). Any such notice, consent, demand, invoice, statement or other communication shall be deemed delivered (x) upon receipt, if given in accordance with Subsection 33(a); (y) one (1) business day after deposit with a reputable international overnight delivery service, if given if given in accordance with Subsection 33(b); or (z) upon transmission, if given in accordance with Subsection 33(c). Except as otherwise stated in this Lease, any notice, consent, demand, invoice, statement or other communication required or permitted to be given pursuant to this Lease shall be addressed to Tenant at the Premises, or to Landlord or Tenant at the addresses shown in Section 2. Either party may, by notice to the other given pursuant to this Section, specify additional or different addresses for notice purposes.

33. Guaranties. In the event that any entity affiliated with Tenant is formed after the Execution Date which entity conducts business in the cannabis industry in the state of Minnesota or the state of New York (each, a "**New Guarantor**"), Tenant shall promptly cause such New Guarantor to execute a Guaranty in the form attached hereto as Exhibit D and deliver such executed Guaranty to Landlord. Any failure by Tenant to provide such Guaranty within thirty (30) days following the formation of such New Guarantor shall be deemed a material default under this Lease. The obligations of each Guarantor shall be joint and several and Tenant shall cause each Guarantor to execute and deliver such further documentation as may be reasonably required to confirm such Guarantor's full and unconditional guaranty of Tenant's obligations under this Lease.

34. Miscellaneous.

34.1 To induce Landlord to enter into this Lease, Tenant agrees that it shall, within one-hundred and twenty (120) days after the end of Tenant's financial year, furnish Landlord with a certified copy of Tenant's audited year-end unconsolidated financial statements for the previous year and shall cause Guarantor to furnish Landlord (within one-hundred and fifty days from the end of Guarantor's financial year) with a certified copy of Guarantor's audited year-end unconsolidated financial statements for the previous year. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all respects and that all financial statements, records and information furnished by Guarantor to Landlord in connection with this Lease are true, correct and complete in all respects. If audited financials are not otherwise prepared, unaudited financials complying with generally accepted accounting principles and certified by the chief financial officer of Tenant or Guarantor (as applicable) as true, correct and complete in all respects shall suffice for purposes of this Section. The provisions of this Section shall not apply at any time while Tenant or Guarantor (as applicable) is a corporation whose shares are traded on any nationally recognized stock exchange.

34.2 The terms of this Lease are intended by the parties as a final, complete and exclusive expression of their agreement with respect to the terms that are included herein, and may not be contradicted or supplemented by evidence of any other prior or contemporaneous agreement.

34.3 Neither party shall record this Lease.

34.4 Landlord and Tenant have each participated in the drafting and negotiation of this Lease, and the language in all parts of this Lease shall be in all cases construed as a whole according to its fair meaning and not strictly for or against either Landlord or Tenant.

34.5 Except as otherwise expressly set forth in this Lease, each party shall pay its own costs and expenses incurred in connection with this Lease and such party's performance under this Lease; provided that, if either party commences an action, proceeding, demand, claim, action, cause of action or suit against the other party arising out of or in connection with this Lease, then the substantially prevailing party shall be reimbursed by the other party for all reasonable costs and expenses, including reasonable attorneys' fees and expenses, incurred by the substantially prevailing party in such action, proceeding, demand, claim, action, cause of action or suit, and in any appeal in connection therewith (regardless of whether the applicable action, proceeding, demand, claim, action, cause of action, suit or appeal is voluntarily withdrawn or dismissed).

34.6 Time is of the essence with respect to the performance of every provision of this Lease.

34.7 Each provision of this Lease performable by Tenant shall be deemed both a covenant and a condition.

34.8 Notwithstanding anything to the contrary contained in this Lease, Tenant's obligations under this Lease are independent and shall not be conditioned upon performance by Landlord.

34.9 Whenever consent or approval of either party is required, that party shall not unreasonably withhold, condition or delay such consent or approval, except as may be expressly set forth to the contrary.

34.10 Any provision of this Lease that shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and all other provisions of this Lease shall remain in full force and effect and shall be interpreted as if the invalid, void or illegal provision did not exist.

34.11 Each of the covenants, conditions and agreements herein contained shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs; legatees; devisees; executors; administrators; and permitted successors and assigns. This Lease is for the sole benefit of the parties and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns, and nothing in this Lease shall give or be construed to give any other person or entity any legal or equitable rights. Nothing in this Section shall in any way alter the provisions of this Lease restricting assignment or subletting.

34.12 This Lease shall be governed by, construed and enforced in accordance with the laws of the state in which the Premises are located, without regard to such state's conflict of law principles.

34.13 Landlord covenants that Tenant, upon paying the Rent and performing its obligations contained in this Lease, may peacefully and quietly have, hold and enjoy the Premises, free from any claim by Landlord or persons claiming under Landlord, but subject to all of the terms and provisions hereof, provisions of Applicable Laws and rights of record to which this Lease is or may become subordinate. This covenant is in lieu of any other quiet enjoyment covenant, either express or implied.

34.14 Each of Tenant and Landlord guarantees, warrants and represents to the other party that the individual or individuals signing this Lease have the power, authority and legal capacity to sign this Lease on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed.

34.15 This Lease may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document.

34.16 No provision of this Lease may be modified, amended or supplemented except by an agreement in writing signed by Landlord and Tenant.

34.17 No waiver of any term, covenant or condition of this Lease shall be binding upon Landlord unless executed in writing by Landlord. The waiver by Landlord of any breach or default of any term, covenant or condition contained in this Lease shall not be deemed to be a waiver of any preceding or subsequent breach or default of such term, covenant or condition or any other term, covenant or condition of this Lease.

34.18 To the extent permitted by Applicable Laws, the parties waive trial by jury in any action, proceeding or counterclaim brought by the other party hereto related to matters arising out of or in any way connected with this Lease; the relationship between Landlord and Tenant; Tenant's use or occupancy of the Premises; or any claim of injury or damage related to this Lease or the Premises.

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

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease on the day and year first above written.

LANDLORD:

IIP-NY 2 LLC,
a Delaware limited liability company

By: /s/ Paul Smithers
Name: Paul Smithers
Title: Chief Executive Officer

TENANT:

VIREO HEALTH OF NEW YORK, LLC,
a New York limited liability company

By: /s/ Amber Shimpa
Name: Amber Shimpa
Title: CFO

EXHIBIT A

PREMISES

ALL OF THAT TRACT OR PARCEL OF LAND situate in the Town of Perth, County of Fulton and State of New York, being more particularly described as follows:

BEGINNING at an iron rod set in the westerly line of County Road 117, running thence through the lands of Fulton County Industrial Development Agency the following six courses:

S 65° 22' 52" W 144.87' to an iron rod set, S 02° 46' 29" E 45.53' to an iron rod set, S 31°23'32" W 209.35' to an iron rod set, S 15°59'04" W 50.00' to an iron rod set, N 80°02'57" W 93.32' to an iron rod set and S 74°41'28" W 498.22' to an iron rod set at the southeast corner of the lands of Don Brown Bus Sales, thence along the northeasterly line of Don Brown Bus Sales N 37°03'34" W 466.75' to an iron rod set, thence along the line between the Town of Perth on the east and the Town of Johnstown on the west N 05°55'15' W 619.76' to an iron rod set, thence through the lands of Fulton County Industrial Development Agency the following two courses:

N 84°19'12" E 484.32' to an iron rod set and S 70°18'12" E 824.41' to the northwesterly line of County Road 117, thence along the line of County Road 117 on a non-tangent curve to the left having a radius of 330.00' and a chord of S 15°52'43" W 323.26' an arc length of 337.82' to the point of beginning, containing 20.598 acres.

Also being the same premises shown on a Map entitled "Survey of a Portion of Lands of Fulton County Industrial Development Agency", made by Ferguson & Foss Professional Land Surveyors, PC, dated May 6, 2015 and revised September 22, 2015 and recorded in the Fulton County Clerk's Office on April 13, 2016 as Instrument No. 2016-73.

EXHIBIT B

TENANT'S PERSONAL PROPERTY

(see attached)

Excluded Property

Seller’s inventory, including but not limited to, any cannabis plants, derivatives of such plants or goods in process or finished goods
Agilent 1100 Series HPLC
Air Compressor
Agilent 5973N GC/MS Diffusion System
VCG Wall Mounts & Fit Tray Stands
VCH Adjust A Wing Avenger Select A Watt Green Power
Quadro Comil - Model 196S
Roo Licap Vial Filler
Sealing and Bander RL201-1 Robo LiCap-RL201
Co2 Pump
Numerous Safes
Rolling Ladder - Cultivation
Eco Pen - Mfg
Computers, printers, network drives and other IT components and software, both proprietary as well as commercial third-party
All hand tools including but not limited to drills, pallet jacks, wrench sets, lawn care equipment, hand carts and ladders
Racking and shelving
Transport vehicles stores onsite
Pumps and irrigation systems
Generators
Pumps, ballasts and environmental control
Decarb ovens
Distillation equipment
Kinex tourquer
Buchi 5L RotoVap
Laminar flow hood
Exhaust fume hood

EXHIBIT C

FORM OF TENANT ESTOPPEL CERTIFICATE

To: IIP-NY 2 LLC
11440 West Bernardo Court, Suite 220
San Diego, California 92127
Attention: General Counsel

Re: [PREMISES ADDRESS] (the "Premises") at 256 County Route 117, Perth, New York (the "Property")

The undersigned tenant ("Tenant") hereby certifies to you as follows:

1. Tenant is a tenant at the Property under a lease (the "Lease") for the Premises dated as of [_____], 20[____]. The Lease has not been cancelled, modified, assigned, extended or amended [except as follows: [_____]], and there are no other agreements, written or oral, affecting or relating to Tenant's lease of the Premises or any other space at the Property. The lease term expires on [_____], 20[____].

2. Tenant took possession of the Premises, currently consisting of [____] square feet, on [____], 20[__], and commenced to pay rent on [____], 20[__]. Tenant has full possession of the Premises, has not assigned the Lease or sublet any part of the Premises, and does not hold the Premises under an assignment or sublease[, except as follows: [__]].

3. All base rent, rent escalations and additional rent under the Lease have been paid through [_____], 20[_____]. There is no prepaid rent[, except $[__]] [, and the amount of security deposit is $[_____] [in cash][OR][in the form of a letter of credit]]. Tenant currently has no right to any future rent abatement under the Lease.

4. Base rent is currently payable in the amount of $[__] per month.

5. All work to be performed for Tenant under the Lease has been performed as required under the Lease and has been accepted by Tenant[, except [__]], and all allowances to be paid to Tenant, including allowances for tenant improvements, moving expenses or other items, have been paid.

6. The Lease is in full force and effect, free from default and free from any event that could become a default under the Lease, and Tenant has no claims against the landlord or offsets or defenses against rent, and there are no disputes with the landlord. Tenant has received no notice of prior sale, transfer, assignment, hypothecation or pledge of the Lease or of the rents payable thereunder[, except [_____]].

7. Tenant has no rights or options to purchase the Property.

8. To Tenant's knowledge, no hazardous wastes have been generated, treated, stored or disposed of by or on behalf of Tenant in, on or around the Premises in violation of any environmental laws.

9. The undersigned has executed this Estoppel Certificate with the knowledge and understanding that [INSERT NAME OF LANDLORD, PURCHASER OR LENDER, AS APPROPRIATE] or its assignee is [acquiring the Property/making a loan secured by the Property] in reliance on this certificate and that the undersigned shall be bound by this certificate. The statements contained herein may be relied upon by [INSERT NAME OF PURCHASER OR LENDER, AS APPROPRIATE], IIP-NY 2 LLC, IIP Operating Partnership, LP, Innovative Industrial Properties, Inc., and any [other] mortgagee of the Property and their respective successors and assigns.

[Signature page follows]

Any capitalized terms not defined herein shall have the respective meanings given in the Lease.

Dated this [___] day of [____], 20[__].

[_____],
a [_____]

By: _____
Name: _____
Title: _____

Exhibit C

EXHIBIT D

FORM OF

GUARANTY OF LEASE

This Guaranty of Lease ("**Guaranty**") is executed effective on the ____ day of [__], 20[_], by [__], a [__] ("**Guarantor**"), whose address for notices is [__], in favor of IIP-NY 2 LLC, a Delaware limited liability company ("**Landlord**"), whose address for notices is 11440 West Bernardo Court, Suite 220, San Diego, California 92127, Attn: General Counsel.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor covenants and agrees as follows:

1. **Recitals.** This Guaranty is made with reference to the following recitals of facts which constitute a material part of this Guaranty:

(a) Landlord, as Landlord, and Vireo Health of New York, LLC, a New York limited liability company, as Tenant ("**Tenant**"), entered into that certain Lease dated as of October 23, 2017 (the "**Lease**"), with respect to certain space in the building located at 256 County Route 117, Perth, New York, as more particularly described in the Lease (the "**Leased Premises**").

(b) Guarantor is [DESCRIBE RELATIONSHIP OF GUARANTOR TO TENANT] and is therefore receiving a substantial benefit for executing this Guaranty.

(c) Landlord would not have entered into the Lease with Tenant without having received the Guaranty executed by Guarantor as an inducement to Landlord.

(d) By this Guaranty, Guarantor intends to absolutely, unconditionally and irrevocably guarantee the full, timely, and complete (i) payment of all rent and other sums required to be paid by Tenant under the Lease and any other indebtedness of Tenant, (ii) performance of all other terms, covenants, conditions and obligations of Tenant arising out of the Lease and all foreseeable and unforeseeable damages that may arise as a foreseeable or unforeseeable consequence of any non-payment, non-performance or non-observance of, or non-compliance with, any of the terms, covenants, conditions or other obligations described in the Lease (including, without limitation, all attorneys' fees and disbursements and all litigation costs and expenses incurred or payable by Landlord or for which Landlord may be responsible or liable, or caused by any such default), and (iii) payment of any and all expenses (including reasonable attorneys' fees and expenses and litigation expenses) incurred by Landlord in enforcing any of the rights under the Lease or this Guaranty within five (5) days after Landlord's demand thereafter (collectively, the "**Guaranteed Obligations**").

2. **Guaranty.** From and after the Execution Date (as such term is defined under the Lease), Guarantor absolutely, unconditionally and irrevocably guarantees, as principal obligor and not merely as surety, to Landlord, the full, timely and unconditional payment and performance, of the Guaranteed Obligations strictly in accordance with the terms of the Lease, as such Guaranteed Obligations may be modified, amended, extended or renewed from time to time. This is a Guaranty of payment and performance and not merely of collection. Guarantor agrees that Guarantor is primarily liable for and responsible for the payment and performance of the Guaranteed Obligations. Guarantor shall be bound by all of the provisions, terms, conditions, restrictions and limitations contained in the Lease which are to be observed or performed by Tenant, the same as if Guarantor was named therein as Tenant with joint and several liability with Tenant, and any remedies that Landlord has under the Lease against Tenant shall apply to Guarantor as well. If Tenant defaults in any Guaranteed Obligation under the Lease, Guarantor shall in lawful money of the United States, pay to Landlord on demand the amount due and owing under the Lease. Guarantor waives any rights to notices of acceptance, modifications, amendment, extension or breach of the Lease. If Guarantor is a natural person, it is expressly agreed that this guaranty shall survive the death of such guarantor and shall continue in effect. The obligations of Guarantor under this Guaranty are independent of the obligations of Tenant or any other guarantor. Guarantor acknowledges that this Guaranty and Guarantor's obligations and liabilities under this Guaranty are and shall at all times continue to be absolute and unconditional in all respects and shall be the separate and independent undertaking of Guarantor without regard to the genuineness, validity, legality or enforceability of the Lease, and shall at all times be valid and enforceable irrespective of any other agreements or circumstances of any nature whatsoever which might otherwise constitute a defense to this Guaranty and the obligations and liabilities of Guarantor under this Guaranty or the obligations or liabilities of any other person or entity (including, without limitation, Tenant) relating to this Guaranty or the obligations or liabilities of Guarantor hereunder or otherwise with respect to the Lease or to Tenant. Guarantor hereby absolutely, unconditionally and irrevocably waives any and all rights it may have to assert any defense, set-off, counterclaim or cross-claim of any nature whatsoever with respect to this Guaranty or the obligations or liabilities of Guarantor under this Guaranty or the obligations or liabilities of any other person or entity (including, without limitation, Tenant) relating to this Guaranty or the obligations or liabilities of Guarantor under this Guaranty or otherwise with respect to the Lease, in any action or proceeding brought by the holder hereof to enforce the obligations or liabilities of Guarantor under this Guaranty. This Guaranty sets forth the entire agreement and understanding of Landlord and Guarantor, and Guarantor acknowledges that no oral or other agreements, understandings, representations or warranties exist with respect to this Guaranty or with respect to the obligations or liabilities of Guarantor under this Guaranty. The obligations of Guarantor under this Guaranty shall be continuing and irrevocable (a) during any period of time when the liability of Tenant under the Lease continues, and (b) until all of the Guaranteed Obligations have been fully discharged by payment, performance or compliance. If at any time all or any part of any payment received by Landlord from Tenant or Guarantor or any other person under or with respect to the Lease or this Guaranty has been refunded or rescinded pursuant to any court order, or declared to be fraudulent or preferential, or are set aside or otherwise are required to be repaid to Tenant, its estate, trustee, receiver or any other party, including as a result of the insolvency, bankruptcy or reorganization of Tenant or any other party (an "**Invalidated Payment**"), then Guarantor's obligations under the Guaranty shall, to the extent of such Invalidated Payment be reinstated and deemed to have continued in existence as of the date that the original payment occurred. This Guaranty shall not be affected or limited in any manner by whether Tenant may be liable, with respect to the Guaranteed Obligations individually, jointly with other primarily, or secondarily.

3. **No Impairment of Guaranteed Obligations**. Guarantor further agrees that Guarantor's liability for the Guaranteed Obligations shall in no way be released, discharged, impaired or affected or subject to any counterclaim, setoff or deduction by (a) any waiver, consent, extension, indulgence, compromise, release, departure from or other action or inaction of Landlord under or in respect of the Lease or this Guaranty, or any obligation or liability of Tenant, or any exercise or non-exercise of any right, remedy, power or privilege under or in respect to the Lease or this Guaranty, (b) any change in the time, manner or place of payment or performance of the Guaranteed Obligations, (c) the acceptance by Landlord of any additional security or any increase, substitution or change therein, (d) the release by Landlord of any security or any withdrawal thereof or decrease therein, (e) any assignment of the Lease or any subletting of all or any portion of the Leased Premises (with or without Landlord's consent), (f) any holdover by Tenant beyond the term of the Lease (g) any termination of the Lease, (h) any release or discharge of Tenant in any bankruptcy, receivership or other similar proceedings, (i) the impairment, limitation or modification of the liability of Tenant or the estate of Tenant in bankruptcy or of any remedy for the enforcement of Tenant's liability under the Lease resulting from the operation of any present or future provisions of any bankruptcy code or other statute or from the decision in any court, or the rejection or disaffirmance of the Lease in any such proceedings, (j) any merger, consolidation, reorganization or similar transaction involving Tenant, even if Tenant ceases to exist as a result of such transaction, (k) the change in the corporate relationship between Tenant and Guarantor or any termination of such relationship, (l) any change in the direct or indirect ownership of all or any part of the shares in Tenant, or (m) to the extent permitted under applicable law, any other occurrence or circumstance whatsoever, whether similar or dissimilar to the foregoing, which might otherwise constitute a legal or equitable defense or discharge of the liabilities of Guarantor or which might otherwise limit recourse against Guarantor. Guarantor further understands and agrees that Landlord may at any time enter into agreements with Tenant to amend and modify the Lease, and may waive or release any provision or provisions of the Lease, and, with reference to such instruments, may make and enter into any such agreement or agreements as Landlord and Tenant may deem proper and desirable, without in any manner impairing or affecting this Guaranty or any of Landlord's rights hereunder or Guarantor's obligations hereunder, unless otherwise agreed in writing thereunder or under the Lease.

4. **Remedies**.

(a) If Tenant defaults with respect to the Guaranteed Obligations, and if Guarantor does not fulfill Tenant's obligations immediately upon its receipt of written notice of such default from Landlord, Landlord may at its election proceed immediately against Guarantor, Tenant, or any combination of Tenant, Guarantor, and/or any other guarantor. It is not necessary for Landlord, in order to enforce payment and performance by Guarantor under this Guaranty, first or contemporaneously to institute suit or exhaust remedies against Tenant or other liable for any of the Guaranteed Obligations or to enforce rights against any collateral securing any of it. Guarantor hereby waives any right to require Landlord to join Tenant in any action brought hereunder or to commence any action against or obtain any judgment against Tenant or to pursue any other remedy or enforce any other right. If any portion of the Guaranteed Obligations terminates and Landlord continues to have any rights that it may enforce against Tenant under the Lease after such termination, then Landlord may at its election enforce such rights against Guarantor. Unless and until all Guaranteed Obligations have been fully satisfied, Guarantor shall not be released from its obligations under this Guaranty irrespective of: (i) the exercise (or failure to exercise) by Landlord of any of Landlord's rights or remedies (including, without limitation, compromise or adjustment of the Guaranteed Obligations or any part thereof); or (ii) any release by Landlord in favor of Tenant regarding the fulfillment by Tenant of any obligation under the Lease.

(b) Notwithstanding anything in the foregoing to the contrary, Guarantor hereby covenants and agrees to and with Landlord that Guarantor may be joined in any action by or against Tenant in connection with the Lease. Guarantor also agrees that, in any jurisdiction, it will be conclusively bound by the judgment in any such action by or against Tenant (wherever brought) as if Guarantor were a party to such action even though Guarantor is not joined as a party in such action.

5. **Waivers.** With the exception of the defense of prior payment, performance or compliance by Tenant or Guarantor of or with the Guaranteed Obligations which Guarantor is called upon to pay or perform, or the defense that Landlord's claim against Guarantor is barred by the applicable statute of limitations, Guarantor hereby waives and releases all defenses of the law of guaranty or suretyship to the extent permitted by law.

6. **Rights Cumulative.** All rights, powers and remedies of Landlord under this Guaranty shall be cumulative and in addition to all rights, powers and remedies given to Landlord by law.

7. **Representations and Warranties.** Guarantor hereby represents and warrants that (a) Guarantor has goods and net worth that are sufficient to enable Guarantor to promptly perform all of the Guaranteed Obligations as and when they are due; (b) Landlord has made no representation to Guarantor as to the creditworthiness or financial condition of Tenant; (c) Guarantor has full power to execute, deliver and carry out the terms and provisions of this Guaranty and has taken all necessary action to authorize the execution, delivery and performance of this Guaranty; (d) Guarantor's execution and delivery of, and the performance of its obligations under, this Guaranty does not conflict with or violate any of Guarantor's organizational documents, or any contract, agreement or decree which Guarantor is a party to or which is binding on Guarantor; (e) the individual executing this Guaranty on behalf of Guarantor has the authority to bind Guarantor to the terms and conditions of this Guaranty; (f) Guarantor has been represented by counsel of its choice in connection with this Guaranty; (g) this Guaranty when executed and delivered shall constitute the legal, valid and binding obligations of Guarantor enforceable against Guarantor in accordance with its terms; and (h) there is no action, suit, or proceeding pending or, to the knowledge of Guarantor, threatened against Guarantor before or by any governmental authority which questions the validity or enforceability of, or Guarantor's ability to perform under, this Guaranty.

8. **Subordination.** In the event of Tenant's insolvency or the disposition of the assets of Tenant, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Tenant applicable to the payment of all claims of Landlord and/or Guarantor shall be paid to Landlord and shall be first applied by Landlord to the Guaranteed Obligations. Any indebtedness of Tenant now or hereafter held by Guarantor, whether as original creditor or assignee or by way of subrogation, restitution, reimbursement, indemnification or otherwise, is hereby subordinated in right of payment to the Guaranteed Obligations. So long as an uncured event of default exists under the Lease, (a) at Landlord's written request, Guarantor shall cause Tenant to pay to Landlord all or any part of any funds invested in or loaned to Tenant by Guarantor which Guarantor is entitled to withdraw or collect and (b) any such indebtedness or other amount collected or received by Guarantor shall be held in trust for Landlord and shall forthwith be paid over to Landlord to be credited and applied against the Guaranteed Obligations. Subject to the foregoing, Guarantor shall be entitled to receive from Landlord any amounts that are, from time to time, due to Guarantor in the ordinary course of business. Until all of Tenant's obligations under the Lease are fully performed, Guarantor shall have no right of subrogation against Tenant by reason of any payments, acts or performance by Guarantor under this Guaranty.

9. **Governing Law.** This Guaranty shall be governed by and construed in accordance with the laws of the State of New York, United States of America, without regard to principles of conflicts of laws. TO THE FULLEST EXTENT PERMITTED BY LAW, GUARANTOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS GUARANTY.

10. **Attorneys' Fees.** In the event any litigation or other proceeding ("**Proceeding**") is initiated by any party against any other party to enforce this Guaranty, the prevailing party in such Proceeding shall be entitled to recover from the unsuccessful party all costs, expenses, and actual reasonable attorneys' fees relating to or arising out of such Proceeding.

11. **Modification.** This Guaranty may be modified only by a contract in writing executed by Guarantor and Landlord.

12. **Invalidity.** If any provision of the Guaranty shall be invalid or unenforceable, the remainder of this Guaranty shall not be affected by such invalidity or unenforceability. In the event, and to the extent, that this Guaranty shall be held ineffective or unenforceable by any court of competent jurisdiction, then Guarantor shall be deemed to be a tenant under the Lease with the same force and effect as if Guarantor were expressly named as a cotenant therein with joint and several liability.

13. **Successors and Assigns.** Unless otherwise agreed in writing or under the Lease, this Guaranty shall be binding upon and shall inure to the benefit of the successors-in-interest and assigns of each party to this Guaranty.

14. **Notices.** Any notice, consent, demand, invoice, statement or other communication required or permitted to be given hereunder shall be in writing and shall be given by (a) personal delivery, (b) overnight delivery with a reputable international overnight delivery service, such as FedEx, or (c) facsimile or email transmission, so long as such transmission is followed within one (1) business day by delivery utilizing one of the methods described in subsections (a) or (b). Any such notice, consent, demand, invoice, statement or other communication shall be deemed delivered (x) upon receipt, if given in accordance with subsection (a); (y) one business (1) day after deposit with a reputable international overnight delivery service, if given if given in accordance with subsection (b); or (z) upon transmission, if given in accordance with subsection (c). Except as otherwise stated in this Guaranty, any notice, consent, demand, invoice, statement or other communication required or permitted to be given pursuant to this Guaranty shall be addressed to Guarantor or Landlord at the address set forth above in the introductory paragraph of this Guaranty. Either party may, by notice to the other given pursuant to this Section, specify additional or different addresses for notice purposes.

15. **Waiver.** Any waiver of a breach or default under this Guaranty must be in a writing that is duly executed by Landlord and shall not be a waiver of any other default concerning the same or any other provision of this Guaranty. No delay or omission in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver.

16. **Withholding**. Unless otherwise agreed in the Lease, any and all payments by Guarantor to Landlord under this Guaranty shall be made free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and all liabilities with respect thereto (collectively, "**Taxes**"). If Guarantor shall be required by any applicable laws to deduct any Taxes from or in respect of any sum payable under this Guaranty to Landlord: (a) the sum payable shall be increased as necessary so that after making all required deductions, the Landlord receives an amount equal to the sum it would have received had no such deductions been made; (b) Guarantor shall make such deductions; and (c) Guarantor shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable laws.

17. **Financial Condition of Tenant**. Landlord shall have no obligation to disclose or discuss with Guarantor Landlord's assessment of the financial condition of Tenant. Guarantor has adequate means to obtain information from Tenant on a continuing basis concerning the financial condition of Tenant and its ability to perform its Guaranteed Obligations, and Guarantor assumes responsibility for being and keeping informed of Tenant's financial condition and of all circumstances bearing upon the risk of Tenant's failure to perform the Guaranteed Obligations.

18. **Bankruptcy**. So long as the Guaranteed Obligations remain outstanding, Guarantor shall not, without Landlord's prior written consent, commence or join with any other person in commencing any bankruptcy or similar proceeding of or against Tenant. Guarantor's obligations hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any bankruptcy or similar proceeding (voluntary or involuntary) involving Tenant or by any defense that Tenant may have by reason of an order, decree or decision of any court or administrative body resulting from any such proceeding. To the fullest extent permitted by law, Guarantor will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person to pay to Landlord or allow the claim of Landlord in respect of any interest, fees, costs, expenses or other Guaranteed Obligations accruing or arising after the date on which such case or proceeding is commenced.

19. **Conveyance or Transfer**. Without Landlord's written consent, Guarantor shall not convey, sell, lease or transfer any of its properties or assets to any person or entity to the extent that such conveyance, sale, lease or transfer could have a material adverse effect on Guarantor's ability to fulfill any of the Guaranteed Obligations.

20. **[NOTE: ONLY WHERE GUARANTOR IS NOT A DIRECT OR INDIRECT PARENT OF TENANT: [Limitation on Obligations Guaranteed.**

(a) Notwithstanding any other provision hereof, the right of recovery against Guarantor under Section 2 shall not exceed $1.00 less than the lowest amount that would render Guarantor's obligations under Section 2 void or voidable under applicable law, including, without limitation, the Uniform Fraudulent Conveyance Act, Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to the guaranty set forth herein and the obligations of Guarantor hereunder. To effectuate the foregoing, the Guaranteed Obligations in respect of the guarantee set forth in Section 2 at any time shall be limited to the maximum amount as would result in the Guaranteed Obligations with respect thereto not constituting a fraudulent transfer or conveyance after giving full effect to the liability under such guarantee set forth in Section 2 and its related contribution rights, but before taking into account any liabilities under any other guarantee by Guarantor. For purposes of the foregoing, all guarantees of Guarantor other than the guarantee under Section 2 will be deemed to be enforceable and payable after the guaranty under Section 2. To the fullest extent permitted by applicable law, this Section shall be for the benefit solely of creditors and representatives of creditors of Guarantor and not for the benefit of Guarantor or the holders of any equity interest in Guarantor.

(b) Guarantor agrees that obligations may at any time and from time to time be incurred or permitted in an amount exceeding the maximum liability of Guarantor under Section 2 without impairing the guarantee contained in Section 2 or affecting Landlord's rights and remedies hereunder.]]

21. **Financials.** To induce Landlord to enter into the Lease, Guarantor shall, within ninety (90) days after the end of Guarantor's financial year, furnish Landlord with a certified copy of Guarantor's year-end unconsolidated financial statements for the previous year, audited by a nationally recognized accounting firm. If audited financial statements are not otherwise prepared, then Guarantor may satisfy the requirement to provide audited financial statements by providing in lieu thereof unaudited financial statements prepared in accordance with GAAP and certified by the chief financial officer of Guarantor as correct and complete copies of such financial statements, fairly presenting Guarantor's financial condition as of the time set forth therein and having been prepared in accordance with GAAP.

22. **Joint and Several Liability.** Guarantor's liability under this Guaranty shall be joint and several with any and all other Guarantors in accordance with the terms and conditions of the Lease.

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IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be signed by its respective officer thereunto duly authorized, all as of the date first written above.

GUARANTOR

[_____],
a [_____]

By: _____
Name: _____
Title: _____

EXHIBIT E

WORK LETTER

This Work Letter (this "**Work Letter**") is made and entered into as of the 23rd day of October, 2017, by and between IIP-NY 2 LLC, a Delaware limited liability company ("**Landlord**"), and Vireo Health of New York, LLC, a New York limited liability company ("**Tenant**"), and is attached to and made a part of that certain Lease dated as of October 23, 2017 (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time, the "**Lease**"), by and between Landlord and Tenant for the Premises located at 256 County Route 117, Perth, New York. All capitalized terms used but not otherwise defined herein shall have the meanings given them in the Lease.

1. General Requirements.

1.1 Authorized Representatives.

(a) Landlord designates, as Landlord's authorized representative ("**Landlord's Authorized Representative**"), (i) Catherine Hastings as the person authorized to initial plans, drawings, approvals and to sign change orders pursuant to this Work Letter and (ii) an officer of Landlord as the person authorized to sign any amendments to this Work Letter or the Lease. Tenant shall not be obligated to respond to or act upon any such item until such item has been initialed or signed (as applicable) by the appropriate Landlord's Authorized Representative. Landlord may change either Landlord's Authorized Representative upon one (1) business day's prior written notice to Tenant.

(b) Tenant designates Amber Shimpa ("**Tenant's Authorized Representative**") as the person authorized to initial and sign all plans, drawings, change orders and approvals pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any such item until such item has been initialed or signed (as applicable) by Tenant's Authorized Representative. Tenant may change Tenant's Authorized Representative upon one (1) business day's prior written notice to Landlord.

1.2 Schedule. The schedule for design and development of the Tenant Improvements, including the time periods for preparation and review of construction documents, approvals and performance, shall be in accordance with a schedule to be prepared by Tenant (the "**Schedule**"). Tenant shall prepare the Schedule so that it is a reasonable schedule for the completion of the Tenant Improvements. The Schedule shall clearly identify all activities requiring Landlord participation. As soon as the Schedule is completed, Tenant shall deliver the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Such Schedule shall be approved or disapproved by Landlord within ten (10) business days after delivery to Landlord. Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If Landlord disapproves the Schedule, then Landlord shall notify Tenant in writing of its objections to such Schedule, and the parties shall confer and negotiate in good faith to reach agreement on the Schedule. The Schedule shall be subject to adjustment as mutually agreed upon in writing by the parties, or as provided in this Work Letter.

1.3 Tenant's Architects, Contractors and Consultants. The architect, engineering consultants, design team, general contractor and subcontractors responsible for the construction of the Tenant Improvements shall be selected by Tenant and approved by Landlord, which approval Landlord shall not unreasonably withhold, condition or delay. All Tenant contracts related to the Tenant Improvements shall provide that Tenant may assign such contracts and any warranties with respect to the Tenant Improvements to Landlord at any time.

2. Tenant Improvements. All Tenant Improvements shall be performed by Tenant's contractor, at Tenant's sole cost and expense (subject to Landlord's obligations with respect to any portion of the TI Allowance) and in accordance with the Approved Plans (as defined below), the Lease and this Work Letter. All material and equipment furnished by Tenant or its contractors as the Tenant Improvements shall be new or "like new;" the Tenant Improvements shall be performed in a first-class, workmanlike manner. Tenant shall take, and shall require its contractors to take, commercially reasonable steps to protect the Premises during the performance of any Tenant Improvements, including covering or temporarily removing any window coverings so as to guard against dust, debris or damage.

2.1 Work Plans. Tenant shall prepare and submit to Landlord for approval schematics covering the Tenant Improvements prepared in conformity with the applicable provisions of this Work Letter (the "**Draft Schematic Plans**"). The Draft Schematic Plans shall contain sufficient information and detail to accurately describe the proposed design to Landlord and such other information as Landlord may reasonably request. Landlord shall notify Tenant in writing within ten (10) business days after receipt of the Draft Schematic Plans whether Landlord approves or objects to the Draft Schematic Plans and of the manner, if any, in which the Draft Schematic Plans are unacceptable. Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If Landlord reasonably objects to the Draft Schematic Plans, then Tenant shall revise the Draft Schematic Plans and cause Landlord's objections to be remedied in the revised Draft Schematic Plans. Tenant shall then resubmit the revised Draft Schematic Plans to Landlord for approval, such approval not to be unreasonably withheld, conditioned or delayed. Landlord's approval of or objection to revised Draft Schematic Plans and Tenant's correction of the same shall be in accordance with this Section until Landlord has approved the Draft Schematic Plans in writing or been deemed to have approved them. The iteration of the Draft Schematic Plans that is approved or deemed approved by Landlord without objection shall be referred to herein as the "**Approved Schematic Plans**."

2.2 Construction Plans. Tenant shall prepare final plans and specifications for the Tenant Improvements that (a) are consistent with and are logical evolutions of the Approved Schematic Plans and (b) incorporate any other Tenant-requested (and Landlord-approved) Changes (as defined below). As soon as such final plans and specifications ("**Construction Plans**") are completed, Tenant shall deliver the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. All such Construction Plans shall be submitted by Tenant to Landlord in electronic .pdf, CADD and full-size hard copy formats, and shall be approved or disapproved by Landlord within ten (10) business days after delivery to Landlord. Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If the Construction Plans are disapproved by Landlord, then Landlord shall notify Tenant in writing of its objections to such Construction Plans, and the parties shall confer and negotiate in good faith to reach agreement on the Construction Plans. Promptly after the Construction Plans are approved by Landlord and Tenant, two (2) copies of such Construction Plans shall be initialed and dated by Landlord and Tenant, and Tenant shall promptly submit such Construction Plans to all appropriate Governmental Authorities for approval. The Construction Plans so approved, and all change orders approved (to the extent required) by Landlord, are referred to herein as the "**Approved Plans**."

2.3 Changes to the Tenant Improvements. Any material changes to the Approved Plans (each, a "**Change**") requested by Tenant shall be subject to the prior written approval of Landlord, not to be unreasonably withheld, conditioned or delayed. Any such Change request shall detail the nature and extent of any requested Changes, including any modification of the Approved Plans and the Schedule, as applicable, necessitated by the Change. In the event that Landlord fails to respond to any such Change request within five (5) business days of receipt, such Change shall be deemed approved.

3. Completion of Tenant Improvements. Tenant, at its sole cost and expense (except for the TI Allowance), shall perform and complete the Tenant Improvements in all respects (a) in substantial conformance with the Approved Plans, (b) otherwise in compliance with provisions of the Lease and this Work Letter and (c) in accordance with Applicable Laws, the requirements of Tenant's insurance carriers, the requirements of Landlord's insurance carriers (to the extent Landlord provides its insurance carriers' requirements to Tenant) and the board of fire underwriters having jurisdiction over the Premises. The Tenant Improvements shall be deemed completed at such time as Tenant shall furnish to Landlord (t) evidence satisfactory to Landlord that (i) all Tenant Improvements have been completed and paid for in full (which shall be evidenced by the architect's certificate of completion and the general contractor's and each subcontractor's and material supplier's final unconditional waivers and releases of liens, each in a form acceptable to Landlord and complying with Applicable Laws, and a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor, together with a statutory notice of substantial completion from the general contractor), (ii) all Tenant Improvements have been accepted by Landlord, (iii) any and all liens related to the Tenant Improvements have either been discharged of record (by payment, bond, order of a court of competent jurisdiction or otherwise) or waived by the party filing such lien and (iv) no security interests relating to the Tenant Improvements are outstanding, (u) all certifications and approvals with respect to the Tenant Improvements that may be required from any Governmental Authority and any board of fire underwriters or similar body for the use and occupancy of the Premises (including a certificate of occupancy for the Premises for the Permitted Use), (v) certificates of insurance required by the Lease to be purchased and maintained by Tenant, (w) an affidavit from Tenant's architect certifying that all work performed in, on or about the Premises is in accordance with the Approved Plans, (x) complete "as built" drawing print sets, project specifications and shop drawings and electronic CADD files on disc (showing the Tenant Improvements as an overlay on the Building "as built" plans for work performed by their architect and engineers in relation to the Tenant Improvements, (y) a commissioning report prepared by a licensed, qualified commissioning agent hired by Tenant and approved by Landlord for all new or affected mechanical, electrical and plumbing systems (which report Landlord may hire a licensed, qualified commissioning agent to peer review, and whose reasonable recommendations Tenant's commissioning agent shall perform and incorporate into a revised report) and (z) such other "close out" materials as Landlord reasonably requests, such as copies of manufacturers' warranties, operation and maintenance manuals and the like.

4. Insurance.

4.1 Property Insurance. At all times during the period beginning with commencement of construction of the Tenant Improvements and ending with final completion of the Tenant Improvements, Tenant shall maintain, or cause to be maintained (in addition to the insurance required of Tenant pursuant to the Lease), property insurance insuring Landlord and the Landlord Parties, as their interests may appear. Such policy shall, on a completed values basis for the full insurable value at all times, insure against loss or damage by fire, vandalism and malicious mischief and other such risks as are customarily covered by the so-called "broad form extended coverage endorsement" upon all Tenant Improvements and the general contractor's and any subcontractors' machinery, tools and equipment, all while each forms a part of, or is contained in, the Tenant Improvements or any temporary structures on the Premises, or is adjacent thereto; provided that, for the avoidance of doubt, insurance coverage with respect to the general contractor's and any subcontractors' machinery, tools and equipment shall be carried on a primary basis by such general contractor or the applicable subcontractor(s). Tenant agrees to pay any deductible, and Landlord is not responsible for any deductible, for a claim under such insurance. Such property insurance shall contain an express waiver of any right of subrogation by the insurer against Landlord and the Landlord Parties, and shall name Landlord and its affiliates as loss payees as their interests may appear.

4.2 Workers' Compensation Insurance. At all times during the period of construction of the Tenant Improvements, Tenant shall, or shall cause its contractors or subcontractors to, maintain statutory workers' compensation insurance as required by Applicable Laws.

5. Liability. Tenant assumes sole responsibility and liability for any and all injuries or the death of any persons, including Tenant's contractors and subcontractors and their respective employees, agents and invitees, and for any and all damages to property caused by, resulting from or arising out of any act or omission on the part of Tenant, Tenant's contractors or subcontractors, or their respective employees, agents and invitees in the prosecution of the Tenant Improvements. Tenant agrees to indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against all Claims due to, because of or arising out of any and all such injuries, death or damage, whether real or alleged, and Tenant and Tenant's contractors and subcontractors shall assume and defend at their sole cost and expense all such Claims; provided, however, that nothing contained in this Work Letter shall be deemed to indemnify or otherwise hold Landlord harmless from or against liability caused by Landlord's gross negligence or willful misconduct. Any deficiency in design or construction of the Tenant Improvements shall be solely the responsibility of Tenant, notwithstanding the fact that Landlord may have approved of the same in writing.

6. TI Allowance.

6.1 Application of TI Allowance. Landlord shall contribute the TI Allowance toward the costs and expenses incurred in connection with the performance of the Tenant Improvements, in accordance with Section 5 of the Lease. If the entire TI Allowance is not applied toward or reserved for the costs of the Tenant Improvements, then Tenant shall not be entitled to a credit of such unused portion of the TI Allowance. Tenant may apply the TI Allowance for the payment of construction and other costs in accordance with the terms and provisions of the Lease.

6.2 Approval of Budget for the Tenant Improvements. Notwithstanding anything to the contrary set forth elsewhere in this Work Letter or the Lease, Landlord shall not have any obligation to expend any portion of the TI Allowance until Landlord and Tenant shall have approved in writing the budget for the Tenant Improvements (the "**Approved Budget**"). Prior to Landlord's approval of the Approved Budget, Tenant shall pay all of the costs and expenses incurred in connection with the Tenant Improvements as they become due. Landlord shall not be obligated to reimburse Tenant for costs or expenses relating to the Tenant Improvements that exceed the amount of the TI Allowance. Landlord shall not unreasonably withhold, condition or delay its approval of any budget for Tenant Improvements that is proposed by Tenant.

6.3 Fund Requests. Subject to Section 5 of the Lease, Upon submission by Tenant to Landlord of (a) a statement (a "**Fund Request**") setting forth the total amount of the TI Allowance requested, (b) a summary of the Tenant Improvements performed using AIA standard form Application for Payment (G 702) executed by the general contractor and by the architect, (c) invoices from the general contractor, the architect, and any subcontractors, material suppliers and other parties in the amount of the TI Allowance requested by Tenant for reimbursement, (d) unconditional lien releases from the general contractor and each subcontractor and material supplier with respect to all payments made by Tenant for the Tenant Improvements in a form acceptable to Landlord and complying with Applicable Laws; and (e) the items required to be delivered by Tenant pursuant to Section 5 of the Lease, then Landlord shall, within fifteen (15) days following receipt by Landlord of the Fund Request and all accompanying materials required by this Section, pay to Tenant the amount of the TI Allowance requested.

7. Miscellaneous.

7.1 Incorporation of Lease Provisions. Sections 35.2 through 35.18 of the Lease are incorporated into this Work Letter by reference, and shall apply to this Work Letter in the same way that they apply to the Lease.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Work Letter to be effective on the date first above written.

LANDLORD:

IIP-NY 2 LLC,
a Delaware limited liability company

By: /s/ Brian Wolfe
Name: Brian Wolfe
Title: Vice President

TENANT:

Vireo Health of New York, LLC,
a New York limited liability company

By: /s/ Amber Shimpa
Name: Amber Shimpa
Title: CFO

EXHIBIT E-1

TENANT WORK INSURANCE SCHEDULE

Tenant shall be responsible for requiring all of Tenant contractors doing construction or renovation work to purchase and maintain such insurance as shall protect it from the claims set forth below which may arise out of or result from any Tenant Work whether such Tenant Work is completed by Tenant or by any Tenant contractors or by any person directly or indirectly employed by Tenant or any Tenant contractors, or by any person for whose acts Tenant or any Tenant contractors may be liable:

1. Claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Tenant Work to be performed.

2. Claims for damages because of bodily injury, occupational sickness or disease, or death of employees under any applicable employer's liability law.

3. Claims for damages because of bodily injury, or death of any person other than Tenant's or any Tenant contractors' employees.

4. Claims for damages insured by usual personal injury liability coverage which are sustained (a) by any person as a result of an offense directly or indirectly related to the employment of such person by Tenant or any Tenant contractors or (b) by any other person.

5. Claims for damages, other than to the Tenant Work itself, because of injury to or destruction of tangible property, including loss of use therefrom.

6. Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle.

Tenant contractors' Commercial General Liability Insurance shall include premises/operations (including explosion, collapse and underground coverage if such Tenant Work involves any underground work), elevators, independent contractors, products and completed operations, and blanket contractual liability on all written contracts, all including broad form property damage coverage.

Tenant contractors' Commercial General, Automobile, Employers and Umbrella Liability Insurance shall be written for not less than limits of liability as follows:

a.	Commercial General Liability: Bodily Injury and Property Damage	Commercially reasonable amounts, but in any event no less than $1,000,000 per occurrence and $2,000,000 general aggregate, with $2,000,000 products and completed operations aggregate.
b.	Commercial Automobile Liability: Bodily Injury and Property Damage	$1,000,000 per accident
c.	Employer's Liability:	
	Each Accident	$500,000
	Disease – Policy Limit	$500,000
	Disease – Each Employee	$500,000
d.	Umbrella Liability: Bodily Injury and Property Damage	Commercially reasonable amounts (excess of coverages a, b and c above), but in any event no less than $3,000,000 per occurrence / aggregate.

All subcontractors for Tenant contractors shall carry the same coverages and limits as specified above, unless different limits are reasonably approved by Landlord. The foregoing policies shall contain a provision that coverages afforded under the policies shall not be canceled or not renewed until at least thirty (30) days' prior written notice has been given to the Landlord. Certificates of insurance including required endorsements showing such coverages to be in force shall be filed with Landlord prior to the commencement of any Tenant Work and prior to each renewal. Coverage for completed operations must be maintained for the lesser of ten (10) years and the applicable statue of repose following completion of the Tenant Work, and certificates evidencing this coverage must be provided to Landlord. The minimum A.M. Best's rating of each insurer shall be A- VII. Landlord and its mortgagees shall be named as an additional insureds under Tenant contractors' Commercial General Liability, Commercial Automobile Liability and Umbrella Liability Insurance policies as respects liability arising from work or operations performed, or ownership, maintenance or use of autos, by or on behalf of such contractors. Each contractor and its insurers shall provide waivers of subrogation with respect to any claims covered or that should have been covered by valid and collectible insurance, including any deductibles or self-insurance maintained thereunder.

If any contractor's work involves the handling or removal of asbestos (as determined by Landlord in its sole and absolute discretion), such contractor shall also carry Pollution Legal Liability insurance. Such coverage shall include bodily injury, sickness, disease, death or mental anguish or shock sustained by any person; property damage, including physical injury to or destruction of tangible property (including the resulting loss of use thereof), clean-up costs and the loss of use of tangible property that has not been physically injured or destroyed; and defense costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such damages. Coverage shall apply to both sudden and non-sudden pollution conditions including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water. Claims-made coverage is permitted, provided the policy retroactive date is continuously maintained prior to the Commencement Date, and coverage is continuously maintained during all periods in which Tenant occupies the Premises. Coverage shall be maintained with limits of not less than $1,000,000 per incident with a $2,000,000 policy aggregate.

Exhibit 10.15

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this "Amendment") is entered into as of this 7th day of December, 2018, by and between IIP-NY 2 LLC, a Delaware limited liability company ("Landlord"), and Vireo Health of New York, LLC, a New York limited liability company ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant are parties to that certain Lease Agreement dated as of October 23, 2017 (the "Existing Lease"), whereby Tenant leases the premises from Landlord located at 256 County Route 117 in Perth, New York; and

B. WHEREAS, Landlord and Tenant desire to modify and amend the Existing Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Lease unless otherwise defined herein. The Existing Lease, as amended by this Amendment, is referred to collectively herein as the "Lease." From and after the date hereof, the term "Lease," as used in the Existing Lease, shall mean the Existing Lease, as amended by this Amendment.

2. Term. Section 3.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"3.1. Term. The actual term of this Lease (as the same may be extended or earlier terminated in accordance with this Lease, the "**Term**") commenced on October 23, 2017 (the "**Commencement Date**") and shall end on December 7, 2033, subject to extension or earlier termination of this Lease as provided herein."

3. TI Allowance. The first sentence of Section 5.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"Tenant shall cause appropriate improvements consistent with the Permitted Use (the "**Tenant Improvements**") to be constructed in the Premises pursuant to the Work Letter attached hereto as Exhibit E (the "**Work Letter**") at a cost to Landlord not to exceed Three Million Dollars ($3,000,000.00) (the "**TI Allowance**")."

In addition, the final sentence of Section 5.2 of the Existing Lease is hereby amended and restated in its entirety as follows:

"In addition, Landlord's obligation to disburse any of the TI Allowance in excess of Two Million Five Hundred Thousand Dollars ($2,500,000.00) shall be conditional upon the satisfaction of the following: (a) Tenant's delivery to Landlord of a certificate of occupancy for the Premises suitable for the Permitted Use, as applicable; (b) Tenant's delivery to Landlord of a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor or such other form or certification as may be reasonably acceptable to Landlord; (c) Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter; and (d) there shall be no uncured event of default by Tenant under this Lease."

4. Effective as of the date hereof, the monthly Base Rent shall equal Eighty-Two Thousand Eight Hundred Dollars ($82,800), and be subject to the Base Rent adjustments on each anniversary of the Commencement Date, as set forth in the Existing Lease.

5. Security Deposit. The Security Deposit is hereby increased by One Hundred Fifty Thousand Dollars ($150,000) to Four Hundred Eighty Thousand Dollars ($480,000). Concurrent with the effectiveness of this Amendment, Tenant shall deposit with Landlord the additional sum of One Hundred Fifty Thousand Dollars ($150,000) as the additional Security Deposit.

In addition, the penultimate sentence in Section 6.4 of the Existing Lease is hereby amended and restated in its entirety as follows:

"The Security Deposit shall be reduced to Three Hundred Sixty Thousand Dollars ($360,000) on October 23, 2020, provided that no Default has occurred and is continuing on such date; the Security Deposit shall be further reduced to Two Hundred Forty Thousand Dollars ($240,000) on October 23, 2023, provided that no Default has occurred and is continuing on such date; and the Security Deposit shall be further reduced to One Hundred Twenty Thousand Dollars ($120,000) on October 23, 2026, provided that no Default has occurred and is continuing on such date."

6. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment and agrees to reimburse, indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord, at Tenant's sole cost and expense) and hold harmless the Landlord Indemnitees for, from and against any and all cost or liability for compensation claimed by any such broker or agent employed or engaged by it or claiming to have been employed or engaged by it.

7. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Existing Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

8. Effect of Amendment. Except as modified by this Amendment, the Existing Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Amendment and the Existing Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties.

9. Successors and Assigns. Each of the covenants, conditions and agreements contained in this Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns and sublessees. Nothing in this section shall in any way alter the provisions of the Lease restricting assignment or subletting.

10. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

11. Authority. Tenant guarantees, warrants and represents that the individual or individuals signing this Amendment have the power, authority and legal capacity to sign this Amendment on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed.

12. Counterparts; Facsimile and PDF Signatures. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile or portable document format (PDF) signature on this Amendment shall be equivalent to, and have the same force and effect as, an original signature.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

IIP-NY 2 LLC,
a Delaware limited liability company

By: /s/ Catherine Hastings
Name: Catherine Hastings
Title: Chief Financial Officer, Chief Accounting Officer and Treasurer

TENANT:

VIREO HEALTH OF NEW YORK, LLC,
a New York limited liability company

By: /s/ Ari Hoffnung
Name: Ari Hoffnung
Title: CEO

Exhibit 10.16

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT (this "Amendment") is entered into as of this 10th day of April, 2020 (the "Amendment Effective Date"), by and between IIP-NY 2 LLC, a Delaware limited liability company ("Landlord"), and Vireo Health of New York, LLC, a New York limited liability company ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant are parties to that certain Lease Agreement dated as of October 23, 2017, as amended by that certain First Amendment to Lease Agreement dated as of December 7, 2018 (collectively, the "Existing Lease"), whereby Tenant leases the premises from Landlord located at 256 County Route 117 in Perth, New York; and

B. WHEREAS, Landlord and Tenant desire to modify and amend the Existing Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Lease unless otherwise defined herein. The Existing Lease, as amended by this Amendment, is referred to collectively herein as the "Lease." From and after the date hereof, the term "Lease," as used in the Existing Lease, shall mean the Existing Lease, as amended by this Amendment.

2. Term. Section 3.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"3.1. Term. The actual term of this Lease (as the same may be extended or earlier terminated in accordance with this Lease, the "**Term**") commenced on October 23, 2017 (the "**Commencement Date**") and shall end on April 9, 2035, subject to extension or earlier termination of this Lease as provided herein."

3. TI Allowance. The first sentence of Section 5.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"Tenant shall cause appropriate improvements consistent with the Permitted Use (the "**Tenant Improvements**") to be constructed in the Premises pursuant to the Work Letter attached hereto as Exhibit E (the "**Work Letter**") at a cost to Landlord not to exceed Three Million Three Hundred Sixty Thousand Dollars ($3,360,000.00) (the "**TI Allowance**")."

In addition, the final sentence of Section 5.2 of the Existing Lease is hereby amended and restated in its entirety as follows:

"In addition, Landlord's obligation to disburse any of the TI Allowance in excess of Two Million Eight Hundred Sixty Thousand Dollars ($2,860,000.00) shall be conditional upon the satisfaction of the following: (a) Tenant's delivery to Landlord of a certificate of occupancy for the Premises suitable for the Permitted Use, as applicable; (b) Tenant's delivery to Landlord of a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor or such other form or certification as may be reasonably acceptable to Landlord; (c) Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter; and (d) there shall be no uncured event of default by Tenant under this Lease."

4. Base Rent. Effective as of the Amendment Effective Date, the monthly Base Rent shall equal Ninety Thousand Five Hundred Eighteen and 51/100 Dollars ($90,518.51) and shall be subject to the Base Rent adjustments on each anniversary of the Commencement Date, as set forth in the Existing Lease.

5. New Guaranty. Concurrently with the execution of this Amendment, Tenant shall cause Vireo Health International, Inc., a British Columbia, Canada corporation (the "New Guarantor"), to execute and deliver to Landlord a guaranty in the form attached as Exhibit A to this Amendment (the "New Guaranty"). From and after the date of this Amendment, all references in the Existing Lease to a "Guarantor" or the "Guarantors" shall include the New Guarantor and all references to a "Guaranty" or the "Guaranties" shall include the New Guaranty.

6. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment and agrees to reimburse, indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord, at Tenant's sole cost and expense) and hold harmless the Landlord Indemnitees for, from and against any and all cost or liability for compensation claimed by any such broker or agent employed or engaged by it or claiming to have been employed or engaged by it.

7. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Existing Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

8. Effect of Amendment. Except as modified by this Amendment, the Existing Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Amendment and the Existing Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties.

9. Successors and Assigns. Each of the covenants, conditions and agreements contained in this Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns and sublessees. Nothing in this section shall in any way alter the provisions of the Lease restricting assignment or subletting.

10. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

11. Authority. Tenant guarantees, warrants and represents that the individual or individuals signing this Amendment have the power, authority and legal capacity to sign this Amendment on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed.

12. Counterparts; Facsimile and PDF Signatures. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile or portable document format (PDF) signature on this Amendment shall be equivalent to, and have the same force and effect as, an original signature.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

IIP-NY 2 LLC,
a Delaware limited liability company

By: /s/ Brian Wolfe
Name: Brian Wolfe
Title: Vice President, General Counsel

TENANT:

VIREO HEALTH OF NEW YORK, LLC,
a New York limited liability company

By: /s/ Shaun Nugent
Name: Shaun Nugent
Title: CFO

EXHIBIT A

FORM OF NEW GUARANTY

[See Attached]

GUARANTY OF LEASE

This Guaranty of Lease ("**Guaranty**") is executed effective on the 10th day of April, 2020, by Vireo Health International, Inc., a British Columbia, Canada corporation ("**Guarantor**"), whose address for notices is c/o Vireo Health of New York, LLC, 207 S 9th Street, Minneapolis, MN. 55402; Attn: Chief Financial Officer, in favor of IIP-NY 2 LLC, a Delaware limited liability company ("**Landlord**"), whose address for notices is 11440 West Bernardo Court, Suite 100, San Diego, California 92127, Attn: General Counsel.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor covenants and agrees as follows:

1. **Recitals.** This Guaranty is made with reference to the following recitals of facts which constitute a material part of this Guaranty:

(a) Landlord, as Landlord, and Vireo Health of New York, LLC, a New York limited liability company, as Tenant ("**Tenant**"), entered into that certain Lease dated as of October 23, 2017, as amended from time to time (as so amended, the "**Lease**"), with respect to certain space in the building located at 256 County Route 117 in Perth, New York (the "**Leased Premises**").

(b) Guarantor is the indirect parent entity of Tenant and is therefore receiving a substantial benefit for executing this Guaranty.

(c) Landlord would not have entered into amendment to the Lease as of the date hereof with Tenant without having received the Guaranty executed by Guarantor as an inducement to Landlord.

(d) By this Guaranty, effective retroactively to the commencement of the Lease, Guarantor intends to absolutely, unconditionally and irrevocably guarantee the full, timely, and complete (i) payment of all rent and other sums required to be paid by Tenant under the Lease and any other indebtedness of Tenant, (ii) performance of all other terms, covenants, conditions and obligations of Tenant arising out of the Lease and all foreseeable and unforeseeable damages that may arise as a foreseeable or unforeseeable consequence of any nonpayment, non-performance or non-observance of, or non-compliance with, any of the terms, covenants, conditions or other obligations described in the Lease (including, without limitation, all attorneys' fees and disbursements and all litigation costs and expenses incurred or payable by Landlord or for which Landlord may be responsible or liable, or caused by any such default), and (iii) payment of any and all expenses (including reasonable attorneys' fees and expenses and litigation expenses) incurred by Landlord in enforcing any of the rights under the Lease or this Guaranty within five (5) days after Landlord's demand thereafter (collectively, the "**Guaranteed Obligations**").

2. **Guaranty.** Effective (including retroactively) for Guaranteed Obligations accruing before, on and after the Execution Date (as such term is defined under the Lease), Guarantor absolutely, unconditionally and irrevocably guarantees, as principal obligor and not merely as surety, to Landlord, the full, timely and unconditional payment and performance, of the Guaranteed Obligations strictly in accordance with the terms of the Lease, as such Guaranteed Obligations may be modified, amended, extended or renewed from time to time. This is a Guaranty of payment and performance and not merely of collection. Guarantor agrees that Guarantor is primarily liable for and responsible for the payment and performance of the Guaranteed Obligations. Guarantor shall be bound by all of the provisions, terms, conditions, restrictions and limitations contained in the Lease which are to be observed or performed by Tenant, the same as if Guarantor was named therein as Tenant with joint and several liability with Tenant, and any remedies that Landlord has under the Lease against Tenant shall apply to Guarantor as well. If Tenant defaults in any Guaranteed Obligation under the Lease, Guarantor shall in lawful money of the United States, pay to Landlord on demand the amount due and owing under the Lease. Guarantor waives any rights to notices of acceptance, modifications, amendment, extension or breach of the Lease. If Guarantor is a natural person, it is expressly agreed that this guaranty shall survive the death of such guarantor and shall continue in effect. The obligations of Guarantor under this Guaranty are independent of the obligations of Tenant or any other guarantor. Guarantor acknowledges that this Guaranty and Guarantor's obligations and liabilities under this Guaranty are and shall at all times continue to be absolute and unconditional in all respects and shall be the separate and independent undertaking of Guarantor without regard to the genuineness, validity, legality or enforceability of the Lease, and shall at all times be valid and enforceable irrespective of any other agreements or circumstances of any nature whatsoever which might otherwise constitute a defense to this Guaranty and the obligations and liabilities of Guarantor under this Guaranty or the obligations or liabilities of any other person or entity (including, without limitation, Tenant) relating to this Guaranty or the obligations or liabilities of Guarantor hereunder or otherwise with respect to the Lease or to Tenant. Guarantor hereby absolutely, unconditionally and irrevocably waives any and all rights it may have to assert any defense, set-off, counterclaim or cross-claim of any nature whatsoever with respect to this Guaranty or the obligations or liabilities of Guarantor under this Guaranty or the obligations or liabilities of any other person or entity (including, without limitation, Tenant) relating to this Guaranty or the obligations or liabilities of Guarantor under this Guaranty or otherwise with respect to the Lease, in any action or proceeding brought by the holder hereof to enforce the obligations or liabilities of Guarantor under this Guaranty. This Guaranty sets forth the entire agreement and understanding of Landlord and Guarantor, and Guarantor acknowledges that no oral or other agreements, understandings, representations or warranties exist with respect to this Guaranty or with respect to the obligations or liabilities of Guarantor under this Guaranty. The obligations of Guarantor under this Guaranty shall be continuing and irrevocable (a) during any period of time when the liability of Tenant under the Lease continues, and (b) until all of the Guaranteed Obligations have been fully discharged by payment, performance or compliance. If at any time all or any part of any payment received by Landlord from Tenant or Guarantor or any other person under or with respect to the Lease or this Guaranty has been refunded or rescinded pursuant to any court order, or declared to be fraudulent or preferential, or are set aside or otherwise are required to be repaid to Tenant, its estate, trustee, receiver or any other party, including as a result of the insolvency, bankruptcy or reorganization of Tenant or any other party (an "**Invalidated Payment**"), then Guarantor's obligations under the Guaranty shall, to the extent of such Invalidated Payment be reinstated and deemed to have continued in existence as of the date that the original payment occurred. This Guaranty shall not be affected or limited in any manner by whether Tenant may be liable, with respect to the Guaranteed Obligations individually, jointly with other primarily, or secondarily.

3. **No Impairment of Guaranteed Obligations**. Guarantor further agrees that Guarantor's liability for the Guaranteed Obligations shall in no way be released, discharged, impaired or affected or subject to any counterclaim, setoff or deduction by (a) any waiver, consent, extension, indulgence, compromise, release, departure from or other action or inaction of Landlord under or in respect of the Lease or this Guaranty, or any obligation or liability of Tenant, or any exercise or non-exercise of any right, remedy, power or privilege under or in respect to the Lease or this Guaranty, (b) any change in the time, manner or place of payment or performance of the Guaranteed Obligations, (c) the acceptance by Landlord of any additional security or any increase, substitution or change therein, (d) the release by Landlord of any security or any withdrawal thereof or decrease therein, (e) any assignment of the Lease or any subletting of all or any portion of the Leased Premises (with or without Landlord's consent), (f) any holdover by Tenant beyond the term of the Lease (g) any termination of the Lease, (h) any release or discharge of Tenant in any bankruptcy, receivership or other similar proceedings, (i) the impairment, limitation or modification of the liability of Tenant or the estate of Tenant in bankruptcy or of any remedy for the enforcement of Tenant's liability under the Lease resulting from the operation of any present or future provisions of any bankruptcy code or other statute or from the decision in any court, or the rejection or disaffirmance of the Lease in any such proceedings, (j) any merger, consolidation, reorganization or similar transaction involving Tenant, even if Tenant ceases to exist as a result of such transaction, (k) the change in the corporate relationship between Tenant and Guarantor or any termination of such relationship, (l) any change in the direct or indirect ownership of all or any part of the shares in Tenant, or (m) to the extent permitted under applicable law, any other occurrence or circumstance whatsoever, whether similar or dissimilar to the foregoing, which might otherwise constitute a legal or equitable defense or discharge of the liabilities of Guarantor or which might otherwise limit recourse against Guarantor. Guarantor further understands and agrees that Landlord may at any time enter into agreements with Tenant to amend and modify the Lease, and may waive or release any provision or provisions of the Lease, and, with reference to such instruments, may make and enter into any such agreement or agreements as Landlord and Tenant may deem proper and desirable, without in any manner impairing or affecting this Guaranty or any of Landlord's rights hereunder or Guarantor's obligations hereunder, unless otherwise agreed in writing thereunder or under the Lease.

4. **Remedies**.

(a) If Tenant defaults with respect to the Guaranteed Obligations, and if Guarantor does not fulfill Tenant's obligations immediately upon its receipt of written notice of such default from Landlord, Landlord may at its election proceed immediately against Guarantor, Tenant, or any combination of Tenant, Guarantor, and/or any other guarantor. It is not necessary for Landlord, in order to enforce payment and performance by Guarantor under this Guaranty, first or contemporaneously to institute suit or exhaust remedies against Tenant or other liable for any of the Guaranteed Obligations or to enforce rights against any collateral securing any of it. Guarantor hereby waives any right to require Landlord to join Tenant in any action brought hereunder or to commence any action against or obtain any judgment against Tenant or to pursue any other remedy or enforce any other right. If any portion of the Guaranteed Obligations terminates and Landlord continues to have any rights that it may enforce against Tenant under the Lease after such termination, then Landlord may at its election enforce such rights against Guarantor. Unless and until all Guaranteed Obligations have been fully satisfied, Guarantor shall not be released from its obligations under this Guaranty irrespective of: (i) the exercise (or failure to exercise) by Landlord of any of Landlord's rights or remedies (including, without limitation, compromise or adjustment of the Guaranteed Obligations or any part thereof); or (ii) any release by Landlord in favor of Tenant regarding the fulfillment by Tenant of any obligation under the Lease.

(b) Notwithstanding anything in the foregoing to the contrary, Guarantor hereby covenants and agrees to and with Landlord that Guarantor may be joined in any action by or against Tenant in connection with the Lease. Guarantor also agrees that, in any jurisdiction, it will be conclusively bound by the judgment in any such action by or against Tenant (wherever brought) as if Guarantor were a party to such action even though Guarantor is not joined as a party in such action.

5. **Waivers.** With the exception of the defense of prior payment, performance or compliance by Tenant or Guarantor of or with the Guaranteed Obligations which Guarantor is called upon to pay or perform, or the defense that Landlord's claim against Guarantor is barred by the applicable statute of limitations, Guarantor hereby waives and releases all defenses of the law of guaranty or suretyship to the extent permitted by law.

6. **Rights Cumulative.** All rights, powers and remedies of Landlord under this Guaranty shall be cumulative and in addition to all rights, powers and remedies given to Landlord by law.

7. **Representations and Warranties.** Guarantor hereby represents and warrants that (a) Guarantor has goods and net worth that are sufficient to enable Guarantor to promptly perform all of the Guaranteed Obligations as and when they are due; (b) Landlord has made no representation to Guarantor as to the creditworthiness or financial condition of Tenant; (c) Guarantor has full power to execute, deliver and carry out the terms and provisions of this Guaranty and has taken all necessary action to authorize the execution, delivery and performance of this Guaranty; (d) Guarantor's execution and delivery of, and the performance of its obligations under, this Guaranty does not conflict with or violate any of Guarantor's organizational documents, or any contract, agreement or decree which Guarantor is a party to or which is binding on Guarantor; (e) the individual executing this Guaranty on behalf of Guarantor has the authority to bind Guarantor to the terms and conditions of this Guaranty; (f) Guarantor has been represented by counsel of its choice in connection with this Guaranty; (g) this Guaranty when executed and delivered shall constitute the legal, valid and binding obligations of Guarantor enforceable against Guarantor in accordance with its terms; and (h) there is no action, suit, or proceeding pending or, to the knowledge of Guarantor, threatened against Guarantor before or by any governmental authority which questions the validity or enforceability of, or Guarantor's ability to perform under, this Guaranty.

8. **Subordination.** In the event of Tenant's insolvency or the disposition of the assets of Tenant, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Tenant applicable to the payment of all claims of Landlord and/or Guarantor shall be paid to Landlord and shall be first applied by Landlord to the Guaranteed Obligations. Any indebtedness of Tenant now or hereafter held by Guarantor, whether as original creditor or assignee or by way of subrogation, restitution, reimbursement, indemnification or otherwise, is hereby subordinated in right of payment to the Guaranteed Obligations. So long as an uncured event of default exists under the Lease, (a) at Landlord's written request, Guarantor shall cause Tenant to pay to Landlord all or any part of any funds invested in or loaned to Tenant by Guarantor which Guarantor is entitled to withdraw or collect and (b) any such indebtedness or other amount collected or received by Guarantor shall be held in trust for Landlord and shall forthwith be paid over to Landlord to be credited and applied against the Guaranteed Obligations. Subject to the foregoing, Guarantor shall be entitled to receive from Landlord any amounts that are, from time to time, due to Guarantor in the ordinary course of business. Until all of Tenant's obligations under the Lease are fully performed, Guarantor shall have no right of subrogation against Tenant by reason of any payments, acts or performance by Guarantor under this Guaranty.

9. **Governing Law.** This Guaranty shall be governed by and construed in accordance with the laws of the State of New York, United States of America, without regard to principles of conflicts of laws. TO THE FULLEST EXTENT PERMITTED BY LAW, GUARANTOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS GUARANTY.

10. **Attorneys' Fees.** In the event any litigation or other proceeding ("**Proceeding**") is initiated by any party against any other party to enforce this Guaranty, the prevailing party in such Proceeding shall be entitled to recover from the unsuccessful party all costs, expenses, and actual reasonable attorneys' fees relating to or arising out of such Proceeding.

11. **Modification.** This Guaranty may be modified only by a contract in writing executed by Guarantor and Landlord.

12. **Invalidity.** If any provision of the Guaranty shall be invalid or unenforceable, the remainder of this Guaranty shall not be affected by such invalidity or unenforceability. In the event, and to the extent, that this Guaranty shall be held ineffective or unenforceable by any court of competent jurisdiction, then Guarantor shall be deemed to be a tenant under the Lease with the same force and effect as if Guarantor were expressly named as a co-tenant therein with joint and several liability.

13. **Successors and Assigns.** Unless otherwise agreed in writing or under the Lease, this Guaranty shall be binding upon and shall inure to the benefit of the successors-in-interest and assigns of each party to this Guaranty.

14. **Notices.** Any notice, consent, demand, invoice, statement or other communication required or permitted to be given hereunder shall be in writing and shall be given by (a) personal delivery, (b) overnight delivery with a reputable international overnight delivery service, such as FedEx, or (c) facsimile or email transmission, so long as such transmission is followed within one (1) business day by delivery utilizing one of the methods described in subsections (a) or (b). Any such notice, consent, demand, invoice, statement or other communication shall be deemed delivered (x) upon receipt, if given in accordance with subsection (a); (y) one business (1) day after deposit with a reputable international overnight delivery service, if given if given in accordance with subsection (b); or (z) upon transmission, if given in accordance with subsection (c). Except as otherwise stated in this Guaranty, any notice, consent, demand, invoice, statement or other communication required or permitted to be given pursuant to this Guaranty shall be addressed to Guarantor or Landlord at the address set forth above in the introductory paragraph of this Guaranty. Either party may, by notice to the other given pursuant to this Section, specify additional or different addresses for notice purposes.

15. **Waiver.** Any waiver of a breach or default under this Guaranty must be in a writing that is duly executed by Landlord and shall not be a waiver of any other default concerning the same or any other provision of this Guaranty. No delay or omission in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver.

16. **Withholding**. Unless otherwise agreed in the Lease, any and all payments by Guarantor to Landlord under this Guaranty shall be made free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and all liabilities with respect thereto (collectively, "**Taxes**"). If Guarantor shall be required by any applicable laws to deduct any Taxes from or in respect of any sum payable under this Guaranty to Landlord: (a) the sum payable shall be increased as necessary so that after making all required deductions, the Landlord receives an amount equal to the sum it would have received had no such deductions been made; (b) Guarantor shall make such deductions; and (c) Guarantor shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable laws.

17. **Financial Condition of Tenant**. Landlord shall have no obligation to disclose or discuss with Guarantor Landlord's assessment of the financial condition of Tenant. Guarantor has adequate means to obtain information from Tenant on a continuing basis concerning the financial condition of Tenant and its ability to perform its Guaranteed Obligations, and Guarantor assumes responsibility for being and keeping informed of Tenant's financial condition and of all circumstances bearing upon the risk of Tenant's failure to perform the Guaranteed Obligations.

18. **Bankruptcy**. So long as the Guaranteed Obligations remain outstanding, Guarantor shall not, without Landlord's prior written consent, commence or join with any other person in commencing any bankruptcy or similar proceeding of or against Tenant. Guarantor's obligations hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any bankruptcy or similar proceeding (voluntary or involuntary) involving Tenant or by any defense that Tenant may have by reason of an order, decree or decision of any court or administrative body resulting from any such proceeding. To the fullest extent permitted by law, Guarantor will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person to pay to Landlord or allow the claim of Landlord in respect of any interest, fees, costs, expenses or other Guaranteed Obligations accruing or arising after the date on which such case or proceeding is commenced.

19. **Conveyance or Transfer**. Without Landlord's written consent, Guarantor shall not convey, sell, lease or transfer any of its properties or assets to any person or entity to the extent that such conveyance, sale, lease or transfer could have a material adverse effect on Guarantor's ability to fulfill any of the Guaranteed Obligations.

20. **Financials.** To induce Landlord to enter into the Lease, Guarantor shall, within ninety (90) days after the end of Guarantor's financial year, furnish Landlord with a certified copy of Guarantor's year-end unconsolidated financial statements for the previous year, audited by a nationally recognized accounting firm. If audited financial statements are not otherwise prepared, then Guarantor may satisfy the requirement to provide audited financial statements by providing in lieu thereof unaudited financial statements prepared in accordance with GAAP and certified by the chief financial officer of Guarantor as correct and complete copies of such financial statements, fairly presenting Guarantor's financial condition as of the time set forth therein and having been prepared in accordance with GAAP. The provisions of this Section shall not apply at any time while Guarantor is traded on any nationally recognized Canadian or United States stock exchange.

21. **Joint and Several Liability.** Guarantor's liability under this Guaranty shall be joint and several with any and all other Guarantors in accordance with the terms and conditions of the Lease.

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IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be signed by its respective officer thereunto duly authorized, all as of the date first written above.

GUARANTOR

VIREO HEALTH INTERNATIONAL, INC.

By: /s/ Shaun Nugent
Name: Shaun Nugent
Title: CFO

Exhibit 10.17

CERTAIN CONFIDENTIAL INFORMATION (MARKED BY BRACKETS AS "[***]" HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

COMMERCIAL LEASE AGREEMENT

THIS COMMERCIAL LEASE AGREEMENT ("**Lease**") dated this 21st day of April, 2017 (the **"Effective Date**") by and between ***100 Enterprise Drive, LLC (***"**Lessor**"), a Maryland limited liability company having an address of 118 N. Division Street, Salisbury, Maryland 21801, and ***MaryMed, LLC (***"**Lessee**"), having an address of 207 9th Street S., Minneapolis, MN 55402 (Lessor and Lessee are hereinafter referred to collectively as the **"Parties**").

WITNESSETH: That Lessor hereby leases unto the Lessee, and the Lessee hereby leases from the Lessor for the term, and upon mutual covenants, agreements and the rentals set forth herein, the Premises described herein below:

1. **Lease of Premises**. Lessor does hereby lease to Lessee, and Lessee hereby agrees to lease from Lessor, the premises located at 100 Enterprise Drive, in the Town of Hurlock, County of Dorchester, Maryland, consisting of approximately 22,500 square feet of space on 5.00 +/acres, together with all improvements, appurtenances, rights, privileges and easements benefiting, belonging or pertaining thereto (the **"Premises**").

2. **Term**. The term of this Lease shall begin on the Effective Date and continue for ten (10) years following the Delivery Date. Lessee shall have the right to renew this Lease for two (2) additional five (5) year terms as more fully set forth in Section 7 hereof.

3. **Landlord's Work**. Lessor agrees, at Lessor's sole cost and expense, to promptly complete all that work described in **Exhibit A** (the **"Landlord's Work**"), in a good, proper and timely manner.

4. **Tenant Upgrades & Additional Tenant Upgrades**.

a. In accordance with the terms and conditions hereof, Lessor agrees to promptly complete all that work described in **Exhibit B** (the **"Tenant Upgrades**"), in a good, proper and timely manner.

b. To pay for the completion of the Tenant Upgrades, the Parties shall each contribute funds totaling, in the aggregate, the amount of Six Hundred Fifty Thousand Dollars and 00/100 ($650,000.00) (the **"Tenant Upgrade Funds**") as follows:

1. Lessor shall advance Three Hundred Twenty-Five Thousand Dollars and 00/100 ($325,000.00) ("**Lessor's Contribution**"); and,

2. Lessee shall contribute Three Hundred Twenty-Five Thousand Dollars and 00/100 ($325,000.00) ("**Lessee's Contribution**") which said Lessee's Contribution shall be paid to Lessor, via certified funds, upon Lessee's execution of this Lease.

c. To the extent that the cost to Lessor to complete the Tenant Upgrades does not exceed the amount of the Tenant Upgrade Funds (i.e. $650,000.00), Lessor shall provide Lessee with such funds equal to seventy-five percent (75%) of the difference between the amount of the Tenant Upgrade Funds and the amount that Lessor actually expended to complete the Tenant Upgrades (such amount is hereinafter referred to as the **"Tenant Improvement Funds**"). Lessee may use the Tenant Improvement Funds, if there be any, in connection with payments made by Lessee to update, furnish, modify or procure products, materials, equipment or services related to Lessee's use of the Premises that are not identified on **Exhibit A** or **Exhibit B** (such items are hereinafter referred to collectively as **"Additional Tenant Improvements**"). In the event any Tenant Improvement Funds exist after Lessor's completion of the Tenant Upgrades, then, with respect to any Additional Tenant Improvements, Lessee shall submit to Lessor the receipt(s) supporting the Additional Tenant Improvements and within fifteen (15) days of Lessor's receipt thereof, Lessor shall reimburse to Lessee seventy-five percent (75%) of the amount identified on the receipt(s) submitted by Lessee, as set forth hereinabove, until the Tenant Improvement Funds are exhausted.

d. To the extent that the cost to Lessor for its completion of the Tenant Upgrades exceeds the Tenant Upgrade Funds (i.e. $650,000.00), Lessor shall invoice Lessee for all such costs in excess of the Tenant Upgrade Funds, which said invoice(s) shall provide documentation of such excess Tenant Upgrade costs incurred by Lessor, and Lessee shall make payment to Lessor for all such amounts within fifteen (15) days of Lessee's receipt of any such invoice.

e. Lessor shall use commercially reasonable efforts to timely and properly complete the Tenant Upgrades at the lowest available price using good procurement and general contractor practices and leveraging vendors and relationships that Lessee identifies where reasonably possible, if any.

f. Lessee shall be responsible for procuring any and all products, equipment, furnishings, items, materials and services for completion of any Additional Tenant Improvements with a total cost to Lessee of no less than Three Hundred Thousand Dollars and 00/100 ($300,000.00). Lessee shall install (or have installed) or place at or on the Premises Additional Tenant Improvements, with a total cost to Lessee of no less than Three Hundred Thousand Dollars and 00/100 ($300,000.00), within one hundred twenty (120) days following the Effective Date. Lessor will work with Lessee to coordinate working the Additional Tenant Improvements into the construction plan for the Premises and Lessee shall not be deemed to create a Lessee Delay (as defined in Section 4(1) hereof) based upon these Additional Tenant Improvements becoming part of the construction plan which Lessor shall incorporate and perform general contractor services over.

g. As of the Effective Date Lessor has completed all construction designs (subject to a Lessee fully approved space plan within fourteen (14) days of the Effective Date) and drawings related to the Landlord's Work and Tenant Upgrades necessary to obtain a building permit issued by the Town of Hurlock, and Lessor shall be solely responsible for obtaining all required consents, approvals and permits related to the Landlord's Work and Tenant Upgrades, including, but not limited to, all approvals and permits issued by the Town of Hurlock.

h. Lessor shall complete the Landlord's Work and Tenant Upgrades, as set forth hereinabove, within one hundred and six (106) days from the Effective Date. Notwithstanding the foregoing, in the event a Building Permit for the Landlord's Work and/or Tenant Upgrades, or any part thereof, is not issued within fifteen (15) days from the Effective Date, and that delay is caused by Lessee, Lessor shall be provided additional days to complete the Landlord's Work and Tenant Upgrades, beyond the aforesaid one hundred and six (106) days, equal to the number of days Lessee caused the issuance of the Building Permit to be delayed.

i. Upon Lessor's completion of the Landlord's Work and Tenant Upgrades, Lessor shall notify the Lessee in writing and then immediately make the Premises available to Lessee. The date of Lessor's notification to Lessee under this Section 4(i) shall be deemed the **"Delivery Date"**.

j. Lessee expressly acknowledges and agrees to pay Lessor, or its assigns, the amount of Eighty Thousand Dollars and 00/100 ($80,000) (the **"Contractor's Fee**") in exchange for all general contractor services performed by Lessor relating to the Landlord's Work, Tenant Upgrades and Additional Tenant Upgrades (if there be any) within ten (10) days from the Delivery Date.

k. Except as otherwise provided in Section 4(h) and/or Section 4(1) hereof, in the event the Delivery Date occurs more than one hundred and six (106) days after the Effective Date, Lessee shall have the option to terminate this Lease immediately, with no further obligation of either party to the other, upon Lessee's written notice to Lessor providing Lessee's intention to terminate this Lease, and Lessee shall remove any products, equipment or materials purchased by Lessee within thirty (30) days from the date of the aforesaid notice.

l. As used in this Lease, the term "Lessee Delay" means any situation where the Lessor, in performing any part of the Landlord's Work and/or Tenant Upgrades, reasonably requests in writing with sufficient background and detail (email is acceptable) that Lessee provide to Lessor input, response or details necessary for Lessor to timely continue its the Landlord's Work and/or Tenant Upgrades and Lessee fails to respond to such request within four (4) business days. A Lessee Delay shall also be defined to include a "change order" requested by Lessee that deviates from the permitted construction drawings, provided Lessor can show by way of documentation that such change order will delay Lessor's performance of the Landlord's Work and/or Tenant Upgrades by more than three (3) days. Upon the occurrence of a Lessee Delay hereunder, Lessor shall promptly cause written notice of such Lessee Delay to be delivered to the Lessee in accordance with the notice provisions contained herein (the "Notice of Delay"). Lessee shall have five (5) days from the date of its receipt of a Notice of Delay to cure all such Lessee Delays described therein (the "Delay Cure Period"). In the event Lessee is able to cure said Lessee Delays within such Cure Period, this Lease shall remain in full force and effect as if no Lessee Delay had occurred. In the event Lessee is unable to cure said Lessee Delays within such Cure Period, then Lessor shall be entitled to exercise its rights under this Section 4(1). Lessor's determination as to the existence and duration of a Lessee Delay shall be conclusive, subject only to reasonably accepted construction standards. In the event Lessee fails to cure any Lessee Delay within the applicable Cure Period, Lessor shall have the right, in addition to any other rights and remedies afforded hereunder, to (i) accelerate the Rent Commencement Date in the Lessor's sole and absolute discretion, and/or (ii) seek reimbursement from Lessee for all costs and expenses incurred by Lessor resulting from said Lessee Delay, including, but not limited to, any costs and expenses attributable to finance expenses, increased cost of labor, materials, and project overhead and operating expenses, but not to exceed One Thousand Dollars and 00/100 ($1,000.00) per day.

5. **Rent**.

a. **The "Rent Commencement Date"** shall be the first (1st) day of the calendar month occurring after the Delivery Date. Thus, by way of example only: if the Delivery Date is June 21, 2017, the Rent Commencement Date shall be July 1, 2017. Subject to the provisions of Section 5(b) hereof, Lessee's payment of the monthly base rent ("**Monthly Base Rent**") shall begin on the Rent Commencement Date and shall be Twenty Thousand Dollars and 00/100 ($20,000.00) per month ($240,000.00/year) for the first twelve (12) months following the Rent Commencement Date. The Monthly Base Rent shall increase annually by two and one-half percent (2.5%) on the anniversary of the Rent Commencement Date.

b. At "**Closing**" (as defined in Section 25 hereof) Lessor expects to receive payment from PPC (as defined in Section 25 hereof) in the amount of One Hundred Thirty Five Thousand Dollars and 00/100 ($135,000.00) (the **"Closing Reimbursement**"). Lessor shall apply the proceeds of the Closing Reimbursement as pre-paid Monthly Base Rent due and payable by Lessee beginning on the Rent Commencement Date, such that the first six (6) payments of Monthly Base Rent due hereunder shall be pre-paid in full and the Monthly Base Rent due on the first (1") day of the seventh (7'^{h}) month following the Rent Commencement Date shall be credited by the balance of the Closing Reimbursement proceeds then remaining (i.e. expected to be Five Thousand Dollars and 00/100 ($5,000.00)). In the event no Closing Reimbursement proceeds are paid to Lessor at Closing, the full amount of the Monthly Base Rent shall be due and payable by Lessee to Lessor beginning on the Rent Commencement Date. Likewise, should the Closing Reimbursement proceeds paid to Lessor at Closing are less than or greater than One Hundred Thirty Five Thousand Dollars and 00/100 ($135,000.00), then any amount of pre-paid Monthly Base Rent under this Section 5(b) shall be modified to reflect the amount of Closing Proceeds so paid to Lessor at Closing at the same rate set forth in Section 5(a) hereof.

c. In consideration of Lessor's Contribution (as defined in Section 4(b)(1) hereof), Lessee shall make payment to Lessor in the amount of Three Thousand Six Hundred Ninety Dollars and 31/100 ($3,690.31) per month for one hundred and twenty (120) consecutive months (i.e. $325,000.00 amortized at the annual interest rate of 6.5% over 120 months), which said payment shall represent **"Additional Rent"**. Lessee's obligation to pay the Additional Rent shall begin on the first (1") day of the calendar month following the Delivery Date and shall continue until satisfied. (The Monthly Base Rent, Additional Rent and any and all other charges to be paid by Lessee in accordance with the terms and conditions of this Lease are hereinafter referred to collectively as the **"Rents**"). Notwithstanding any term to the contrary set forth herein, the obligation of Lessee to make full and complete payment of the Additional Rent shall survive the expiration or earlier termination of this Lease.

d. In accordance with subsections 5(a) and 5(c) hereof, the following Monthly Base Rent and Additional Rent payment schedule shall apply:

"Monthly Base Rent":	**"Additional Rent":**
Year 1 -- $240,000.00/Year; $20,000.00/Month	Year 1 -- $44,283.72/Year; $3,690.31/Month
Year 2 -- $246,000.00/Year; $20,500.00/Month	Year 2 -- $44,283.72/Year; $3,690.31/Month
Year 3 -- $252,150.00/Year; $21,012.50/Month	Year 3 -- $44,283.72/Year; $3,690.31/Month
Year 4 -- $258,453.72/Year; $21,537.81/Month	Year 4 -- $44,283.72/Year; $3,690.31/Month
Year 5 -- $264,915.12/Year; 522,076.26/Month	Year 5 -- $44,283.72/Year; $3,690.31/Month
Year 6 -- $271,537.92/Year; $22,628.16/Month	Year 6 -- $44,283.72/Year; $3,690.31/Month
Year 7 -- $278;326.44/Year; $23,193.87/Month	Year 7 -- $44,283.72/Year; $3,690.31/Month
Year 8 -- $285,284.64/Year; $23,773.72/Month	Year 8 -- $44,283.72/Year; $3,690.31/Month
Year 9 -- $292,416.72/Year; $24,368.06/Month	Year 9 -- $44,283.72/Year; $3,690.31/Month
Year 10 -- 5299,727.12/Year; $24,977.26/Month $3,690.31/Month	Year 10 -- $44,283.72/Year;

e. Any and all Rents, and other payments due and payable by Lessee to Lessor, shall be due on the first (1st) day of each month and shall be sent to Lessor at the address of P.O. Box 4322, Salisbury, Maryland 21803 or such other address as directed by Lessor in writing. Any delay or failure of Lessor in computing or billing for any of the Rents due hereunder shall not constitute a waiver of or in any way impair the continuing obligation of Lessee to pay such installment of Rents.

f. A late charge of five percent (5%) shall be applied to any and all payment(s) of Rents received by Lessor after the third (3rd) day of each and every month during the original term of this Lease and any renewal thereof. Lessee agrees that the late charge imposed under this Section 5(f) is fair and reasonable, to the best of the Lessor and Lessee's knowledge it complies with all laws, statutes and regulations, and constitutes an agreement between Lessor and Lessee as to the estimated compensation for costs and administrative expenses incurred by Lessor resulting from Lessee's late payment of Rents due hereunder.

g. To the extent Lessee fails to make any payment of Rents due hereunder and such failure continues for ten (10) days following the date such payment of Rents is due, Lessor may provide Lessee with written notice of such failure and if Lessee does not cure such failure within ten (10) days after Lessee's receipt of written notice from Lessor, then, subject to the provisions of Section 19(a) hereof, Lessor may upon written notice to Lessee declare such failure a default under this Lease and pursue all legal remedies available to Lessor. If Lessor shall to file a lawsuit against Lessee for collection of any Rents due hereunder, Lessee shall, in addition to all Rents due hereunder, be responsible and otherwise liable for payment of all court costs and reasonable attorneys' fees incurred by Lessor arising from or in connection with any such collection action.

h. If any check is mailed by Lessee for payment of Rents due hereunder, Lessee shall post such check in sufficient time prior to the date when payment is due so that the check will be received by Lessor on or before the date when payment of Rents is due. Lessee shall assume the risk of lateness, and any failure of delivery of the mails shall not excuse Lessee from its obligation to have made the payment in question when required under this Lease. Lessor will accept payment of Rents made by third parties on behalf of Lessee, however such acceptance by Lessor shall only be interpreted as an accommodation by Lessor, and in no way does the acceptance of any payment from a third party create any tenancy relationship with that third party. Lessee hereby agrees that payment of Rents, on its behalf, by any third party shall not occur more than three (3) times during the term of this Lease and any renewal thereof. Lessor agrees that Lessee may pay any Rents due hereunder by cash payment (with a mutually agreeable method to track such cash payments, *e.g.* a mutually signed receipt) in addition to payment by check or wire transfer.

6. Security Deposit.

a. Within five (5) business days of the Effective Date, Lessee shall make payment to Lessor, via certified funds, in the amount of Three Hundred Thousand Dollars and 00/100 ($300,000.00) (the "Security Deposit"). The Security Deposit shall be retained by Lessor, in a non-interest bearing escrow account, as security for Lessee's faithful performance of all covenants, conditions and agreements of this Lease. Subject to the provisions of Section 6(c) hereof, Lessor may apply the Security Deposit, or any portion thereof, at its option and in its sole discretion and in no event shall Lessor be obligated to apply the Security Deposit, or any portion thereof, to any Rents or other charges in arrears or to damages arising from Lessee's failure to perform the said covenants, conditions and agreements of this Lease.

b. Lessor's right to the possession of the Premises for non-payment of any Rents or for any other reason shall not in any way be affected by reason of the fact that the Lessor holds the Security Deposit.

c. In the event Lessor shall not have earlier applied the Security Deposit, or any portion thereof, toward the payment of any Rents in arrears or toward the payment of damages suffered by Lessor arising from or consequent upon Lessee's breach of the covenants, conditions and agreements of this Lease, as permitted under Sections 6(a) 6(d) hereof, then Lessor shall return the Security Deposit to Lessee in accordance with the following schedule:

1. On the forth (4^{th}) anniversary of the Delivery Date (i.e. upon the expiration of forty-eight (48) months from the Delivery Date), Lessor shall return Fifty Thousand Dollars and 00/100 ($50,000.00) of the Security Deposit to Lessee.

2. On the fifth (5^{th}) anniversary of the Delivery Date (i.e. upon the expiration of sixty (60) months from the Delivery Date), Lessor shall return Fifty Thousand Dollars and 00/100 ($50,000.00) of the Security Deposit to Lessee.

3. On the sixth (6^{th}) anniversary of the Delivery Date (i.e. upon the expiration of seventy-two (72) months from the Delivery Date), Lessor shall return Two Hundred Thousand Dollars and 00/100 ($200,000.00) of the Security Deposit to Lessee or, in the event Lessor applied any portion of the Security Deposit in accordance with the provisions of Section 6(a) hereof prior to the sixth (6^{1}') anniversary of the Delivery Date, then Lessor shall return the balance of the Security Deposit so remaining to Lessee, and Lessor shall be discharged from any and all further liability with respect to the Security Deposit.

d. In the event Lessor repossesses the Premises because of Lessee's default hereunder or because of Lessee's failure to perform any of the covenants, conditions and agreements of this Lease, Lessor may apply the Security Deposit, or any portion thereof, against any damages suffered by Lessor on or before the date of said repossession, and/or retain the Security Deposit, or any portion thereof, to apply to such damages Lessor may have suffered or which may accrue thereafter by reason of Lessee's default or breach hereunder. Lessor may deliver the Security Deposit to any purchaser of Lessor's interest in the Premises, in the event that such interest is sold by Lessor and provided that any such purchaser of Lessor's interest in the Premises expressly agrees to assume the obligations of Lessor under Section 6(c)(1)-(3) hereof as applicable, and thereupon Lessor shall be discharged from any further liability with respect to the Security Deposit.

e. Notwithstanding any term to the contrary set forth herein, in the event Lessee elects to terminate this Lease under Section 4(k) or Section 20 hereof, Lessor shall promptly return the full amount of the Security Deposit or balance thereof, as the case may be, to Lessee.

7. Options.

a. Provided that this Lease is then in full force and effect and Lessee is not in default thereof for which Lessor has provided written notice of such default to Lessee at the time of the following options, Lessee shall have the option to extend the term of this Lease for two (2) additional terms of five (5) years each, provided Lessee gives written notice to Lessor of Lessee's intention to exercise its option to extend the term of this Lease as to its first option no later than one hundred eighty (180) days prior to the expiration of the original term (i.e. ten (10) years after the Delivery Date) and no later than one hundred eighty (180) days prior to the expiration of the first option renewal term with respect to Lessee's second renewal option. During either option term, if exercised, all of the agreements and conditions contained in this Lease shall apply, except that the amount of Monthly Base Rent, for each and every year of each renewal term, shall increase annually by two and one-half percent (2.5%) on the anniversary of each lease year and, furthermore, Lessee shall not owe any Additional Rent during any renewal term provided that Lessee has satisfied all Additional Rent due and owing Lessor hereunder.

b. To the extent Lessee fails to possess any of the permits, consents or licenses necessary for Lessee to perform or otherwise conduct its Permitted Use (as defined herein) and such failure exists on the sixth (6^{th}) anniversary of the Rent Commencement Date, then upon no less than one (1) year prior written notice and payment of (i) Three Hundred Fifty Thousand Dollars and 00/100 ($350,000.00) and (ii) any unamortized Additional Rent remaining (collectively the "Early Termination Payment") by Lessee to Lessor, Lessee may terminate this Lease effective one (1) year following Lessor's receipt of such written notice provided that Lessee makes payment of the Early Termination Payment to Lessor on or before the effective date of the termination under this Section 7(b). Thus, by way of example only: if the Rent Commencement Date is October **1**, 2017 and on October 1, 2023 Lessee fails to possess permits, consents or licenses permitting it to perform or otherwise conduct its Permitted Use (as defined herein), then Lessee may, at its sole option, provide Lessor with written notice of its intent to terminate this Lease effective October 1, 2024 and, to the extent that Lessee does so and also pays the Early Termination Payment to Lessor, and such payment is delivered to Lessor on or before October 1, 2024, then this Lease shall terminate effective October 1, 2024 without recourse by the Parties except as otherwise provided herein.

8. **HVAC Equipment & Systems**. Lessor shall install HVAC systems suitable for the Premises prior to the Delivery Date and upon installation Lessor shall ensure that such HVAC systems will be in new and proper working condition, beginning on the Delivery Date. Any manufacturer's warranty provided by a manufacturer of an HVAC system installed by Lessor hereunder shall be exhausted prior to any Lessee obligation to maintain or repair any such HVAC system. Lessee shall coordinate all repairs to an HVAC system done under a manufacturer's warranty. For sake of clarity, to the extent that any of the HVAC systems described on **Exhibit A** need to be replaced during the term of this Lease or any renewal thereof, Lessor shall be responsible for such replacement, unless the replacement is caused by the negligence of the Lessee.

9. **Permitted Use**.

a. Lessee may use the Premises for any use not prohibited by Maryland and/or local law, rule or regulation, including any and all zoning codes or regulations established by the Town of Hurlock (the "Permitted Use"). The Parties agree that the term "Permitted Use" shall include Lessee's use of the Premises for the purpose of growing, cultivating, harvesting and wholesaling medical cannabis provided Lessee conducts such use in material compliance with all terms and conditions of any permit and/or license issued to Lessee by the Maryland Medical Cannabis Commission ("MMCC"). At all times during the term of this Lease and any renewal thereof, Lessee, at its sole cost and expense, shall conduct its Permitted Use of the Premises (as defined in this Section 9(a)) in compliance with all state and local laws, rules and regulations now in force or which may hereinafter be enacted, promulgated or otherwise amended.

b. Lessee hereby acknowledges and agrees that Lessee is expressly prohibited from permitting the use of any cannabis or medical cannabis product, including the smoking, inhalation or ingestion thereof, at the Premises. Lessee further acknowledges and agrees that Lessee shall be solely responsible for purchasing, installing and otherwise maintaining any legally required electronic surveillance system at the Premises or implementing any other legally required security protocols to ensure Lessee's compliance with its Permitted Use of the Premises as well as to ensure the safety of its personal property and the safety of Lessee's employees, agents, representatives, invitees, licensees and contractors entering on the Premises. Lessee assumes all risk of damage to its personal property (and the personal property of Lessee's employees, agents, representatives, invitees, licensees and contractors) stored, kept or maintained at the Premises.

c. Notwithstanding any term to the contrary set forth herein, Lessor hereby expressly acknowledges and agrees that, so long as Lessee materially complies with all applicable Maryland laws, regulations and rules governing any permit or license issued by the MMCC to Lessee, any medical cannabis possessed, handled, controlled or dispensed by Lessee at the Premises, for purposes of Lessee's Permitted Use under Section 9(a) hereof, shall not be deemed a Hazardous Substance under this Lease or otherwise violate the terms and conditions hereof.

10. **Quiet Possession**. Upon Lessee paying the Rents reserved hereunder and observing performing all of the covenants, conditions and provisions on Lessee's part to be observed and performed hereunder, Lessee shall have quiet possession of the Premises for the entire term of this Lease and any renewal thereof, subject to all provisions of this Lease.

11. Subletting & Assignment.

a. Lessee may sublet or assign the Premises to an entity that is owned or controlled by all or substantially all (i.e. at least sixty-two and one-half percent (62.5%) of the ownership interests comprising Lessee as of the Effective Date) of the owners of Lessee without Lessor's consent provided Lessee provides documentation to Lessor showing the creditworthiness of such assignee which such creditworthiness shall be adjudged by Lessor in its sole discretion and, furthermore, Lessee provides all documents evidencing the approved transfer of all applicable licenses and permits required by the MMCC. Lessee shall not sublet the Premises or any portion thereof, nor shall this Lease be assigned by Lessee other than as provided in the immediately preceding sentence without the prior written consent of the Lessor, which such consent may be withheld by Lessor for any reason whatsoever.

b. In the event the Lessor consents to a sub-lessee for the Premises, in which case the terms and conditions identified in this Lease (as modified to identify the privity between the Lessee and a sub-lessee) shall apply to such sub-tenancy and shall be referred to as the "Sublease", the following shall apply.

1. Sub-lessee's Defaults. Lessor and Lessee hereby agree that, if a sub-lessee shall be in default of any obligation of sub-lessee under the Sublease which default also constitutes a default by Lessee under this Lease, then Lessor shall be permitted to avail itself of all of the rights and remedies available to Lessor against Lessee and/or sub-lessee in connection with this Lease.

2. Lessor's Rights. Without limiting the generality of the foregoing, Lessor may (by assignment of a cause of action or otherwise) institute an action or proceeding against a sub-lessee in the name of Lessee in order to enforce Lessee's rights under the Sublease, in which case Lessor shall be permitted to take all ancillary actions (e.g., serve default notices and demands) in the name of Lessee as Lessor deems necessary.

3. Lessee Cooperation. Lessee agrees to cooperate with Lessor, and to execute such documents as shall be reasonably necessary, in connection with the implementation of Lessor's rights under Sections 11(b)(1)-(2) hereof.

c. Lessor shall have the right to assign this Lease to any third party without the prior written consent of Lessee provided that any such assignee agrees to observe and comply with all of the terms and conditions of this Lease. Such assignment shall relieve Lessor of any liability concerning this Lease although Lessor shall first satisfy all past liabilities and obligations to Lessee, if any, prior to consummating the assignment. All future liabilities and obligations shall be assumed by the assignee of Lessor.

12. Alterations & Repairs.

a. Lessee has examined the Premises and accepts them in their present condition and without any representations on the part of the Lessor or its agents as to the present condition of the said Premises except as otherwise expressly provided herein including, but not limited to, Lessors obligations to timely and properly complete the Landlord's Work and Tenant Upgrades.

b. Commencing on the Delivery Date: (i) Lessee shall keep the Premises in good condition, reasonable wear and tear excepted; (ii) Lessee shall be responsible for all maintenance of the grounds and maintenance of the landscaping of the Premises; and, (iii) Lessee shall be responsible for the salting and snow removal of sidewalks, parking areas of the necessary areas of the Premises.

c. For the term of this Lease and any renewal thereof, Lessor shall be responsible for prompt structural repairs and replacements for the Premises including, the roof and building envelope at Lessor's sole cost. Lessee shall be responsible for care and maintenance of the interior and exterior of the Premises including all plumbing and electrical systems serving the Premises and all routine, quarterly maintenance of HVAC systems installed at the Premises. Lessee shall keep same in good order and condition, maintaining service contracts where appropriate and make necessary repairs and replacement of any such parts or components at Lessee's sole cost and expense.

d. Lessor shall not create, permit or suffer any mechanics or other liens or encumbrances on any of the Landlord's Work and Tenant Upgrades. Lessee shall not create, permit or suffer any mechanic's or other lien or encumbrance on or affecting the Premises other than the Landlord's Work and Tenant Upgrades. Lessor shall not be liable for any labor, services or materials furnished to any Lessee or any sub-lessee in connection with any work performed on or at the Premises other than the Landlord's Work and Tenant Upgrades. Should such a lien or encumbrance be filed, or attached to the Premises, Lessee shall have sixty (60) days to have such lien or encumbrance removed. To the extent that Lessee fails to remove a lien or encumbrance within such sixty (60) day period, Lessor may pay the said lien, without inquiring into the validity thereof, and the Lessee shall forthwith reimburse the Lessor the total expense and costs (including all court costs, interest fees, and reasonable attorney's fees and/or expert fees) incurred by the Lessor in discharging the said lien as Rents hereunder. To the extent that Lessee fails to pay the Rents described in the preceding sentence within twenty (20) days of invoicing by Lessor, Lessor may consider such failure a default by Lessee under this Lease.

e. Lessee shall quit and surrender the Premises at the end of the term of this Lease or any renewal thereof (if applicable) in good, clean condition with Lessee provided reasonable time before the end of the term of this Lease or any renewal thereof (if applicable) to remove any equipment, fixtures, property, inventory or similar items that Lessee installed or maintained at the Premises, including those Tenant Upgrade items that Lessee can remove without damaging the Premises, to the extent that Lessee made all Additional Rent payments to Lessee under Section 5(c) hereof.

f. Lessor, or its agents, upon no less than two (2) business days prior written notice (except in emergencies), shall have the right to enter the Premises at reasonable hours in the day to examine the same, or to make such repairs, additions or alterations as it shall deem necessary for the safety, preservation or restoration of the improvements, or for the safety or convenience of the occupants or users thereof (there being no obligation, however, on the part of the Lessor to make any such repairs, additions or alterations unless otherwise required in this Lease), or to exhibit the same to prospective tenants no sooner than two (2) months prior to the expiration of the term of this Lease or any renewal thereof (if applicable). Lessor may enter the Premises at any time for the purpose of emergency repairs. For purposes of this Section 12(h) notice by electronic mail shall be sufficient.

g. In the event of the destruction of the Premises by fire, explosion, the elements or otherwise during the term of this Lease or any renewal term, or such partial destruction thereof as to render the Premises impracticable or unfit for Lessee's Permitted Use, or should the Premises be so injured that the same cannot be repaired within ninety (90) days from the happening of such damage, then and in such case this Lease shall, at the option of either party, cease and become null and void from the date of such damage or destruction, and Lessee shall promptly surrender the Premises and all the Lessee's interest therein to the Lessor, and shall pay all Rents due through the date of such damage, unless the damage was caused by Lessee in which case Lessor may, at its sole option, re-enter and repossess the Premises thus discharged from this Lease and may remove all parties and their property therefrom. Should the Premises be rendered untenantable and unfit for occupancy, but yet be repairable within ninety (90) days from the happening of said damage, Lessor shall inform Lessee of such in writing within ten (10) days of the date the damage occurred and may enter and promptly repair the same with all diligence, and the Rents shall not be payable after said damage through the time that all such repairs are being made, but shall recommence on the first (1') day of the calendar month following Lessor's proper completion of all repairs and receipt of all new permits and approvals necessary for Lessee to restart operations. If Lessor provides written notice to Lessee that it will complete all repairs within the ninety (90) day maximum period but fails to do so or fails to obtain the new permits and approvals, Lessee may immediately terminate the Lease without any further obligation to Lessor (except as provided in Section 5(c) hereof) or agree to continue with the Lease with two (2) months Monthly Base Rent extinguished based on Lessor's failure. But if the Premises shall be so slightly injured as not to be rendered untenantable and unfit for occupancy, then Lessor shall inform Lessee in writing of such and Lessor agrees to fully repair the same with reasonable promptness and in that case Lessee shall pay the Monthly Base Rent at one half (1/2) of the normal amounts from the time of the damage until Lessor fully and properly completes the repairs. A party shall immediately notify the other party in case they become aware of fire or other damage to the Premises.

13. **Compliance with Environmental Laws**.

a. Lessee represents that it will not hold or store "Hazardous Substances" as defined herein at the Premises.

b. Upon the Delivery Date, Lessee shall be responsible for its compliance with all applicable federal, state and local environmental laws rules and regulations ("Environmental Laws") with respect to the Permitted Use of the Premises.

c. Lessee covenants and agrees to indemnify, defend and hold harmless Lessor, any mortgagee of Lessor and their respective successors and assigns from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, proceedings, or expenses of any kind or of any nature whatsoever (including reasonable attorneys' fees and experts' fees incurred by Lessor in the defense thereof) arising out of a breach of the provisions of Section 13(b) hereof. The provisions of this Section 13(c) shall survive the expiration or earlier termination of this Lease.

d. For purposes of this Lease, the term "Hazardous Substances" shall mean and refer to asbestos, asbestos containing materials, polychlorinated biphenyls, radioactive materials, pollutants, contaminants, or any other hazardous materials which is restricted or prohibited, under, any federal or Maryland state laws or regulations. The Parties expressly acknowledge and agree that, so long as Lessee materially complies with all applicable Maryland laws, regulations and rules governing any permit or license issued by the MMCC to Lessee, any medical cannabis possessed, handled, controlled or dispensed by Lessee at the Premises, for purposes of Lessee's Permitted Use under Section 9(a) hereof, shall not be deemed a Hazardous Substance under this Lease.

e. Lessor covenants and agrees to indemnify, defend and hold harmless Lessee and its successors and assigns from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, proceedings, or expenses of any kind or of any nature whatsoever (including reasonable attorneys' and experts' fees and disbursements) arising out of the presence of any Hazardous Substances being held or used on the Premises on or before the Delivery Date and for the violations of any Environmental Laws that occurred prior to the Delivery Date. The provisions of this Section 13(e) shall survive the termination of this Lease.

14. Insurance; Liabilities; Taxes.

a. Indemnity by Lessee. Lessee shall indemnify and hold harmless Lessor, its officials, members, directors, agents, representatives, insurers, employees and assigns (collectively hereinafter referred to in this Section 14(a) as "Indemnitees") against and from any and all claims arising from Lessee's use of the Premises or from the conduct of its business or from any activity, work, or other things done, permitted or suffered by the Lessee in or about the Premises, and shall further indemnify and hold harmless Indemnitees against and from any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from any act or negligence of the Lessee, or any officer, agent, employee, guest, or invitee of Lessee, and from all costs, attorney's fees, and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon, and in case any action or proceeding be brought against any Indemnitee by reason of such claim, Lessee, upon notice from Lessor, shall defend the same at Lessee's sole cost and expense by counsel reasonably satisfactory to any such Indemnitee. Lessee, as a material part of the consideration to Lessor (and therefore Indemnitees) hereby assumes all risk of damage to property, or injury to persons in, upon, or about the Premises, from any cause whatsoever, except as caused by the sole negligence of Lessor. Lessee shall give prompt notice to Lessor in case of casualty or accidents in or to the Premises. In addition to the foregoing (and as not to limit the foregoing), Lessee shall indemnify and hold harmless any Indemnitee from and against any and all claims, demands, investigations or civil forfeiture proceedings made or initiated by any federal, state or local authority having jurisdiction over Lessee and its use of the Premises, regardless of whether such use is permitted hereunder.

b. **Indemnity by Lessor**. Lessor shall indemnify, hold harmless and defend Lessee from and against any and all third party claims, actions, damages, liability and reasonable expense, including, but not limited to, reasonable attorney's and other professional fees, in connection with loss of life, personal injury and/or damage to, property arising from or out of the solely negligent acts of Lessor, its officers, members, directors, agents, representatives, assigns, contractors, employees or invitees.

c. **Insurance**. At all times prior to the Delivery Date, Lessor shall obtain, carry and maintain all appropriate and legally required insurances coverages on the Premises, including all appropriate, reasonable and necessary insurance coverages related to the performance of the Landlord's Work and Tenant Upgrades at Lessee's sole cost, which such expense shall be payable as Rents hereunder. At all times after the Delivery Date and until the expiration or earlier termination of this Lease, Lessee shall, at its sole cost and expense, carry and maintain insurance coverages in those amounts identified on the attached **Exhibit D**. At all times after the Effective Date and until the expiration or earlier termination of this Lease, Lessor shall carry and maintain, at Lessee's sole cost and expense, insurance coverages in the amounts identified on the attached **Exhibit E**. Each of the Parties shall provide evidence of the coverages each is required to provide under this Section 14(c) to the other party promptly upon request so long as this Lease shall be in effect.

d. **Taxes**. Upon the Delivery Date and continuing until the expiration or earlier termination of this Lease, Lessee shall pay, at its sole cost and expense as Rents hereunder, all real estate taxes, assessments and benefit charges imposed on the Premises. Upon the Delivery Date and continuing until the expiration or earlier termination of this Lease, Lessee shall pay all personal property taxes imposed against Lessee's personal property, if any, within or on the Leased Premises.

15. **Utilities & Services**. As of the Delivery Date, Lessor shall ensure that all utilities necessary as defined in **Exhibit A** for Lessee's operation of the Premises shall be fully functional and operational. All utilities furnished to the Premises after the Delivery Date, including but not limited to all water, gas, heat, light, power, sewer and/or telephone service, shall be provided and paid for by the Lessee together with any taxes thereon. After the Delivery Date, the Lessor shall not be liable for any interruption or delay of any of the utility services supplied to the Premises for any reason whatsoever.

16. **Laws & Permits**. At times during the term of this Lease and any renewal thereof, Lessee expressly acknowledges and agrees that it shall observe and comply with all laws, ordinances, rules and regulations of the State of Maryland, Dorchester County and Town of Hurlock applicable to Lessee's Permitted Use of the Premises.

17. **Signs**.

a. Lessee may affix any sign, advertisement or notice to the Premises to the extent that Lessee first obtains any applicable governmental consents or approvals necessary for such.

b. All signage design, construction and installation shall be at Lessee's sole cost and expense.

c. Lessee shall install and maintain all signage at the Premises in compliance with the of laws of the governing municipality and/or county.

18. **Lessee Default**. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Lessee.

a. The vacating or abandonment of the Premises by Lessee.

b. The failure by Lessee to make any payment of Rents or any other payment required to be made by Lessee hereunder, as and when due, where such failure shall continue for a period of ten (10) days from the due date.

c. The failure by Lessee to observe or perform any of the material covenants, conditions or provisions of this Lease to be observed or performed by the Lessee, where such failure shall continue for a period of fifteen (15) days from Lessee's receipt of written notice thereof issued by Lessor to Lessee.

d. The making by Lessee of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Lessee of a petition to have Lessee adjudged bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Lessee, the same is dismissed within thirty (30) days); or the appointment of a trustee or a receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure in not discharged within thirty (30) days.

19. **Remedies in Default**.

a. In the event Lessee is in default or breach of this Lease as set forth in Section 18 hereof, Lessee shall have ten (10) days from its receipt of written notice from Lessor, setting forth Lessee's default or breach hereunder, to make payment to Lessor (in the form of cash, cashier's check or other certified funds) in the amount of the sum of all Rents due for the twelve (12) months immediately following the month in which Lessee's default or breach of this Lease occurred (for purposes of this Section 19, said payment by Lessee to Lessor shall be referred to as the "Curing Payment"). The Curing Payment shall be credited to Lessee for its payment of those Rents covered by the Curing Payment. Upon Lessor's timely receipt of the Curing Payment, Lessee's default or breach shall be deemed cured.

b. In the event Lessee fails to pay the Curing Payment in accordance with Section 19(a) hereof, then Lessor may, at any time following the date such Cure Payment is due under Section 19(a), in its sole discretion, and without limiting Lessor in the exercise of a right or remedy which Lessor may have by reason of such default or breach:

1. Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession of the Premises to Lessor. In such event, Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee's possession of the Premises including the costs reasonably incurred by Lessor to restore the Premises in good order and condition, reasonable attorney's fees, the worth, at the time of an award by the court having jurisdiction thereof, of the amount of any unpaid Rents and other charges due for the balance of the term herein (or any renewal term if applicable), excepting any such sums and/or amounts that Lessor could have reasonably avoided. Upon Lessor's termination of Lessee's right to possession of the Premises, as set forth in this Section 19(b)(1), any unpaid installments of Rents or other sums shall bear interest from the date due at the maximum legal rate; or

2. Maintain Lessee's right to possession, in which case this Lease shall continue in effect whether or not Lessee shall have abandoned the Premises. In such event Lessor shall be entitled to enforce all of Lessor's rights and remedies under this Lease including the right to recover the Rents and any other charges and adjustments as may become due hereunder; or

3. Pursue any other remedy now or hereafter available to Lessor under the laws or judicial decisions of the State in which the Premises are located.

20. **Lessor Default**. If Lessor shall fail to promptly perform any material covenant, condition or agreement stated in this Lease and such failure shall continue for thirty (30) days after Lessor's receipt of written notice of such from Lessee, Lessor shall be deemed to be in default ("Lessor Default") and Lessee, upon securing a court order, without further notice, may, at its option either (i) continue to lease the Premises under this Lease while the Lessor Default continues deducting from the Rents owed the costs and detriments incurred by Lessee related to the Lessor Default or (ii) terminate this Lease effective as of the date identified by Lessee by providing written notice of such termination to Lessor. To the extent that Lessee terminates this Lease under subpart (ii), Lessee shall be provided a reasonable period of time to remove any of its property, fixtures, Tenant Upgrades and Additional Tenant Improvements that Lessee desires and Lessee shall not have any further obligations to Lessor under this Lease.

21. **Notices**. All notices and demands, legal or otherwise, incidental to this Lease or the occupation of the Premises, shall be in writing. If the Lessor or its agent desires to give or serve upon the Lessee any notice or demand, it shall be sufficient to send a copy thereof by registered or certified mail, addressed to the Lessee at the Premises, or to leave a copy thereof with a person of suitable age found on the Premises, or to post a copy thereof upon the door to said Premises. Notices from the Lessee to the Lessor shall be sent by registered or certified mail or delivered to the Lessor at the place hereinbefore designated for the payment of rent, or to such other party or place as the Lessor may from time to time designate in writing.

22. **Holding Over**. In the event that the Lessee shall remain in the Premises after the expiration of the term of this Lease (or renewal term if applicable) without having executed a new written lease with the Lessor, such holding over shall not constitute a renewal or extension of this Lease on a month to month basis. The Lessor may, at its option, elect to treat the Lessee as one who has not removed at the end of its term, and thereupon be entitled to all the remedies against the Lessee provided by law in that situation, or the Lessor may elect, at its option, to construe such holding over as a tenancy from month to month, subject to all the terms and conditions of this Lease, except as to the duration thereof, and except that the Lessor, at its option, may charge the Lessee a monthly rent equivalent to one hundred twenty five percent (125%) of the Monthly Base Rent due for the last month of the term (or renewal term if applicable). Said increased Monthly Base Rent shall not be construed to be liquidated damages and therefore, if the Premises are not surrendered at the end of the term, or any renewal term if applicable, Lessee shall be responsible to Lessor for all damages which Lessor may suffer by reason thereof, and Lessee shall indemnify, hold harmless and defend Lessor from all claims made by a successor lessee resulting from Lessor's delay in delivering possession of the Premises to such successor lessee.

23. **Estoppel**. Lessee shall provide Estoppel Certificates to Lessor within fifteen (15) days of Lessee's receipt of Lessor's written request. In the Estoppel Certificate, Lessee shall certify, but only to the extent true:

i. that this Lease is in full force and effect;

ii. that Lessee knows of no default hereunder on the part of Lessor, or if it has reason to believe that such a default exists, the nature thereof in reasonable detail;

iii. the amount of the Rents being paid and the last date to which Rents have been paid;

iv. that this Lease has not been modified, or if it has been modified, the terms and dates of such modifications;

v. that the term of this Lease has commenced;

vi. the commencement and expiration dates of this Lease;

vii. whether all work to be performed by Lessor has been completed;

viii. whether Lessee's option to renew the term of this Lease has been exercised; and,

ix. whether there exist any claims or deductions from, or defenses to, the payment of Rents.

If Lessee fails to execute and timely deliver to Lessor a completed Estoppel Certificate as set forth in this Section 23, Lessee hereby appoints Lessor as its attorney-in-fact to execute and deliver such certificate for and on behalf of Lessee.

24. **Condemnation**. If the property or any part thereof wherein the Premises are located shall be taken by public or quasi-public authority under any power of eminent domain or condemnation, this Lease, at the option of Lessor, shall terminate upon no less than sixty (60) days prior written notice from Lessor and Lessee shall have no claim or interest in or to any award of damages for such taking. In such situation, neither Lessor nor Lessee shall be held liable for the terms of the Lease except as set forth in Section 5(c) hereof.

25. **Conditions of Lease**. No rights are to be conferred upon either party, nor will any obligations be assumed by either party hereunder, and this Lease shall not be deemed to take effect until all of the following shall have occurred:

a. The Assignment and Assumption Agreement, of even date herewith, by and between Lessor and Lessee, whereby Lessee assigns all of its right, title and interest in and to that certain Purchase Option Agreement ("Option Agreement"), dated February 1, 2017, by and between Lessee and PPC Lubricants, Inc. ("PPC"), a Pennsylvania business corporation, unto Lessor such that Lessor assumes all of Lessee's right, title and interest in and to the Option Agreement.

b. This Lease has been fully executed by Lessor and Lessee;

c. The Security Agreement, of even date herewith, by and between Lessor and Lessee, securing Lessee's obligations under Section 5(c) hereof, has been executed by Lessor and Lessee;

d. The Confessed Judgment Promissory Note, of even date herewith, for Lessee's payment of the Additional Rents (as defined herein) has been executed by Lessee; and,

e. The Guaranty, of even date herewith, guarantying Lessee's obligations hereunder, has been executed by Dorchester Management, LLC.

f. Lessee has closed upon its purchase of the Premises from PPC and title to the Premises has been conveyed to Lessee ("**Closing**").

26. **Recording of Lease**. Lessee shall not record this Lease or a short-form memorandum hereof without the prior written consent of Lessor. Upon Lessor's request, Lessee agrees to execute a short-form memorandum of this Lease for recordation purposes.

27. **Bankruptcy**. It is expressly agreed between the Parties hereto that if Lessee shall be adjudicated bankrupt or take the benefit of any Federal reorganization or composition proceeding or make a general assignment or take the benefit of any insolvency law, or if Lessee's leasehold interest under this Lease shall be sold under any execution or process of law, or if a trustee in bankruptcy or a receiver be appointed or elected or had for Lessee (whether under Federal or State Laws), or if said Premises shall be abandoned or deserted, or if Lessee shall fail to perform any of the covenants or conditions of this Lease on Lessee's part to be performed, or if this Lease or the term hereof (or any renewal term if applicable) be transferred to pass to or devolve upon any person, entity, firm, officer or corporation other than Lessee then, and in any of such events, this Lease and the term hereof (or the renewal term, as the case may be), at Lessor's option, shall expire and end five (5) days after Lessor shall give Lessee written notice (in the manner hereinabove provided) of such act, condition or default, and Lessee hereby agrees immediately then to quit and surrender the Premises to Lessor; but this shall not impair nor affect Lessor's right to maintain summary proceedings for the recovery of the possession of the Premises in all cases provided for by law. If this Lease shall be so terminated, Lessor may immediately or at any time thereafter re-enter or repossess the Premises and remove all persons and property therefrom without being liable for trespass or damages.

28. **No Partnership**. By entering into this Lease, Lessor does not in any way, for any purpose, become a partner or principal of Lessee in the conduct of its business or otherwise or become a joint venturer or member of a joint enterprise with Lessee.

29. **Written Agreement**. This Lease contains the entire agreement between the Parties hereto and all previous negotiations leading thereto. This Lease may be modified only by an agreement in writing signed and sealed by Lessor and Lessee. No surrender of the Premises or of the remainder of the term (or renewal term, as the case may be) of this Lease shall be valid unless accepted in a writing signed by Lessor.

30. **Heirs & Assigns**. This Lease and all provisions, covenants and conditions hereof shall be binding upon and inure to the benefit of the heirs, legal representatives, successors and assigns of the Parties hereto, except that no person, firm, corporation or court officer holding under or through Lessee in violation of any of the terms, provisions or conditions of this Lease shall have any right, interest or equity in or to this Lease, the term (and any renewal term(s)) of this Lease or the Premises covered by this Lease.

31. **Construction**. The validity and construction of this Lease or of any of its provisions shall be determined under the laws of the State of Maryland without regard to its conflict of laws principles. This Lease and all the terms and conditions thereof shall not be subject to any special interpretation or construction by reason of the fact that the within Lease was prepared by or for any party hereto or by counsel for any of said parties. The term "Lessee" when used in this Lease, shall mean any individual, corporation, partnership, firm, trust, joint venture, business association, syndicate, combination organization or any other person or entity and shall be deemed to include any other gender, and words in the singular number shall be held to include the plural, when the context requires.

32. **Legal Expenses**.

a. In case suit shall be brought for recovery of possession of the Premises, for the recovery of any Rents or any other amount due under the provisions of this Lease, or because of the breach of any other covenants herein contained to be kept or performed by Lessee, and a breach shall be established, Lessee shall pay to Lessor all expenses incurred by Lessor, including all reasonable attorney's fees and litigation costs in the event Lessor prevails in such suit. Any amounts paid by Lessee pursuant to this Section 32(a) shall be deemed Rents.

b. In case suit shall be brought because of the breach of any covenant herein contained to be kept or performed by Lessor, and a breach shall be established, Lessor shall pay to Lessee all expenses incurred by Lessee, including all reasonable attorney's fees and litigation costs in the event Lessee prevails in such suit.

33. **Waiver of Jury Trial. The Parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counter-claim brought by either of the Parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Lessor and Lessee, Lessee's use or occupancy of the Premises, and/or any claim or injury or damage.**

34. **Waiver of Right of Redemption**. Lessee hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Lessee being evicted or dispossessed for any cause, or in the event of Lessor obtaining possession of the Premises by reason of the violation by Lessee of any of the covenants or conditions of this Lease, or otherwise.

35. **Severability**. Each provision of this Lease shall be considered separable; and, if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Lease which are valid.

36. **Section Headings**. The headings herein are inserted as a matter of convenience only, and do not define, limit, or describe the scope of this Lease or the intent of the provisions hereof.

37. **Jurisdiction & Venue**. The Parties hereto acting for themselves and for their respective successors and assigns, without regard to domicile, citizenship or residence, hereby expressly and irrevocably consent to and subject themselves to the jurisdiction of the Maryland courts and to venue in Wicomico County, Maryland with respect to any matter, claim and/or dispute arising under or in connection with this Lease.

38. **Subordination**. This Lease is subject to, and subordinate to, underlying leases, and mortgages affecting such leases or the Premises, and renewal replacements, or modifications thereof. Lessee will, if required, execute instruments confirming such subordination.

39. **Counterparts**. This Lease may be executed in counterparts, each of which shall be an original, but all of which shall together constitute one document

IN WITNESS WHEREOF, the Parties have executed this Commercial Lease Agreement all as of the day and year first herein written.

WITNESS/ATTEST:

/s/

LESSOR:
100 ENTERPRISE DRIVE, LLC

By: /s/ (SEAL)

,

Authorized Member

WITNESS/ATTEST:

/s/

LESSEE:
MARYMED, LLC

By: /s/ Kyle Kingsley

Kyle Kingsley, Authorized Member

EXHIBIT A

LANDLORD WORK

INCLUDED:

General: A complete ready to move into office/warehouse space (+/- 22,500 SF) existing pre-engineered metal building. Specifically architectural, engineering, permits, fees, builders risk insurance, associated construction approvals, water/sewer impact, tap & usage fees (up to 20,000 gallons per day), construction mobilization, coordination/management and general conditions.

Site Work: Site work/landscaping to remain as existing. Installation of exterior concrete pads as needed for new mechanical equipment. New site access entrance and security fencing modifications/additions excluded from landlord base build out scope.

Building Envelope: Water tight roof and structure, complete roof repairs and seal new roof penetrations as needed; secure exterior entrances and exits, existing exterior doors/windows to remain.

Interior Build Out: Fire separation and egress requirements as required per code. Fully functional ADA bathroom facilities as required per code, existing bathroom fixtures, accessories and partitions to remain. New interior walls to be constructed per the provided Exhibit 'A' proposed concept floor plan. All new partitions to be famed using non-combustible steel studs to 12' height, 5/8" drywall hung and finished on both sides to be painted white Semi-Gloss throughout. All new interior doors/frames to be hollow metal type with panic bars and automatic closers typical, existing overhead door for Shipping area to have a new automatic opener, existing aluminum storefront main entrance door and windows to remain, new storefront door for secure Waiting/air lock included. Floor prep as needed and new floor coverings as per provided Finish Schedule, Exhibit 'C'. To include: VCT (Armstrong Blue/Gray Standard Excelon) in Trimming/Packaging and Extraction/Lab rooms only; Floor Covering and Cove Base allowance of $10,000 included in base lease rate for other areas of building (Locker Rooms & Existing Office Space); All Warehouse/Manufacturing areas to have existing concrete floors prepped and sealed. Existing acoustical ceiling system to remain in Existing Office Space and Locker Rooms — damaged tiles replaced as needed; New standard aluminum Acoustical Ceiling grid with 2x2 flat lay in tiles installed in new rooms per provided Finish Schedule, Exhibit 'C' — Acousitcal Ceilings installed in all Grow, Mother, Drying, Trimming/Packaging, and Extraction/Lab Rooms. All Corridors, Head House, Storage and Mechanicals Rooms to be open to underside of roof structure. FRP and wipeable ceilings tiles excluded from Landlord base build out scope.

Sprinklers: Existing fire suppression system to be modified to accomodate the new floor plan as needed to provide adequate coverage throughout the building.

Plumbing: existing building water/sewer service and fixtures to remain, repair existing service and fixtures as needed to ensure all plumbing fixtures function properly. Supply and install (1) hand sink and (1) eyewash station in the extraction/lab area. Supply and install up to (5) hose bib water supplies and up to (10) floor drains in grow areas.

HVAC: Fully functional climate controlled systems throughout entire building assuming a typical office type use throughout the building (Two (2) 25-Ton package units included to condition warehouse space). Existing HVAC equipment in existing Office Space to remain, Installation of complete new HVAC systems in the remainder of building, all ductwork, grilles, low voltage wiring and support welding as needed for fully functional HVAC systems included in landlord base build out scope. Two exhaust fans in the lab and processing areas.

Electrical: Existing electrical service is 1200 AMP MDP 3 phase 480/277 volt to remain — as deemed sufficient for new build out and proposed building use. Complete all rough-in wiring and devices as needed to accommodate new floor plan per Exhibit 'A.' New rooms with Acoustical Ceilings to receive 2x4' lay in lights, All areas with exposed ceilings to receive new 8' stip lights, convenience receptacles installed throughout, existing Office Space lighting and devices to remain. New electrical package to specifically include the following: (258) 2x4 lay-in lights, (28) 8' strip 4/T8 lamps, (6) exit lights, (10) emergency lights, breakers for all equipment & lighting, high voltage wiring for HVAC equipment, GFCI convenience receptacles in new walls, EMT coudits in exposed areas, (2) 75 KVA transformers, (1) 225 AMP panelboard (277/480V), (1) 225 AMP panelboard (120/208V), Breakers in MDP to feed panelboards, Breakers for all equipment and lighting; all included in landlord base build out scope.

EXCLUDED:

Anything not specifically referenced above. Including but not limited to: all 'Tenant upgraded build out items,' including: furniture, fixtures and equipment, Greenhouse/Breezeway and all associated engineering, approvals and construction components, dehumidifiers, extractors, Cot tank/pump, fertilizer tanks, specialty/decorative/grow lighting, data/telephone, cabinets & countertops, crown molding, chair rail, appliances, vault, sound/building insulation, fire/security alarm systems of any kind, imposed HVAC loads, HVAC testing & balancing, fresh air intake fans, backup generator, security fence modifications/additions, FRP & wipeable ceiling tiles.

EXHIBIT B

TENANT UPGRADES

HVAC: Supply & Install the following HVAC equipment & components:

(38) ductless 3-Ton Daikin units

(4) ductless 2-Ton units

(12) Fantect exhast fans with open end duct work (no grilles)

(14) Hi-E Dry 195 commercial dehumidifiers

(1) 12.5-Ton heat pump packaged units with duct work (serving corridors, locker rooms, storage room and 2nd floor office mezzanine).

(1) 4.5-Ton heat pump split system with duct work (serving extraction/lab room)

**Note: HVAC testing & balancing excluded*

Plumbing: Supply & Install the following plumbing components:

(7) water supplies (hose bibs) included in: (9) grow rooms, mother room, drying room and trimming/packaging room

(13) floor sinks (drains) included in: (9) grow rooms, mother room, drying room, trimming/packaging room, curing room, new mechanical room, extraction/lab room.

**Notes: Floor drains positioned so can pick up drainage needs for dehumidifiers and ductless HVAC units. Includes all necessary concrete removal and replacement for floor drain installation.*

Electrical: Supply & Install the following electrical fixtures & components:

(19) 4x4 T5 8 Lamp New Wave

(36) Sun Blaze T5 4' strip

(251) Gavita Grow Lights

(9) EL2 Master lighting controller (including low voltage wiring)

(77) Pedistal Oscillating fans

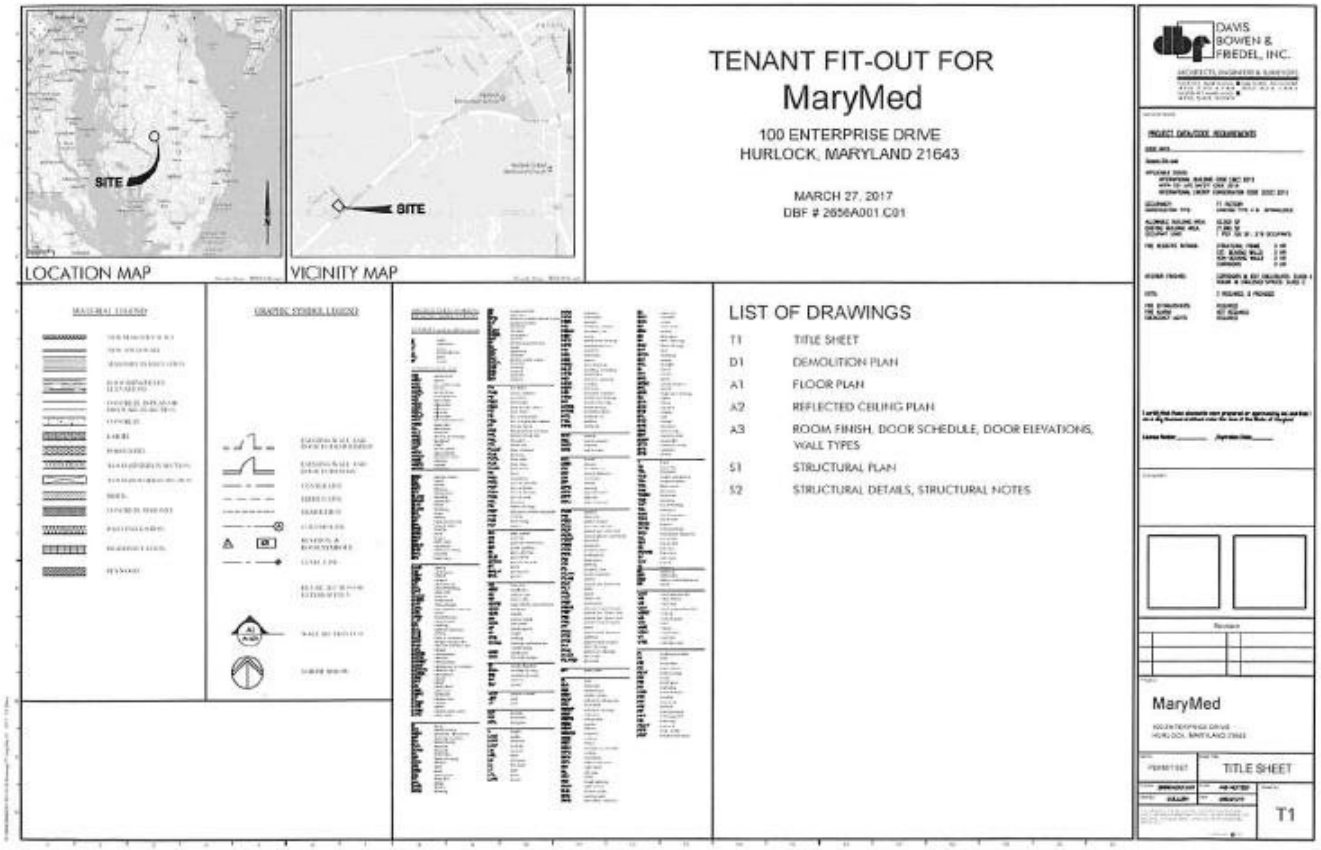
Finishes: Supply & Install the following finish Upgrades:

FRP Paneling in (9) grow rooms, mother room, and drying room.

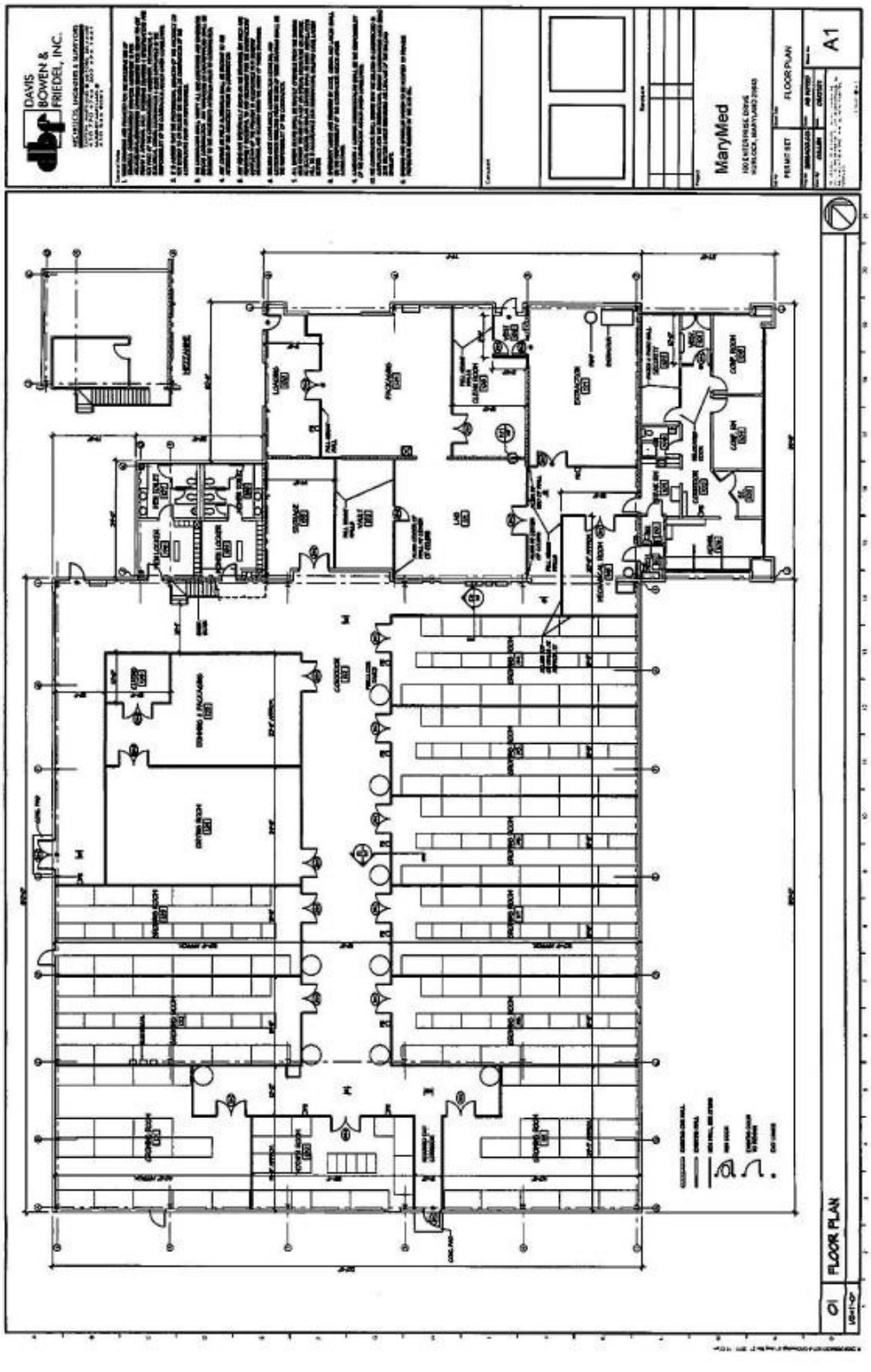
Wipeable 2x2 flat lay-in ceiling tiles in (9) grow rooms, mother room, drying room, trimming & packaging room and extraction/lab room.

EXHIBIT C

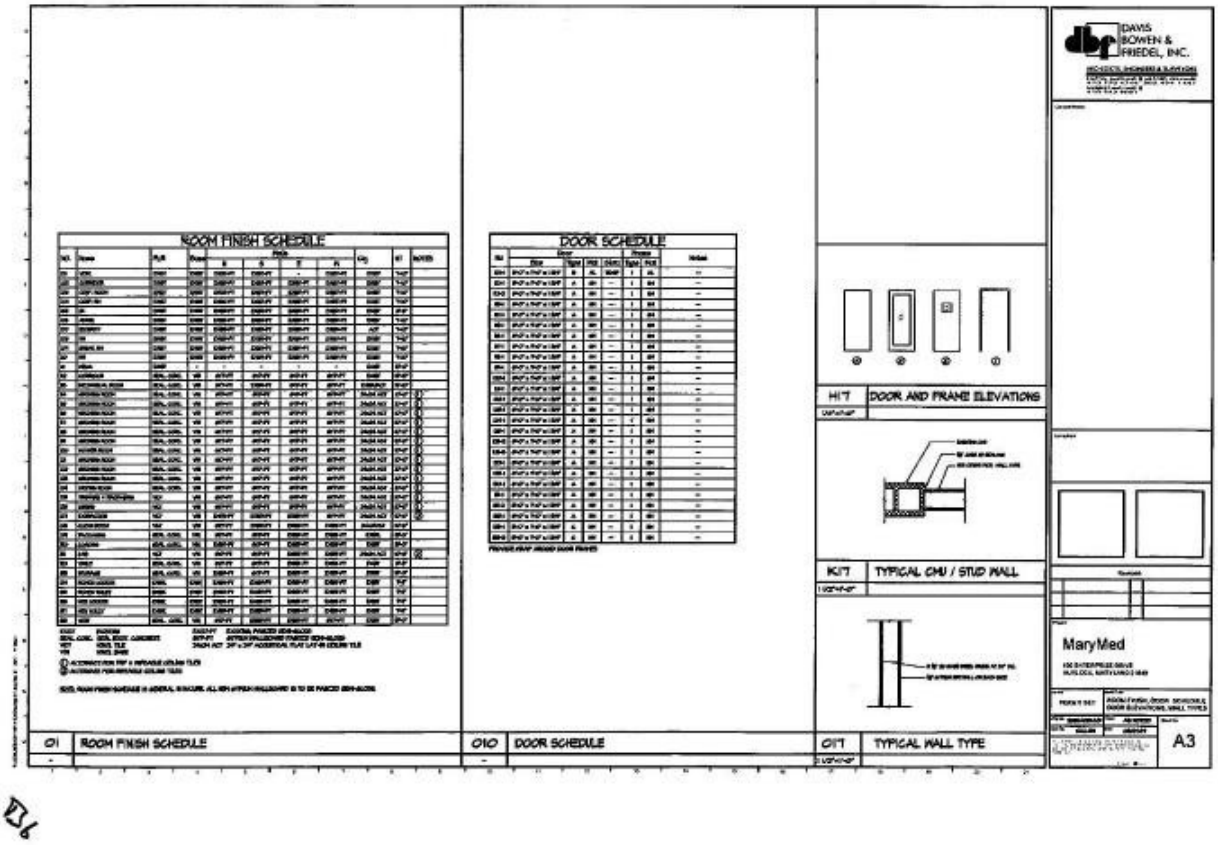
CONSTRUCTION DRAWINGS


LOCATION MAP
SITE
VICINITY MAP
SITE
TENANT FIT-OUT FOR
MaryMed
100 ENTERPRISE DRIVE
HURLOCK, MARYLAND 21643
MARCH 27, 2017
DBF # 2656A001.C01
DAVIS, BOWEN & FRIEDEL, INC.
LIST OF DRAWINGS
T1 TITLE SHEET
D1 DEMOLITION PLAN
A1 FLOOR PLAN
A2 REFLECTED CEILING PLAN
A3 ROOM FINISH, DOOR SCHEDULE, DOOR ELEVATIONS, WALL TYPES
S1 STRUCTURAL PLAN
S2 STRUCTURAL DETAILS, STRUCTURAL NOTES
MaryMed
TITLE SHEET
T1

DAVIS BOWEN & FRIEDEL, INC.
MaryMed
DEMOLITION PLAN
D1
01 DEMOLITION PLAN


DAVIS BOWEN & FRIEDEL, INC.
ManyMed
FLOOR PLAN
A1
01 FLOOR PLAN

DAVIS BOWEN & FRIEDEL, INC.
MaryMed
REFLECTED CEILING PLAN
A2
01 REFLECTED CEILING PLAN


ROOM FINISH SCHEDULE
DOOR SCHEDULE
DAVIS BOWEN & FRIEDEL, INC.
H17 DOOR AND FRAME ELEVATIONS
K17 TYPICAL CMU / STUD WALL
MaryMed
A3
01 ROOM FINISH SCHEDULE
010 DOOR SCHEDULE
017 TYPICAL WALL TYPE

DAVIS BOWEN & FRIEDEL, INC.
MaryMed
STRUCTURAL PLAN
S1
01 STRUCTURAL PLAN

DAVIS BOWEN & FRIEDEL, INC.
MaryMed
S2

EXHIBIT D

TENANT INSURANCE

General Liability:

Evanston Insurance Company

Policy Term: July 1, 2016-17

Policy Number: [***]

Limit: $3M Per Occurrence/$3M Aggregate

Deductible: $5,000 Per Occurrence

Excess Liability:

Kinsale Insurance Company

Policy Term: 7/1/2016-17

Policy Number: [***]

Limit: $2M Occ/$2M Agg

SIR: $0

Property:

Hallmark Specialty Insurance Company

Policy Term: 3/11/2016 to 7/1/2017

Policy Number: [***]

Limit: $5,000,000 Per Occurrence Includes Building, Business Personal Property and Business Income & Extra Expense

Deductible: $25,000 Per Location

EXHIBIT E

LANDLORD INSURANCE

- General Liability $1MM per occurrence / $2,000,000 aggregate per policy year
- Excess Liability of $2MM per occurrence / $2MM aggregate
- Property Coverage to include but not limited to Building, Business Personal Property (if any) Business Income & Extra Expense and Equipment Breakdown

Exhibit 10.18

LEASE AMENDMENT

This Lease Amendment (the "Amendment") is effective as of the 8th day of May, 2020 ("Effective Date") and is made by and between 100 Enterprise Drive, LLC, a Maryland limited liability company (the "Landlord") and MaryMed, LLC, a Maryland limited liability company ("Tenant").

RECITALS:

A. Landlord and Tenant entered into a Lease Agreement dated August 1, 2017 (the "Lease") pursuant to which Tenant agreed to lease from Landlord space located at 100 Enterprise Drive, Hurlock, MD.

B. Due to the COVED-19 pandemic, Landlord and Tenant desire to amend the Lease to provide rent relief for a period of three (3) months.

NOW THEREFORE, in consideration of mutual agreements contained herein, Lessor and Lessee hereby agree that the Lease shall be and hereby is amended as follows:

1. Definitions: Any term or phrase with an initial capitalized letter shall have the meaning given it by this Amendment, or if not so defined, shall have the meaning given it by the Lease.

2. Rent: The Lease shall be amended to reflect that Tenant's Base Rent shall be reduced by fifty percent (50%) to an amount of ten thousand five hundred six dollars and twenty five cents ($10,506.25) per month from June 1, 2020 through August 1, 2020 (the "Abatement Period"). The total amount of rent *relief* during the Abatement Period shall not exceed thirty one thousand five hundred eighteen dollars and seventy five cents ($31,518.75) (the "Abatement Total"). The Abatement Total shall be repaid as additional rent of two thousand six hundred twenty six dollars and fifty six cents ($2,626.56) commencing on September 1, 2020 until the Abatement Total is repaid in full. All other payments due from Tenant to Landlord during the Abatement Period shall remain due and payable without reduction.

3. Effect: Except as specifically amended by this Amendment, the terms of the Lease shall remain in full force and effect and are hereby ratified by the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the Effective Date first above written.

[*signatures on following page*]

LANDLORD

100 ENTERPRISE DRIVE, LLC

By: /s/

Name:

Its: Authorized Member

TENANT

MARYMED, LLC

By: /s/ Kyle Kingsley

Name: Kyle Kingsley

Its: CEO

Exhibit 10.19

CERTAIN CONFIDENTIAL INFORMATION (MARKED BY BRACKETS AS "[***]" HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

LEASE

DATED

November 8, 2017

by and between

IIP-MN 1 LLC,
a Delaware limited liability company

and

MINNESOTA MEDICAL SOLUTIONS, LLC,
a Minnesota limited liability company

LEASE AGREEMENT

This Lease Agreement (this **"Lease"**), dated November 8, 2017 (the **"Execution Date"),** is made between IIP-MN 1 LLC, a Delaware limited liability company **("Landlord"),** and MINNESOTA MEDICAL SOLUTIONS, LLC, a Minnesota limited liability company **("Tenant").**

RECITALS

A. WHEREAS, concurrent with the execution of this Lease, Landlord closed on the purchase of certain real property (the **"Property")** and the improvements on the Property located at 8740 77th Street Northeast, Otsego, Minnesota, including the building located thereon (the **"Building"** and, together with the Property, the **"Project"**), pursuant to that certain Purchase and Sale Agreement, dated October 6, 2017 (the **"Purchase Agreement"**), by and between Landlord and Tenant; and

B. WHEREAS, reference is made to that certain Permanent Access Easement Agreement (the **"Easement Agreement"**) dated as of the date hereof, pursuant to which Landlord was granted a permanent, non-exclusive access easement (the **"Easement"**) over and across certain real property as described in the Easement Agreement (the **"Easement Property"**), which Easement is appurtenant to and runs with the Property;

C. WHEREAS, Landlord wishes to lease to Tenant, and Tenant desires to lease from Landlord, the Premises (as defined below), pursuant to the terms and conditions of this Lease, as detailed below; and

D. WHEREAS, each of Vireo Health, LLC, a Minnesota limited liability company, and Vireo Health of New York, LLC, a New York limited liability company ("Guarantor"), is an affiliate of Tenant that is deriving a benefit from Landlord and Tenant entering into this Lease, and has agreed to enter into a guaranty in the form attached as Exhibit E hereto (the **"Guaranty"),** without which Landlord would not agree to enter into this Lease.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Lease of Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the premises described on Exhibit A attached hereto, including shafts, cable runs, mechanical spaces, rooftop areas, landscaping, parking facilities, private drives, and other improvements and appurtenances related thereto (including the Building and the rights pursuant to the Easement), for use by Tenant in accordance with the Permitted Use (as defined below) and no other uses (collectively, the **"Premises"**). For the avoidance of doubt, Landlord acquires no rights under this Lease to any of Tenant's or its Affiliates' personal property (as set forth on Exhibit B) that it uses in connection with the Permitted Use or any of its or its Affiliates' inventory which includes, but is not limited to, any of the following: cannabis plants, derivatives of such plants including goods in process or finished goods extracted from such plants; extractors and related equipment and lab equipment.

2. Basic Lease Provisions. For convenience of the parties, certain basic provisions of this Lease are set forth herein. The provisions set forth herein are subject to the remaining terms and conditions of this Lease and are to be interpreted in light of such remaining terms and conditions.

2.1. The monthly Base Rent for the first twelve (12) months of the Term of the Lease shall be equal to Fifty Thousand Dollars ($50,000), subject to subsequent adjustment under this Lease.

2.2. Security Deposit: Three Hundred Thousand Dollars ($300,000), subject to adjustment as set forth herein.

2.3. **"Permitted Use":** Agricultural growth and processing of agricultural materials, including cannabis, industrial and office space, in accordance with current zoning for the Premises and in conformity with all Applicable Laws (as defined below). The Permitted Use shall include the cultivation and processing of cannabis plant parts and resins into products, and the storage of same for transport, and such other related use or uses permitted under Applicable Laws.

2.4. Address for Rent Payment: IIP-MN 1 LLC
[***]

2.5. Address for Notices to Landlord:
IIP-MN 1 LLC
11440 West Bernardo Court, Suite 220
San Diego, California 92127
Attn: General Counsel

2.6. Address for Notices and Invoices to Tenant:
Minnesota Medical Solutions, LLC
207 5 9th Street
Minneapolis, MN. 55402
Attn: Chief Financial Officer
Cc: General Counsel

2.7. The following Exhibits are attached hereto and incorporated herein by reference:

Exhibit A	Premises
Exhibit B	Tenant's Personal Property
Exhibit C	Form of Estoppel Certificate
Exhibit D	Form of Guaranty
Exhibit E	Work Letter
Exhibit E-1	Tenant Work Insurance Requirements

3. Term and Extension Options.

3.1. Term. The actual term of this Lease (as the same may be extended or earlier terminated in accordance with this Lease, the **"Term"**) shall commence on November 8, 2017 (the **"Commencement Date"**) and end on November 8, 2032 subject to extension or earlier termination of this Lease as provided herein.

3.2. Options to Extend Term. Tenant shall have two (2) options (each an **"Extension Option"**) to extend the Term of this Lease for a period of five (5) years each (each an **"Extension Period"**), on the same terms and conditions in effect under this Lease immediately prior to the commencement of the Extension Period, except that (a) Tenant shall have no further right to extend the Term of this Lease after the second Extension Period, (b) the Base Rent payable during the Extension Period shall be an amount equal to Base Rent in effect immediately prior to the Extension Period, increased by three and one-half percent (3.5%) on an annual basis.

3.2.1. If Tenant exercises an Extension Option, such Extension Option shall apply to the entire Premises (and no less than the entire Premises). Tenant may exercise an Extension Option only by giving Landlord irrevocable and unconditional written notice thereof (the **"Extension Notice**") not later than twenty-four (24) months prior to the commencement date of the Extension Period. Upon delivery of the Extension Notice, Tenant shall be irrevocably bound to lease the Premises for the Extension Period.

3.2.2. Notwithstanding the foregoing, Tenant shall not have the right to exercise an Extension Option (i) during the time commencing from the date Landlord delivers to Tenant a written notice that Tenant is in default under any provisions of this Lease and continuing until Tenant has cured the specified default to Landlord's reasonable satisfaction; (ii) at any time after any Default and continuing until Tenant cures any such Default, if such Default is susceptible to being cured; or (iii) in the event that Tenant has defaulted in the performance of its obligations under this Lease two (2) or more times during the six (6)-month period immediately prior to the date that Tenant intends to exercise an Extension Option, whether or not Tenant has cured such defaults.

3.2.3. If Tenant shall fail to timely exercise the Extension Option in accordance with the provisions of this Section 3.2, then the Extension Option shall terminate, and shall be null and void and of no further force and effect. If this Lease or Tenant's right to possession of the Premises shall terminate in any manner whatsoever before Tenant shall exercise the Extension Option, or if Tenant shall have assigned or transferred any interest in this Lease or sublet any part of the Premises (other than in the case of a Permitted Transfer as set forth in Section 16.8 below, then immediately upon such termination, assignment, transfer or sublease, the Extension Option shall simultaneously terminate and become null and void. Time is of the essence with regard to this Section 3.2.

3.2.4. The Extension Options are conditioned upon each Guarantor executing an amendment to such Guarantor's Guaranty that explicitly extends such Guarantor's obligations so that each Guarantor guarantees Tenant's Lease obligations incurred pursuant to Tenant's timely and proper exercise of an Extension Option.

4. Possession.

4.1. Possession. Tenant hereby acknowledges that immediately prior to the Commencement Date, Tenant was in possession of the Premises, and is familiar with the condition thereof and accepts the Premises in its "as is" condition with all faults, and Landlord makes no representation or warranty of any kind with respect the Premises, and Landlord will have no obligation to improve, alter or repair the Premises. It is understood and agreed that Landlord is not obligated to install any equipment, or make any repairs, improvements or alterations to the Premises. Tenant's continued occupancy and possession of the Premises following the Closing (as defined in the Purchase Agreement) shall conclusively establish that the Premises, the Building and the Project were at such time in good, sanitary and satisfactory condition and repair.

4.2. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT LANDLORD IS LEASING THE PREMISES "AS IS" AND "WHERE IS," AND WITH ALL FAULTS, AND THAT LANDLORD IS MAKING NO REPRESENTATIONS AND WARRANTIES WHETHER EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, WITH RESPECT TO THE QUALITY OR PHYSICAL CONDITION OF THE PREMISES, THE INCOME OR EXPENSES FROM OR OF THE PREMISES, OR THE COMPLIANCE OF THE PREMISES WITH APPLICABLE BUILDING OR FIRE CODES, ENVIRONMENTAL LAWS OR OTHER LAWS, RULES, ORDERS OR REGULATIONS. WITHOUT LIMITING THE FOREGOING, IT IS UNDERSTOOD AND AGREED THAT LANDLORD MAKES NO WARRANTY WITH RESPECT TO THE HABITABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TENANT AGREES THAT IT ASSUMES FULL RESPONSIBILITY FOR, AND THAT IT HAS PERFORMED EXAMINATIONS AND INVESTIGATIONS OF THE PREMISES, INCLUDING SPECIFICALLY, WITHOUT LIMITATION, EXAMINATIONS AND INVESTIGATIONS FOR THE PRESENCE OF ASBESTOS, PCBS AND OTHER HAZARDOUS SUBSTANCES, MATERIALS AND WASTES (AS THOSE TERMS MAY BE DEFINED HEREIN OR BY APPLICABLE FEDERAL OR STATE LAWS, RULES OR REGULATIONS) ON OR IN THE PREMISES. WITHOUT LIMITING THE FOREGOING, TENANT IRREVOCABLY WAIVES ALL CLAIMS AGAINST LANDLORD WITH RESPECT TO ANY ENVIRONMENTAL CONDITION, INCLUDING CONTRIBUTION AND INDEMNITY CLAIMS, WHETHER STATUTORY OR OTHERWISE. TENANT ASSUMES FULL RESPONSIBILITY FOR ALL COSTS AND EXPENSES REQUIRED TO CAUSE THE PREMISES TO COMPLY WITH ALL APPLICABLE BUILDING AND FIRE CODES, MUNICIPAL ORDINANCES, ENVIRONMENTAL LAWS AND OTHER LAWS, RULES, ORDERS, AND REGULATIONS. THE ABOVE WAIVER EXCLUDES ANY CLAIMS MADE BY TENANT BY REASON OF ANY GROSSLY NEGLIGENT OR WILLFUL ACT OR OMISSION BY LANDLORD.

4.3. Holding Over.

4.3.1. If, with Landlord's prior written consent, Tenant holds possession of all or any part of the Premises after the Term, Tenant shall become a tenant from month-to-month after the expiration or earlier termination of the Term, and in such case Tenant shall continue to pay (a) Base Rent, as adjusted in accordance with Section 6, (b) Additional Rent, and (c) any amounts for which Tenant would otherwise be liable under this Lease if the Lease were still in effect. Any such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

4.3.2. If Tenant retains possession of any portion of the Premises after the Term without Landlord's prior written consent, then (a) Tenant shall be a tenant at sufferance subject to the terms and conditions of this Lease, except that the monthly rent shall be equal to one hundred fifty percent (150%) of the monthly Rent in effect during the last thirty (30) days of the Term, and (b) to the extent such holdover continues for a period of thirty (30) days beyond the end of the Term, Tenant shall be liable to Landlord for any and all damages suffered by Landlord directly as a result of such holdover, including any lost rent.

4.3.3. Acceptance by Landlord of Rent after the expiration or earlier termination of the Term shall not result in an extension, renewal or reinstatement of this Lease. The foregoing provisions of this Section 4 are in addition to and do not affect Landlord's right of reentry or any other rights of Landlord hereunder or as otherwise provided by Applicable Laws. The provisions of this Section 4 shall survive the expiration or earlier termination of this Lease.

5. Tenant Improvements.

5.1. Tenant shall cause appropriate improvements consistent with the Permitted Use (the **"Tenant Improvements"**) to be constructed in the Premises pursuant to the Work Letter attached hereto as Exhibit E (the **"Work Letter"**) at a cost to Landlord not to exceed Nine Hundred Eighty-Eight Thousand Dollars ($988,000.00) (the **"TI Allowance"**). The TI Allowance may be applied to the costs of (a) construction, (b) project review by Landlord (which fee shall equal one and one-half percent (1.5%) of the cost of the Tenant Improvements, including the TI Allowance), (c) commissioning of mechanical, electrical and plumbing systems by a licensed, qualified commissioning agent hired by Tenant, and review of such party's commissioning report by a licensed, qualified commissioning agent hired by Landlord, (d) space planning, architect, engineering and other related services performed by third parties unaffiliated with Tenant, (e) building permits and other taxes, fees, charges and levies by governmental authorities for permits or for inspections of the Tenant Improvements, and (f) costs and expenses for labor, material, equipment and fixtures. In no event shall the TI Allowance be used for (m) the cost of work that is not authorized by the Approved Plans (as defined in the Work Letter) or otherwise approved in writing by Landlord, (n) payments to Tenant or any affiliates of Tenant, (o) the purchase of any furniture, personal property or other non-building system equipment, (p) costs resulting from any default by Tenant of its obligations under this Lease or (q) costs that are recoverable by Tenant from a third party (e.g., insurers, warrantors, or tortfeasors).

5.2. Tenant shall have until November 8, 2030 to request disbursement for the final installment of the TI Allowance, and may request no more than five (5) disbursements of the TI Allowance, with each disbursement (other than the final disbursement) being no less than Two Hundred Thousand Dollars ($200,000.00). Landlord's obligation to disburse any of the TI Allowance shall be conditional upon Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter. In addition, Landlord's obligation to disburse any of the TI Allowance in excess of Eight Hundred Thousand Dollars ($800,000.00) shall be conditional upon the satisfaction of the following: (a) Tenant's delivery to Landlord of a certificate of occupancy for the Premises suitable for the Permitted Use, as applicable; (b) Tenant's delivery to Landlord of a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor or such other form or certification as may be reasonably acceptable to Landlord; (c) Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter; and (d) there shall be no uncured event of default by Tenant under this Lease.

6. Rent.

6.1. Rent. Base Rent and Additional Rent (as defined below) shall together be denominated **"Rent."** Rent shall be paid by ACH, wire transfer or check (but in no event may Rent be payable in cash) to Landlord, without abatement, deduction or offset, in lawful money of the United States of America to the address set forth in Section 2 or to such other person or at such other place as Landlord may from time designate in writing. In the event the Term commences on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, then the Rent for such fraction of a month shall be prorated for such period on the basis of the number of days in the month and shall be paid at the then-current rate for such fractional month.

6.2. Base Rent. Tenant shall pay to Landlord as Base Rent for the Premises, commencing on the Commencement Date, the sums set forth in Section 2, subject to the rental adjustments provided in Section 6.5. Base Rent shall be paid in equal monthly installments, subject to the rental adjustments provided in Section 6.5, each in advance on, or before, the first day of each and every calendar month during the Term.

6.3. Additional Rent. In addition to Base Rent, Tenant shall pay to Landlord as additional rent **("Additional Rent")** at times hereinafter specified in this Lease (a) amounts related to Operating Expenses and Taxes (each as defined below), unless paid directly by Tenant to third parties to whom such amounts are owed, (b) the Property Management Fee (as defined below) and (c) any other amounts that Tenant assumes or agrees to pay under the provisions of this Lease that are owed to Landlord (whether or not such amounts are referred to herein as "Additional Rent"), including any and all other sums that may become due by reason of any default of Tenant or failure on Tenant's part to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant.

6.3.1. Operating Expenses. Tenant will pay directly all Operating Expenses of the Premises in a timely manner and prior to delinquency, unless otherwise specified herein that Landlord shall pay directly such Operating Expenses and receive reimbursement from Tenant. In the event that Tenant fails to pay any Operating Expense within ten (10) days after written notice by Landlord to Tenant, and without being under any obligation to do so and without hereby waiving any default by Tenant, Landlord may pay any delinquent Operating Expenses. Any Operating Expense paid by Landlord and any expenses reasonably incurred by Landlord in connection with the payment of the delinquent Operating Expense may be billed immediately to Tenant, or at Landlord's option and upon written notice to Tenant, may be deducted from the Security Deposit. **"Operating Expenses"** means all costs and expenses incurred by Landlord with respect to the ownership, maintenance and operation of the Premises including, but not limited to: insurance, maintenance, repair and replacement of the foundation, roof, walls, heating, ventilation, air conditioning, plumbing, electrical, mechanical, utility and safety systems, paving and parking areas, roads and driveways; any of Landlord's monetary and other obligations under the Easement Agreement; maintenance of exterior areas such as gardening and landscaping, snow removal and signage; maintenance and repair of roof membrane, flashings, gutters, downspouts, roof drains, skylights and waterproofing; painting; lighting; cleaning; refuse removal; security; utilities for, or the maintenance of, outside areas; building personnel costs; personal property taxes; rentals or lease payments paid by Landlord for rented or leased personal property used in the operation or maintenance of the Premises; and fees for required licenses and permits. Operating Expenses expressly exclude any costs and expenses specific to the cultivation and processing of cannabis, and otherwise in connection with Tenant's Permitted Use, such costs and expenses will be borne by Tenant and not paid to Landlord as Operating Expenses.

6.3.2. Taxes. Tenant will promptly pay to Landlord upon Landlord's written request the amount of all Taxes levied and assessed for any such year upon the Premises. **"Taxes"** means any and all real estate taxes, fees, assessments and other charges of any kind or nature, whether general, special, ordinary or extraordinary, that Landlord shall pay or accrue (without regard to any different fiscal year used by such governmental authority) that are levied in respect of the Premises, or in respect of any improvement, fixture, equipment or other property of Landlord, real or personal, located at the Premises, or used in connection with the operation of the Premises, and all fees, expenses, and costs incurred by Landlord in investigating, protesting, contesting, or in any way seeking to reduce or avoid increases in any assessments, levies, or the tax rate pertaining to the Taxes. Taxes shall not include Landlord's corporate franchise taxes, estate taxes, inheritance taxes or federal or state income taxes.

6.3.3. Estimated Costs. If and to the extent applicable, within sixty (60) days after the Commencement Date, and within sixty (60) days after the beginning of each calendar year, Landlord shall give Tenant a written estimate, for such calendar year, of the cost of Taxes and Operating Expenses payable by Landlord. Tenant shall pay such estimated amount to Landlord in equal monthly installments, in advance. Within ninety (90) days after the end of each calendar year, Landlord shall furnish to Tenant a statement showing in reasonable detail the cost of Taxes and Operating Expenses paid or payable by Landlord (the **"Annual Statement**"), and Tenant shall pay to Landlord the cost incurred by Landlord in excess of the payments made by Tenant within ten (10) days of receipt of such Annual Statement. In the event that the payments made by Tenant to Landlord for the estimated Taxes and Operating Expenses exceed the aggregate amount set forth in the Annual Statement, such excess amount shall be credited by Landlord to the Rent or other charges next due and owing, provided that, if the Term has expired, Landlord shall accompany said statement with the amount due Tenant.

6.3.4. Property Management Fee. Tenant shall pay to Landlord on, or before, the first day of each calendar month of the Term, as Additional Rent, the Property Management Fee. The **"Property Management Fee"** shall equal one and one-half percent (1.5%) of the then-current Base Rent due from Tenant. Tenant shall pay the Property Management Fee with respect to the entire Term, including any extensions thereof or any holdover periods, regardless of whether Tenant is obligated to pay Base Rent or any other Rent with respect to any such period or portion thereof.

6.3.5. Absolute Net Lease. This Lease shall be deemed and construed to be an "absolute net lease" and, except as herein expressly provided, the Landlord shall receive all payments required to be made by Tenant, free from all charges, assessments, impositions, expenses, deductions of any and every kind or nature whatsoever. Tenant shall, at Tenant's sole cost and expense, maintain the landscaping and parking lot, and make all additional repairs and alterations as required to maintain the Premises consistent with current practices and otherwise in the condition required pursuant to this Lease.

6.4. Security Deposit. On or before the Execution Date of this Lease, Tenant shall deposit with Landlord a security deposit (the **"Security Deposit")** in cash in the amount of Three Hundred Thousand Dollars ($300,000), which sum shall be held by Landlord as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the Term. Landlord shall not be required to maintain a separate account for the Security Deposit, but may intermingle it with other funds of Landlord. If Tenant defaults with respect to any provision of this Lease (and any such default is not remedied within applicable cure periods), then without notice to Tenant, Landlord may (but shall not be required to) apply all or any part of the Security Deposit for the payment of any Rent or any other sum in default. If any portion of the Security Deposit is so used or applied, then Tenant shall, upon demand therefor, restore the Security Deposit to its original amount. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, then the unapplied portion of the Security Deposit shall be returned to Tenant, or, at Landlord's option, to the last assignee of Tenant's interest hereunder, within sixty (60) days following the expiration of the Term. Tenant shall not be entitled to any interest on the Security Deposit. Tenant hereby irrevocably waives and relinquishes any and all rights, benefits, or protections, if any, Tenant now has, or in the future may have under any provision of law which (i) establishes the time frame by which a landlord must refund a security deposit under a lease, or (ii) provides that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant, or to clean the subject premises. Tenant acknowledges and agrees that (A) any statutory time frames for the return of a security deposit are superseded by the express period identified in this Section 6.4, and (B) rather than be so limited, Landlord may claim from the Security Deposit (i) any and all sums expressly identified in this Section 6.4, and (ii) any additional sums reasonably necessary to compensate Landlord for any and all losses or damages caused by Tenant's default of this Lease, including, but not limited to, all damages or rent due upon termination of this Lease. In the event of bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for all periods prior to the filing of such proceedings. The Security Deposit shall be reduced to Two Hundred Twenty-Five Thousand Hundred Dollars ($225,000) on November 8, 2020, provided that no Default has occurred and is continuing on such date; the Security Deposit shall be further reduced to One Hundred Fifty Thousand Dollars ($150,000) on November 8, 2023, provided that no Default has occurred and is continuing on such date; and the Security Deposit shall be further reduced to Seventy-Five Thousand Dollars ($75,000) on November 8, 2026, provided that no Default has occurred and is continuing on such date. In each such case, Landlord shall promptly refund to Tenant the excess Security Deposit, in accordance with Tenant's written instructions.

6.5. Base Rent Adjustments. Base Rent shall be subject to an annual upward adjustment of three and one-half percent (3.5%) of the then-current Base Rent. The first such adjustment shall become effective commencing on the first annual anniversary of the Commencement Date, and subsequent adjustments shall become effective on every successive annual anniversary for so long as this Lease continues in effect.

6.6. No Discharge of Rent Obligations. Tenant's obligation to pay Rent shall not be discharged or otherwise affected by (a) any Applicable Laws now or hereafter applicable to the Premises, (b) any other restriction on Tenant's use, (c) except as expressly provided herein, any casualty or taking or (d) any other occurrence; and Tenant waives all rights now or hereafter existing to terminate or cancel this Lease or quit or surrender the Premises or any part thereof, or to assert any defense in the nature of constructive eviction to any action seeking to recover rent. Tenant's obligation to pay Rent with respect to any period or obligations arising, existing or pertaining to the period prior to the date of the expiration or earlier termination of the Term or this Lease shall survive any such expiration or earlier termination; provided, however, that nothing in this sentence shall in any way affect Tenant's obligations with respect to any other period. Except as expressly provided in this Lease, Tenant, to the extent now or hereafter permitted by Applicable Laws, waives all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this Lease or to any diminution, abatement or reduction of Rent payable hereunder.

7. Use.

7.1. Use. Tenant shall use the Premises solely for the Permitted Use, and shall not use the Premises, or permit or suffer the Premises to be used, for any other purpose without Landlord's prior written consent, which consent Landlord may withhold in its sole and absolute discretion. Tenant shall comply, and cause Tenant Parties to comply, with all Applicable Laws, zoning ordinances and certificates of occupancy issued for the Premises or any portion thereof. Tenant shall not use any portion of the roof of the Premises. Tenant shall not commit, or allow Tenant Parties to commit, any waste of the Premises. Tenant shall not do, or permit Tenant Parties to do, anything on or about the Premises that in any way increases the rate, or invalidates or prevents the procuring, of any insurance protecting against loss or damage to any portion of the Premises or its contents, or against liability for damage to property or injury to persons in or about any portion of the Premises. For purposes hereof, **"Tenant Parties"** means Tenant's agents, contractors, subcontractors, employees, customers, licensees, invitees, assignees and subtenants; and the term **"Applicable Laws"** means all federal (to the extent not in direct conflict with applicable state, municipal or local cannabis licensing and program laws, rules and regulations), state, municipal and local laws, codes, ordinances, rules and regulations of governmental authorities, committees, associations, or other regulatory committees, agencies or governing bodies having jurisdiction over the Premises or any portion thereof, Landlord or Tenant, including both statutory and common law, hazardous waste rules and regulations, and state cannabis licensing and program laws, rules and regulations. Tenant may only place equipment within the Premises with floor loading consistent with the Building's structural design unless Tenant obtains Landlord's prior written approval. Tenant may place such equipment only in a location designed to carry the weight of such equipment.

7.2. Legal Compliance. Notwithstanding any other provision herein to the contrary, Tenant shall be responsible for all improvements or alterations required to be made and all liabilities, costs and expenses arising out of or in connection with the compliance of the Premises with Applicable Laws, including, without limitation, the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., and any state and local accessibility laws, codes, ordinances and rules (collectively, and together with regulations promulgated pursuant thereto, the **"ADA"**), and Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any Claims arising out of any such failure of the Premises to comply with Applicable Laws, including, without limitation, the ADA.

7.3. Indemnification. Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold Landlord and its affiliates, lenders, employees, agents and contractors (collectively, the **"Landlord Indemnitees"**) harmless from and against any and all demands, claims, liabilities, losses, costs, expenses, criminal or civil actions, forfeiture seizures, causes of action, damages, suits or judgments, and all reasonable expenses (including reasonable attorneys' fees, charges and disbursements, regardless of whether the applicable demand, claim, action, cause of action or suit is voluntarily withdrawn or dismissed) incurred in investigating or resisting the same (collectively, **"Claims"**) of any kind or nature that arise before, during or after the Term as a result of Tenant's breach of this Section 7.

7.4. Use in Accordance with Medical Cannabis Laws. Landlord acknowledges Tenant's Permitted Use is in connection with Tenant's participation in Minnesota's medical cannabis program and such Permitted Use will be in accordance with applicable state, municipal or local cannabis licensing and program laws, rules and regulations as the same may be amended from time to time (including, to the extent that the Medical Cannabis Laws are amended to permit recreational use) (as so amended, the "Medical Cannabis Laws"). Landlord understands, acknowledges and agrees that the Permitted Use is acceptable under Medical Cannabis Laws but that the Medical Cannabis Laws and federal law are in conflict on this point and that the manufacturing, distribution and/or sale of cannabis remain in violation of federal law, including, without limitation, the Controlled Substances Act.

Notwithstanding the foregoing, Landlord consents specifically to Tenant's Permitted Use of the Premises and agrees to reasonably cooperate with Tenant (at Tenant's sole cost and expense) in connection with obtaining (or maintaining) any permits or approvals necessary to continue to conduct the Permitted Use at the Premises in accordance with the Medical Cannabis Laws. Landlord also acknowledges that, pursuant to the Medical Cannabis Laws, Tenant is subject to certain security and operational requirements that limit access by third parties to the Premises. As such Landlord agrees to the additional following requirements, to the extent reasonably required for compliance with the Medical Cannabis Laws:

Except as expressly provided in this Lease, Landlord shall not access, nor shall it permit any third parties to access, the Premises without the prior written consent of Tenant;

Landlord shall not make any changes, alterations, modifications or improvements to the Premises without Tenant's prior written consent; however, Tenant shall be permitted to make any such changes to the extent necessary for its compliance with the Medical Cannabis Laws;

Landlord shall permit Tenant exclusively to perform all security requirements under the Medical Cannabis Laws with respect to the Premises including, without limitation, the installation of security cameras, alarms, surveillance systems, lighting and the services of security personnel.

8. Hazardous Materials.

8.1. Tenant shall not cause or permit any Hazardous Materials (as defined below) to be brought upon, kept or used in or about the Premises in violation of Applicable Laws by Tenant or any Tenant Party. If (a) Tenant breaches such obligation, (b) the presence of Hazardous Materials as a result of such a breach results in contamination of the Premises, any portion thereof, or any adjacent property, (c) contamination of the Premises otherwise occurs during the Term or any extension or renewal hereof or holding over hereunder or (d) contamination of the Premises occurs as a result of Hazardous Materials that are placed on or under or are released into the Premises by a Tenant Party, then Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any and all Claims of any kind or nature, including (w) diminution in value of the Premises or any portion thereof, (x) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, (y) damages arising from any adverse impact on marketing of space in the Premises or any portion thereof and (z) sums paid in settlement of Claims that arise before, during or after the Term as a result of such breach or contamination. This indemnification by Tenant includes costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any governmental authority because of Hazardous Materials present in the air, soil or groundwater above, on, under or about the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials in, on, under or about the Premises, any portion thereof or any adjacent property caused or permitted by any Tenant Party results in any contamination of the Premises, any portion thereof or any adjacent property, then Tenant shall promptly take all actions at its sole cost and expense as are necessary to return the Premises, any portion thereof or any adjacent property to its respective condition existing prior to the time of such contamination; provided that Landlord's written approval of such action shall first be obtained, which approval Landlord shall not unreasonably withhold; and provided, further, that it shall be reasonable for Landlord to withhold its consent if such actions could have a material adverse long-term or short-term effect on the Premises, any portion thereof or any adjacent property. Tenant's obligations under this Section shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation.

8.2. Landlord acknowledges that it is not the intent of this Section 8 to prohibit Tenant from operating its business for the Permitted Use. Tenant may operate its business according to the custom of Tenant's industry so long as the use or presence of Hazardous Materials is strictly and properly monitored in accordance with Applicable Laws. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord (a) a list identifying each type of Hazardous Material to be present at the Premises that is subject to regulation under any environmental Applicable Laws in the form of a Tier II form pursuant to Section 312 of the Emergency Planning and Community Right-to-Know Act of 1986 (or any successor statute) or any other form reasonably requested by Landlord, (b) a list of any and all approvals or permits from governmental authorities required in connection with the presence of such Hazardous Material at the Premises and (c) correct and complete copies of notices of violations of Applicable Laws related to Hazardous Materials (collectively, **"Hazardous Materials Documents"**). Tenant shall deliver to Landlord updated Hazardous Materials Documents, within fourteen (14) days after receipt of a written request therefor from Landlord, not more often than once per year, unless (m) there are any changes to the Hazardous Materials Documents or (n) Tenant initiates any Tenant Improvements or Alterations or changes its business, in either case in a way that involves any material increase in the types or amounts of Hazardous Materials. In the event that a review of the Hazardous Materials Documents indicates non-compliance with this Lease or Applicable Laws, Tenant shall, at its expense, diligently take steps to bring its storage and use of Hazardous Materials into compliance. Notwithstanding anything in this Lease to the contrary or Landlord's review into Tenant's Hazardous Materials Documents or use or disposal of hazardous materials, however, Landlord shall not have and expressly disclaims any liability related to Tenant's or other tenants' use or disposal of Hazardous Materials, it being acknowledged by Tenant that Tenant is best suited to evaluate the safety and efficacy of its Hazardous Materials usage and procedures.

8.3. Tenant represents and warrants to Landlord that Tenant is not, nor has it been, in connection with the use, disposal or storage of Hazardous Materials, (a) subject to a material enforcement order issued by any governmental authority or (b) required to take any remedial action.

8.4. At any time, and from time to time, prior to the expiration of the Term, Landlord shall have the right to conduct appropriate tests of the Premises or any portion thereof to demonstrate that Hazardous Materials are present or that contamination has occurred due to the acts or omissions of a Tenant Party, the cost of which shall be an Operating Expense.

8.5. If underground or other storage tanks storing Hazardous Materials installed or utilized by Tenant are located on the Premises, or are hereafter placed on the Premises by Tenant (or by any other party, if such storage tanks are utilized by Tenant), then Tenant shall monitor the storage tanks, maintain appropriate records, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other steps necessary or required under the Applicable Laws.

8.6. Tenant shall promptly report to Landlord any actual or suspected presence of mold or water intrusion at the Premises.

8.7. Tenant's obligations under this Section 8 shall survive the expiration or earlier termination of the Lease. During any period of time needed by Tenant or Landlord after the termination of this Lease to complete the removal from the Premises of any such Hazardous Materials, Tenant shall be deemed a holdover tenant and subject to the provisions of Section 4.

8.8. As used herein, the term **"Hazardous Material"** means any toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous substance, material or waste that is or becomes regulated by Applicable Laws or any governmental authority. Hazardous Materials shall not include cannabis or any cannabis derived material or products.

9. Alterations.

9.1. Tenant shall not make any alterations, additions or improvements in or to the Premises or engage in any construction, demolition, reconstruction, renovation or other work (whether major or minor) of any kind in, at or serving the Premises (**"Alterations"**), without obtaining Landlord's prior written consent, except Tenant may make non-structural Alterations to the interior of the Premises (excluding the roof) without such consent but upon at least ten (10) days' prior notice to Landlord, provided that the cost thereof does not exceed One Hundred Twenty Thousand Dollars ($120,000.00) per occurrence or an aggregate amount of Three Hundred Thousand Dollars ($300,000.00) annually. Notwithstanding the foregoing, Tenant will not do anything that could have a material adverse effect on the Building or life safety systems, without obtaining Landlord's prior written consent. Any such improvements, excepting movable furniture, trade fixtures and equipment, shall become part of the realty and belong to Landlord. All alterations and improvements shall be properly permitted and installed at Tenant's sole cost, by a licensed contractor, in a good and workmanlike manner, and in conformity with all Applicable Laws. Any alterations that Tenant shall desire to make and which require the consent of Landlord shall be presented to Landlord in written form with detailed plans. Tenant shall: (i) acquire all applicable governmental permits; (ii) furnish Landlord with copies of both the permits and the plans and specifications at least thirty (30) days before the commencement of the work, and (iii) comply with all conditions of said permits in a prompt and expeditious manner. Any alterations shall be performed in a workmanlike manner with good and sufficient materials. Upon completion of any Alterations, Tenant shall promptly upon completion furnish Landlord with a reproducible copy of as-built drawings and specifications for any Alterations.

9.2. At least twenty (20) days prior to commencing any work relating to any Alterations requiring the approval of Landlord that have been so approved, Tenant shall notify Landlord in writing of the expected date of commencement. Tenant shall pay, when due, all claims for labor or materials furnished to or for Tenant for use in improving the Premises. Tenant shall not permit any mechanics' or materialmen's liens to be levied against the Premises arising out of work performed, materials furnished, or obligations to have been performed on the Premises by or at the request of Tenant. Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold Landlord Indemnitees from and against any and all Claims of any kind or nature that arise before, during or after the Term on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished for Tenant or its contractors, agents or employees. If Tenant fails to discharge or undertake to defend against such liability, upon receipt of written notice from Landlord of such failure, Tenant shall have fifteen (15) days (the **"Defense Cure Period"**) to cure such failure by prosecuting such a defense. If Tenant fails to do so within the Defense Cure Period, then Landlord may settle the same and Tenant's liability to Landlord shall be conclusively established by such settlement provided that such settlement is entered into on commercially reasonable terms and conditions, the amount of such liability to include both the settlement consideration and the costs and expenses (including attorneys' fees) incurred by Landlord in effecting such settlement. In the event any contractor, agent or employee notifies Tenant of its intent to file a mechanics' or materialmen's lien against the Premises, Tenant shall immediately notify Landlord of such intention to file a lien or a lawsuit with respect to such lien.

9.3. Tenant shall repair any damage to the Premises caused by Tenant's removal of any property from the Premises. During any such restoration period, Tenant shall pay Rent to Landlord as provided herein as if such space were otherwise occupied by Tenant. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

9.4. The Premises plus any Alterations, Tenant Improvements, attached equipment, decorations, fixtures and trade fixtures; movable casework and related appliances; and other additions and improvements attached to or built into the Premises made by either of the parties (including all floor and wall coverings; paneling; sinks and related plumbing fixtures; attached benches; production equipment; walk-in refrigerators; ductwork; conduits; electrical panels and circuits; attached machinery and equipment; and built-in furniture and cabinets, in each case, together with all additions and accessories thereto), shall (unless, prior to such construction or installation, Landlord elects otherwise in writing) at all times remain the property of Landlord, shall remain in the Premises and shall (unless, prior to construction or installation thereof, Landlord elects otherwise in writing) be surrendered to Landlord upon the expiration or earlier termination of this Lease. For the avoidance of doubt, the items listed on Exhibit B attached hereto (which Exhibit B may be updated by Tenant from and after the Commencement Date, subject to Landlord's written consent) constitute Tenant's property and shall be removed by Tenant upon the expiration or earlier termination of the Lease.

9.5. If Tenant shall fail to remove any of its property from the Premises prior to the expiration of the Term, then Landlord may, at its option, remove the same in any manner that Landlord shall choose and store such effects without liability to Tenant for loss thereof or damage thereto, and Tenant shall pay Landlord, upon demand, any costs and expenses incurred due to such removal and storage or Landlord may, at its sole option and without notice to Tenant, sell such property or any portion thereof at private sale and without legal process for such price as Landlord may obtain and apply the proceeds of such sale against any (a) amounts due by Tenant to Landlord under this Lease and (b) any expenses incident to the removal, storage and sale of such personal property.

9.6. Tenant shall pay to Landlord an amount equal to one and one-half percent (1.5%) of the cost to Tenant of all Alterations to cover Landlord's overhead and expenses for plan review, engineering review, coordination, scheduling and supervision thereof, except that Tenant shall not be required to pay the above amount for any non-structural Alterations to the extent they are within the limits set forth in Section 9.1 above and do not require Landlord's prior consent. For purposes of payment of such sum, Tenant shall submit to Landlord copies of all bills, invoices and statements covering the costs of such charges, accompanied by payment to Landlord of the fee set forth in this Section. In addition, Tenant shall reimburse Landlord for all third-party costs actually incurred by Landlord in connection with any Alterations, including any non-structural Alterations that do not require Landlord's prior consent.

9.7. Tenant shall require its contractors and subcontractors performing work on the Premises to name Landlord and its affiliates and any lender as additional insureds on their respective insurance policies.

10. Odors and Fumes. Tenant shall not cause or permit (or conduct any activities that would cause) any release of any odors or fumes of any kind from the Premises. Tenant shall, at Tenant's sole cost and expense, provide odor eliminators and other devices (such as filters, air cleaners, scrubbers and whatever other equipment may in Landlord's judgment be necessary or appropriate from time to time) to abate any odors, fumes or other substances in Tenant's exhaust stream that, in Landlord's reasonable judgment, emanate from Tenant's Premises. Any work Tenant performs under this Section shall constitute Alterations. Tenant's responsibility to abate odors, fumes and exhaust shall continue throughout the Term. If Tenant fails to install satisfactory odor control equipment within thirty (30) business days after Landlord's written demand made at any time, then Landlord may, without limiting Landlord's other rights and remedies, require Tenant to cease and suspend any operations in the Premises that, in Landlord's reasonable determination, cause odors, fumes or exhaust.

11. Repairs and Maintenance.

11.1. Care of Premises. This Lease shall be deemed and construed to be an "absolute net lease." Tenant shall, at its sole cost and expense, keep the Premises in a working, neat, clean, sanitary, safe condition and repair, and shall keep the Premises free from trash. Tenant shall make all repairs or replacements thereon or thereto, whether ordinary or extraordinary. Without limiting the foregoing, Tenant's obligations hereunder shall include the maintenance, repair and replacement of the Building foundation, roof (including roof membrane), walls and all other structural components of the Building; repair and maintenance associated with the Easement Property pursuant to the Easement Agreement; all heating, ventilation, air conditioning, plumbing, electrical, mechanical, utility and safety systems serving the Building or Premises; the parking areas, roads and driveways located on the Premises; maintenance of exterior areas such as gardening and landscaping; snow removal and signage; maintenance and repair of flashings, gutters, downspouts, roof drains, skylights and waterproofing; and painting. Landlord shall not be required to furnish any services or facilities or to make any repairs, replacements or alterations of any kind in or on the Premises. Tenant shall receive all invoices and bills relative to the Premises and, except as otherwise provided herein, shall pay for all expenses directly to the person or company submitting a bill without first having to forward payment for the expenses to Landlord. Tenant hereby expressly waives the right to make repairs at the expense of Landlord as provided for in any Applicable Laws in effect at the time of execution of this Lease, or in any other Applicable Laws that may hereafter be enacted, and waives its rights under Applicable Laws relating to a landlord's duty to maintain its premises in a tenantable condition.

11.2. Service Contracts and Invoices. Tenant shall, promptly upon Landlord's written request therefor, provide Landlord with copies of all service contracts relating to the Tenant's maintenance of the Premises and invoices received from Tenant from such service providers.

11.3. Action by Landlord if Tenant Fails to Maintain. If Tenant refuses or neglects to repair or maintain the Premises as required hereunder to the reasonable satisfaction of Landlord, Landlord, at any time following ten (10) business days from the date on which Landlord shall make written demand on Tenant to affect such repair or maintenance, may, but shall not have the obligation to, make such repair and/or maintenance (without liability to Tenant for any loss or damage which may occur to Tenant's merchandise, fixtures or other personal property, or to Tenant's business by reason thereof) and upon completion thereof, Tenant shall pay to Landlord as Landlord Additional Rent Landlord's costs for making such repairs, plus interest at the Default Rate from the date of expenditure by Landlord upon demand therefor. Moreover, Tenant's failure to pay any of the charges in connection with the performance of its maintenance and repair obligations under this Lease will constitute a material default under the Lease.

11.4. No Rent Abatement. There shall be no abatement of Rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Premises, or in or to improvements, fixtures, equipment and personal property therein.

11.5. Right of Entry. Landlord and Landlord's agents shall have the right, subject to the requirements of Section 7.4 above, to enter upon the Premises or any portion thereof for the purposes of performing any repairs or maintenance Landlord is permitted to make pursuant to this Lease, and of ascertaining the condition of the Premises or whether Tenant is observing and performing Tenant's obligations hereunder, all without unreasonable interference from Tenant or Tenant Parties. Except for emergency maintenance or repairs, the right of entry contained in this paragraph shall be exercisable at reasonable times, at reasonable hours and on reasonable notice, and subject to Tenant's authorized personnel accompanying Landlord's agents in sensitive areas of the Premises.

12. Liens. Tenant shall keep the Premises free from any liens arising out of work or services performed, materials furnished to or obligations incurred by Tenant. Tenant further covenants and agrees that any mechanic's or materialman's lien filed against the Premises for work or services claimed to have been done for, or materials claimed to have been furnished to, or obligations incurred by Tenant shall be discharged or bonded by Tenant within ten (10) days after the filing thereof, at Tenant's sole cost and expense. Should Tenant fail to discharge or bond against any lien of the nature described in this Section, Landlord may, at Landlord's election, pay such claim or otherwise provide security to eliminate the lien as a claim against title, and Tenant shall immediately reimburse Landlord for the costs thereof as Additional Rent. Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any Claims arising from any such liens, including any administrative, court or other legal proceedings related to such liens. In the event that Tenant leases or finances the acquisition of office equipment, furnishings or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code financing statement shall, upon its face or by exhibit thereto, indicate that such financing statement is applicable only to removable personal property of Tenant located within the Premises.

13. Rules and Regulations and CC&Rs and Parking Facilities. Tenant shall faithfully observe and comply with and shall ensure that its contractors, subcontractors, employees, subtenants and invitees faithfully observe and comply with such reasonable and nondiscriminatory rules and regulations as are hereafter promulgated by Landlord in its sole and absolute discretion. This Lease is subject to any recorded covenants, conditions or restrictions on the Property or Premises, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time (the **"CC&Rs"**). Tenant shall, at its sole cost and expense, comply with the CC&Rs.

14. Utilities and Services. Tenant shall make all arrangements for and pay for all water, sewer, gas, heat, light, power, telephone service and any other service or utility Tenant requires at the Premises. Landlord shall not be liable for any failure or interruption of any utility service being furnished to the Premises, and no such failure or interruption shall entitle Tenant any abatement or right to terminate this Lease. In the event that any utilities are furnished by Landlord, Tenant shall pay to Landlord the cost thereof as an Operating Expense.

15. Estoppel Certificate. Tenant shall, within ten (10) days after receipt of written notice from Landlord, execute, acknowledge and deliver a statement in writing substantially in the form attached to this Lease as Exhibit C, or on any other form reasonably requested by a current or proposed lender or encumbrancer or proposed purchaser, (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which rental and other charges are paid in advance, if any, (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (c) setting forth such further information with respect to this Lease or the Premises as may be requested thereon. Each Guarantor shall, within ten (10) days after receipt of written notice from Landlord, execute, acknowledge and deliver a statement in writing in the same form. Tenant's or any Guarantor's failure to deliver any such statement within such the prescribed time shall, at Landlord's option, constitute a Default (as defined below) under this Lease, and, in any event, shall be binding upon Tenant or such Guarantor (as applicable) that the Lease and such Guaranty are in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant or such Guarantor (as applicable) for execution.

16. Assignment or Subletting.

16.1. None of the following (each, a **"Transfer"),** either voluntarily or by operation of Applicable Laws, shall be directly or indirectly performed without Landlord's prior written consent: (a) Tenant selling, hypothecating, assigning, pledging, encumbering or otherwise transferring this Lease or subletting the Premises or (b) a controlling interest in Tenant being sold, assigned or otherwise transferred (other than as a result of shares in Tenant being sold on a public stock exchange, transferred to an Affiliate, or a Permitted Transfer as defined below). For purposes of the preceding sentence, "control" means (a) owning (directly or indirectly) more than fifty percent (50%) of the stock or other equity interests of another person or (b) possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of such person.

16.2. In the event Tenant desires to effect a Transfer, then, at least thirty (30) but not more than ninety (90) days prior to the date when Tenant desires the Transfer to be effective (the **"Transfer Date"**), Tenant shall provide written notice to Landlord (the **"Transfer Notice"**) containing information (including references) concerning the character of the proposed transferee, assignee or sublessee; the proposed Transfer Date; the most recent unconsolidated financial statements of Tenant and of the proposed transferee, assignee or sublessee (**"Required Financials"**); any ownership or commercial relationship between Tenant and the proposed transferee, assignee or sublessee; and the consideration and all other material terms and conditions of the proposed Transfer, all in such detail as Landlord shall reasonably require. In no event shall Landlord be deemed to be unreasonable for declining to consent to a Transfer to a transferee, assignee or sublessee of poor reputation, lacking financial qualifications or seeking a change in the Permitted Use, or jeopardizing directly or indirectly the status of Landlord or any of Landlord's affiliates as a Real Estate Investment Trust under the Internal Revenue Code of 1986, as amended from time to time.

16.3. The following are conditions precedent to a Transfer or to Landlord considering a request by Tenant to a Transfer:

16.3.1. Tenant shall remain fully liable under this Lease and each Guarantor shall continue to remain fully liable under such Guarantor's Guaranty, including with respect to the Term after the Transfer Date. Tenant agrees that it shall not be (and shall not be deemed to be) a guarantor or surety of this Lease, however, and waives its right to claim that it is a guarantor or surety or to raise in any legal proceeding any guarantor or surety defenses permitted by this Lease or by Applicable Laws;

16.3.2. Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord that the value of Landlord's interest under this Lease shall not be diminished or reduced by the proposed Transfer. Such evidence shall include evidence respecting the relevant business experience and financial responsibility and status of the proposed transferee, assignee or sublessee;

16.3.3. Tenant shall reimburse Landlord for Landlord's actual costs and expenses, including attorneys' fees, charges and disbursements incurred in connection with the review, processing and documentation of such request;

16.3.4. If Tenant's transfer of rights or sharing of the Premises provides for the receipt by, on behalf of or on account of Tenant of any consideration of any kind whatsoever (including a premium rental for a sublease or lump sum payment for an assignment, but excluding Tenant's reasonable costs in marketing and subleasing the Premises) in excess of the rental and other charges due to Landlord under this Lease, Tenant shall pay fifty percent (50%) of all of such excess to Landlord, after making deductions for any reasonable marketing expenses, tenant improvement funds expended by Tenant, alterations, cash concessions, brokerage commissions, attorneys' fees and free rent actually paid by Tenant. If such consideration consists of cash paid to Tenant, payment to Landlord shall be made upon receipt by Tenant of such cash payment;

16.3.5. The proposed transferee, assignee or sublessee shall agree that, in the event Landlord gives such proposed transferee, assignee or sublessee notice that Tenant is in default under this Lease, such proposed transferee, assignee or sublessee shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments shall be received by Landlord without any liability being incurred by Landlord, except to credit such payment against those due by Tenant under this Lease, and any such proposed transferee, assignee or sublessee shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, that in no event shall Landlord or its Lenders, successors or assigns be obligated to accept such attornment;

16.3.6. Tenant shall not then be in Default hereunder in any respect;

16.3.7. Such proposed transferee, assignee or sublessee's use of the Premises shall be the same as the Permitted Use;

16.3.8. Landlord shall not be bound by any provision of any agreement pertaining to the Transfer, except for Landlord's written consent to the same;

16.3.9. Tenant shall pay all transfer and other taxes (including interest and penalties) assessed or payable for any Transfer;

16.3.10. Landlord's consent (or waiver of its rights) for any Transfer shall not waive Landlord's right to consent or refuse consent to any later Transfer; and

16.3.11. Tenant shall deliver to Landlord a list of Hazardous Materials (as defined below), certified by the proposed transferee, assignee or sublessee to be true and correct, that the proposed transferee, assignee or sublessee intends to use or store in the Premises. Additionally, Tenant shall deliver to Landlord, on or before the date any proposed transferee, assignee or sublessee takes occupancy of the Premises, all of the items relating to Hazardous Materials of such proposed transferee, assignee or sublessee as described in Section 8.

16.4. Any Transfer that is not in compliance with the provisions of this Section or with respect to which Tenant does not fulfill its obligations pursuant to this Section shall be void and shall, at the option of Landlord, terminate this Lease.

16.5. Notwithstanding any Transfer, Tenant shall remain fully and primarily liable for the payment of all Rent and other sums due or to become due hereunder, and for the full performance of all other terms, conditions and covenants to be kept and performed by Tenant. The acceptance of Rent or any other sum due hereunder, or the acceptance of performance of any other term, covenant or condition thereof, from any person or entity other than Tenant shall not be deemed a waiver of any of the provisions of this Lease or a consent to any Transfer.

16.6. If Tenant delivers to Landlord a Transfer Notice indicating a desire to transfer this Lease to a proposed transferee, assignee or sublessee, then Landlord shall have the option, exercisable by giving notice to Tenant within ten (10) days after Landlord's receipt of such Transfer Notice, to terminate this Lease as of the date specified in the Transfer Notice as the Transfer Date, except for those provisions that, by their express terms, survive the expiration or earlier termination hereof. If Landlord exercises such option, then Tenant shall have the right to withdraw such Transfer Notice by delivering to Landlord written notice of such election within five (5) days after Landlord's delivery of notice electing to exercise Landlord's option to terminate this Lease. In the event Tenant withdraws the Transfer Notice as provided in this Section, this Lease shall continue in full force and effect. No failure of Landlord to exercise its option to terminate this Lease shall be deemed to be Landlord's consent to a proposed Transfer.

16.7. If Tenant sublets the Premises or any portion thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and appoints Landlord as assignee and attorney-in-fact for Tenant, and Landlord (or a receiver for Tenant appointed on Landlord's application) may collect such rent and apply it toward Tenant's obligations under this Lease; provided that, until the occurrence of a Default (as defined below) by Tenant, Tenant shall have the right to collect such rent.

16.8. Permitted Transfers. Tenant may assign its entire interest under this Lease or sublease all or a portion of the Premises without the consent of Landlord to: (i) an affiliate, subsidiary or parent of Tenant; (ii) any entity into which that Tenant or an affiliated party may merge or consolidate; (iii) any entity that acquires all or substantially all of the assets of Tenant; each a "Permitted Transfer" and such transferee a "Permitted Transferee", provided that (a) Tenant notifies Landlord at least twenty (20) days prior to the effective date of any such Permitted Transfer, (b) Tenant is not in default and such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease, (c) such Permitted Transferee shall have a tangible net worth (not including goodwill as an asset) computed in accordance with generally accepted accounting principles ("Net Worth") at least equal to the Net Worth of the original Tenant on the day immediately preceding the effective date of such assignment or sublease and reasonably sufficient to comply with the obligations under this Lease, (d) no assignment or sublease relating to this Lease, whether with or without Landlord's consent, shall relieve Tenant from any liability under this Lease, and (e) the liability of such Permitted Transferee under either an assignment or sublease shall be joint and several with Tenant and each Guarantor. Tenant's notice to Landlord shall include information and documentation showing that each of the above conditions has been satisfied. As used in this Section 16.8, (w) "parent" shall mean a company which owns a majority of Tenant's voting equity; (x) "subsidiary" shall mean an entity wholly owned by Tenant or at least fifty-one percent (51%) of whose voting equity is owned by Tenant; (y) "affiliate" shall mean an entity controlled by, controlling or under common control with Tenant; and (z) "control" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity.

17. Indemnification and Exculpation.

17.1. Tenant agrees to indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any and all Claims of any kind or nature, real or alleged, arising from (a) injury to or death of any person or damage to any property occurring within or about the Premises arising directly or indirectly out of the presence at or use or occupancy of the Premises or Project by a Tenant Party, (b) an act or omission on the part of any Tenant Party; (c) a breach or default by Tenant in the performance of any of its obligations hereunder or (d) injury to or death of persons or damage to or loss of any property, real or alleged, arising from the serving of any intoxicating substances at the Premises or Project, except to the extent any of the foregoing are directly caused by Landlord's or its agents' gross negligence or willful misconduct. Tenant's obligations under this Section shall not be affected, reduced or limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation. Tenant's obligations under this Section shall survive the expiration or earlier termination of this Lease.

Landlord agrees to indemnify, save, defend (at Tenant's option and with counsel reasonably acceptable to Tenant) and hold Tenant and its agents, employees, affiliates and contractors harmless from and against any and all Claims of any kind or nature, real or alleged, arising from (a) the active negligence or the gross negligence or willful misconduct of Landlord or its agents, (b) a breach or default by Landlord in the performance of any of its obligations hereunder, except to the extent any of the foregoing are directly caused by Tenant's or its agents' negligence or willful misconduct. Landlord's obligations under this Section shall not be affected, reduced or limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Landlord under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation. Landlord's obligations under this Section shall survive the expiration or earlier termination of this Lease.

17.2. Notwithstanding anything in this Lease to the contrary, Landlord shall not be liable to Tenant for and Tenant assumes all risk of (a) damage or losses caused by fire, electrical malfunction, gas explosion or water damage of any type (including broken water lines, malfunctioning fire sprinkler systems, roof leaks or stoppages of lines), and (b) damage to personal property (in each case, regardless of whether such damages are foreseeable). Tenant further waives any claim for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property as described in this Section. Notwithstanding anything in the foregoing or this Lease to the contrary, except as otherwise provided herein or as may be required by Applicable Laws, in no event shall Landlord be liable to Tenant for any consequential, special or indirect damages arising out of this Lease, including lost profits.

17.3. Except as otherwise provided in this Lease, Landlord shall not be liable for any damages arising from any act, omission or neglect of any third party.

17.4. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

18. Insurance; Waiver of Subrogation.

18.1. Landlord shall maintain a policy or policies of insurance protecting Landlord against the following (all of which shall be payable by Tenant as Operating Expenses):

18.1.1. Fire and other perils normally included within the classification of fire and extended coverage, together with insurance against vandalism and malicious mischief, to the extent of the full replacement cost of the Premises, including, at Landlord's option, earthquake and flood coverage, exclusive of trade fixtures, equipment and improvements insured by Tenant, with agreed value, full replacement and other endorsements which Landlord may elect to maintain;

18.1.2. Thirty-six (36) months of rental loss insurance and to the extent of 100% of the gross rentals from the Premises;

18.1.3. Comprehensive general liability insurance with a single limit of not less than $2,000,000 for bodily injury or death and property damage with respect to the Premises, a general aggregate not less than $2,000,000 for bodily injury or death and property damage with respect to the Premises, and not less than $4,000,000 of excess umbrella liability insurance; and

18.1.4. At Landlord's sole option, environmental liability or environmental clean-up/remediation insurance in such amounts and with such deductibles and other provisions as Landlord may determine in its sole and absolute discretion.

18.2. Tenant shall, at its own cost and expense, procure and maintain during the Term the following insurance for the benefit of Tenant and Landlord (as their interests may appear) with insurers financially acceptable and lawfully authorized to do business in the state where the Premises are located:

18.2.1. Commercial General Liability insurance on a broad-based occurrence coverage form, with coverages including but not limited to bodily injury (including death), property damage (including loss of use resulting therefrom), premises/operations, personal & advertising injury, and contractual liability with limits of liability of not less than $2,000,000 for bodily injury and property damage per occurrence, $5,000,000 general aggregate, which limits may be met by use of excess and/or umbrella liability insurance provided that such coverage is at least as broad as the primary coverages required herein.

18.2.2. Commercial Automobile Liability insurance covering liability arising from the use or operation of any auto, including those owned, hired or otherwise operated or used by or on behalf of the Tenant. The coverage shall be on a broad-based occurrence form with combined single limits of not less than $1,000,000 per accident for bodily injury and property damage.

18.2.3. Commercial Property insurance covering property damage to the full replacement cost value and business interruption. Covered property shall include all tenant improvements in the Premises (to the extent not insured by Landlord) and Tenant's property including personal property, furniture, fixtures, machinery, equipment, stock, inventory and improvements and betterments, which may be owned by Tenant or Landlord and required to be insured hereunder, or which may be leased, rented, borrowed or in the care custody or control of Tenant, or Tenant's agents, employees or subcontractors. Such insurance, with respect only to all Alterations, Tenant Improvements or other work performed on the Premises by Tenant (collectively, **"Tenant Work"**), shall name Landlord and Landlord's current and future mortgagees as loss payees as their interests may appear, however this expressly excludes any personal property or inventory of Tenant including but not limited to those items listed on Exhibit B. Such insurance shall be written on an "all risk" of physical loss or damage basis including the perils of fire, extended coverage, electrical injury, mechanical breakdown, windstorm, vandalism, malicious mischief, sprinkler leakage, back-up of sewers or drains, and such other risks Landlord may from time to time designate, for the full replacement cost value of the covered items with an agreed amount endorsement. Business interruption coverage shall have limits sufficient to cover Tenant's lost profits and necessary continuing expenses, including rents due Landlord under the Lease. The minimum period of indemnity for business interruption coverage shall be twelve (12) months plus twelve (12) months' extended period of indemnity.

18.2.4. Workers' Compensation insurance as is required by statute or law, or as may be available on a voluntary basis and Employers' Liability insurance with limits of not less than the following: each accident, Five Hundred Thousand Dollars ($500,000); disease, Five Hundred Thousand Dollars ($500,000); disease (each employee), Five Hundred Thousand Dollars ($500,000).

18.2.5. Pollution Legal Liability insurance is required if Tenant stores, handles, generates or treats Hazardous Materials on or about the Premises (Landlord acknowledging that for purposes of this Section 18.2.5, cannabis shall not be deemed a Hazardous Material). Such coverage shall include bodily injury, sickness, disease, death or mental anguish or shock sustained by any person; property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically injured or destroyed; and defense costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages. Coverage shall apply to both sudden and non-sudden pollution conditions including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water. Claims-made coverage is permitted, provided the policy retroactive date is continuously maintained prior to the commencement date of this Lease, and coverage is continuously maintained during all periods in which Tenant occupies the Premises. Coverage shall be maintained with limits of not less than $1,000,000 per incident with a $2,000,000 policy aggregate and for a period of two (2) years thereafter.

18.3. During all construction by Tenant at the Premises, with respect to tenant improvements being constructed (including the Tenant Improvements and any Alterations), insurance required in Exhibit E-1 must be in place.

18.4. The insurance required of Tenant by this Section shall be with companies at all times having a current rating of not less than A- and financial category rating of at least Class VII in "A.M. Best's Insurance Guide" current edition. Tenant shall obtain for Landlord from the insurance companies/broker or cause the insurance companies/broker to furnish certificates of insurance evidencing all coverages required herein to Landlord. Landlord reserves the right to require complete, certified copies of all required insurance policies including any endorsements. No such policy shall be cancelable or subject to reduction of coverage or cancellation except after twenty (20) days' prior written notice to Landlord from Tenant or its insurers (except in the event of non-payment of premium, in which case ten (10) days' written notice shall be given). All such policies shall be written as primary policies, not contributing with and not in excess of the coverage that Landlord may carry. Tenant's required policies shall contain severability of interests clauses stating that, except with respect to limits of insurance, coverage shall apply separately to each insured or additional insured. Tenant shall, at least twenty-five (25) days prior to the expiration of such policies, make commercially reasonable efforts to furnish Landlord with renewal certificates of insurance or binders. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure such insurance on Tenant's behalf and at its cost to be paid by Tenant as Additional Rent. Commercial General Liability, Commercial Automobile Liability, Umbrella Liability and Pollution Legal Liability insurance as required above shall name Landlord, IIP Operating Partnership, LP and Innovative Industrial Properties, Inc. and their respective officers, employees, agents, general partners, members, subsidiaries, affiliates and Lenders (**"Landlord Parties"**) as additional insureds as respects liability arising from work or operations performed by or on behalf of Tenant, Tenant's use or occupancy of Premises, and ownership, maintenance or use of vehicles by or on behalf of Tenant.

18.5. Tenant assumes the risk of damage to any fixtures, goods, inventory, merchandise, equipment and leasehold improvements, and Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom, relative to such damage, all as more particularly set forth within this Lease. Tenant shall, at Tenant's sole cost and expense, carry such insurance as Tenant desires for Tenant's protection with respect to personal property of Tenant or business interruption.

18.6. Each of Landlord, Tenant and their respective insurers hereby waive any and all rights of recovery or subrogation against the Landlord Parties and Tenant Parties respectively with respect to any loss, damage, claims, suits or demands, howsoever caused, that are covered, or should have been covered, by valid and collectible insurance, including any deductibles or self-insurance maintained thereunder. If necessary, each party agrees to endorse the required insurance policies to permit waivers of subrogation as required hereunder and hold harmless and indemnify the other for any loss or expense incurred as a result of a failure to obtain such waivers of subrogation from insurers. Each party shall, upon obtaining the policies of insurance required or permitted under this Lease, shall give notice to its insurance carriers that the foregoing waiver of subrogation is contained in this Lease.

18.7. Landlord may require insurance policy limits required under this Lease to be raised to conform with requirements of Landlord's lender, if any.

18.8. Any costs incurred by Landlord pursuant to this Section shall be included as Operating Expenses payable by Tenant pursuant to this Lease.

18.9. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

19. Subordination and Attornment.

19.1. This Lease shall be subject and subordinate to the lien of any mortgage, deed of trust, or lease in which Landlord is tenant now or hereafter in force against the Premises or any portion thereof and to all advances made or hereafter to be made upon the security thereof without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination.

19.2. Notwithstanding the foregoing, Tenant shall execute and deliver upon demand such further instrument or instruments evidencing such subordination of this Lease to the lien of any such mortgage or mortgages or deeds of trust or lease in which Landlord is tenant as may be required by Landlord. If any such mortgagee, beneficiary or landlord under a lease wherein Landlord is tenant (each, a **"Mortgagee"**) so elects, however, this Lease shall be deemed prior in lien to any such lease, mortgage, or deed of trust upon or including the Premises regardless of date and Tenant shall execute a statement in writing to such effect at Landlord's request. If Tenant fails to execute any document required from Tenant under this Section within ten (10) days after written request therefor, Tenant hereby constitutes and appoints Landlord or its special attorney-in-fact to execute and deliver any such document or documents in the name of Tenant. Such power is coupled with an interest and is irrevocable.

19.3. Upon written request of Landlord and opportunity for Tenant to review, Tenant agrees to execute any Lease amendments not materially altering the terms of this Lease, if required by a Mortgagee incident to the financing of the real property of which the Premises constitute a part.

19.4. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Landlord covering the Premises, Tenant shall at the election of the purchaser at such foreclosure or sale attom to the purchaser upon any such foreclosure or sale and recognize such purchaser as Landlord under this Lease.

20. Defaults and Remedies.

20.1. Late payment by Tenant to Landlord of Rent and other sums due shall cause Landlord to incur costs not contemplated by this Lease, the exact amount of which shall be extremely difficult and impracticable to ascertain. Such costs include processing and accounting charges and late charges that may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Therefore, if any installment of Base Rent or the Property Management Fee or any other recurring monthly payment of Rent due from Tenant is not received by Landlord within five (5) business days after the date such payment is due, then Tenant shall pay to Landlord (a) an additional sum of five percent (5%) of the overdue Rent as a late charge plus (b) interest at an annual rate (the **"Default Rate"**) equal to the lesser of (a) fifteen percent (15%) and (b) the highest rate permitted by Applicable Laws. Furthermore, if any other payment of Rent due from Tenant is not received by Landlord within ten (10) days after Landlord has provided Tenant with written notice that such amount is overdue, then Tenant shall pay to Landlord (i) an additional sum of five percent (5%) of the overdue Rent as a late charge plus (ii) interest at the Default Rate. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord shall incur by reason of late payment by Tenant and shall be payable as Additional Rent to Landlord due with the next installment of Rent. Landlord's acceptance of any Additional Rent (including a late charge or any other amount hereunder) shall not be deemed an extension of the date that Rent is due or prevent Landlord from pursuing any other rights or remedies under this Lease, at law or in equity.

20.2. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent payment herein stipulated shall be deemed to be other than on account of the Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease or in equity or at law.

20.3. If Tenant fails to pay any sum of money required to be paid by it hereunder or perform any other act on its part to be performed hereunder, in each case within the applicable cure period (if any) described herein, then Landlord may (but shall not be obligated to), without waiving or releasing Tenant from any obligations of Tenant, make such payment or perform such act. Notwithstanding the foregoing, in the event of an emergency, Landlord shall have the right to enter the Premises and act in accordance with its rights as provided elsewhere in this Lease. Tenant shall pay to Landlord as Additional Rent all sums so paid or incurred by Landlord, together with interest at the Default Rate, computed from the date such sums were paid or incurred.

20.4. The occurrence of any one or more of the following events shall constitute a **"Default"** hereunder by Tenant:

20.4.1. Tenant abandons or vacates the Premises;

20.4.2. Tenant fails to make any payment of Rent, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof from Landlord to Tenant;

20.4.3. Tenant fails to observe or perform any obligation or covenant contained herein, after the expiration of any applicable notice and cure periods;

20.4.4. Tenant makes an assignment for the benefit of creditors, or a receiver, trustee or custodian is appointed to or does take title, possession or control of all or substantially all of Tenant's or any Guarantor's assets;

20.4.5. Tenant or any Guarantor files a voluntary petition under the United States Bankruptcy Code or any successor statute (as the same may be amended from time to time, the **"Bankruptcy Code"**) or an order for relief is entered against Tenant or any Guarantor (as applicable) pursuant to a voluntary or involuntary proceeding commenced under any chapter of the Bankruptcy Code;

20.4.6. Any involuntary petition is filed against Tenant or any Guarantor under any chapter of the Bankruptcy Code and is not dismissed within one hundred twenty (120) days;

20.4.7. A default exists under any Guaranty executed by a Guarantor in favor of Landlord, after the expiration of any applicable notice and cure periods;

20.4.8. Tenant's interest in this Lease is attached, executed upon or otherwise judicially seized and such action is not released within one hundred twenty (120) days of the action;

20.4.9. A governmental authority seizes any part of the Property seeking forfeiture, whether or not a judicial forfeiture proceeding has commenced;

20.4.10. A final, non-appealable judgment having the effect of establishing that Tenant's operation violates Landlord's contractual obligations (i) pursuant to any private covenants of record restricting Landlord's Building containing the Premises or (ii) of good faith and fair dealing to any third party, including other tenants of the Building containing the Premises or occupants or owners of any other building within the Project; or

20.4.11. An event occurs that results in any insurance carrier that provides insurance coverage with respect to any aspect of the Project providing notice to the Landlord of its intent to cancel such insurance coverage, and Landlord, exercising commercially reasonable efforts, is not able to procure comparable replacement insurance coverage that is reasonably acceptable to Landlord prior to the actual cancellation date specified in the notice from the cancelling insurance carrier.

20.5. Notices given under this Section shall specify the alleged default and shall demand that Tenant perform the provisions of this Lease or pay the Rent that is in arrears, as the case may be, within the applicable period of time, or quit the Premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice.

20.6. In the event of a Default by Tenant, and at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy that Landlord may have under Applicable Laws or this Lease, Landlord has the right to do any or all of the following:

20.6.1. Halt any Tenant Improvements or Alterations and order Tenant's contractors to stop work;

20.6.2. Terminate Tenant's right to possession of the Premises by written notice to Tenant or by any lawful means, in which case Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall have the immediate right to re-enter and remove all persons and property, and such property may be removed and stored elsewhere at the cost and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage; and

20.6.3. Terminate this Lease, in which event Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall have the immediate right to re-enter and remove all persons and property, and such property may be removed and stored elsewhere at the cost and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage. In the event that Landlord shall elect to so terminate this Lease, then Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including:

20.6.3.1. The sum of: (i) the worth at the time of award (computed by allowing interest at the Default Rate) of any unpaid Rent that had accrued at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent that would have accrued during the period commencing with termination of the Lease and ending at the time of award exceeds that portion of the loss of Landlord's rental income from the Premises that Tenant proves to Landlord's reasonable satisfaction could have been reasonably avoided; plus; (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds that portion of the loss of Landlord's rental income from the Premises that Tenant proves to Landlord's reasonable satisfaction could have been reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment caused by Tenant's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, including the cost of restoring the Premises to the condition required under the terms of this Lease, including any rent payments not otherwise chargeable to Tenant (e.g., during any "free" rent period or rent holiday); plus (v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Applicable Laws; or

20.6.3.2. At Landlord's election, as minimum liquidated damages in addition to any (A) amounts paid or payable to Landlord pursuant to Section 20.6.3.1.(i) prior to such election and (B) costs of restoring the Premises to the condition required under the terms of this Lease, an amount (the **"Election Amount"**) equal to either (Y) the positive difference (if any, and measured at the time of such termination) between (1) the then-present value of the total Rent and other benefits that would have accrued to Landlord under this Lease for the remainder of the Term if Tenant had fully complied with the Lease minus (2) the then-present cash rental value of the Premises as determined by Landlord for what would be the then-unexpired Term if the Lease remained in effect, computed using the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one (1) percentage point (the **"Discount Rate"**) or (Z) twelve (12) months (or such lesser number of months as may then be remaining in the Term) of Base Rent and Additional Rent at the rate last payable by Tenant pursuant to this Lease, in either case as Landlord specifies in such election. Landlord and Tenant agree that the Election Amount represents a reasonable forecast of the minimum damages expected to occur in the event of a breach, taking into account the uncertainty, time and cost of determining elements relevant to actual damages, such as fair market rent, time and costs that may be required to re-lease the Premises, and other factors; and that the Election Amount is not a penalty.

20.7. In addition to any other remedies available to Landlord at law or in equity and under this Lease, Landlord may continue this Lease in effect after Tenant's Default or abandonment and recover Rent as it becomes due. In addition, Landlord shall not be liable in any way whatsoever for its failure or refusal to relet the Premises. For purposes of this Section, the following acts by Landlord will not constitute the termination of Tenant's right to possession of the Premises: Acts of maintenance or preservation or efforts to relet the Premises, including alterations, remodeling, redecorating, repairs, replacements or painting as Landlord shall consider advisable for the purpose of reletting the Premises or any part thereof; or the appointment of a receiver upon the initiative of Landlord to protect Landlord's interest under this Lease or in the Premises.

20.8. Notwithstanding the foregoing, in the event of a Default by Tenant, Landlord may elect at any time to terminate this Lease and to recover damages to which Landlord is entitled.

20.9. If Landlord does not elect to terminate this Lease as provided in this Section 20, then Landlord may, from time to time, recover all Rent as it becomes due under this Lease. At any time thereafter, Landlord may elect to terminate this Lease and to recover damages to which Landlord is entitled.

20.10. All of Landlord's rights, options and remedies hereunder shall be construed and held to be nonexclusive and cumulative. Notwithstanding any provision of this Lease to the contrary, in no event shall Landlord be required to mitigate its damages with respect to any default by Tenant, except as required by Applicable Laws. Any such obligation imposed by Applicable Laws upon Landlord to relet the Premises after any termination of this Lease shall be subject to the reasonable requirements of Landlord to lease to high quality tenants on such terms as Landlord may from time to time deem appropriate in its discretion. Landlord shall not be obligated to relet the Premises to any party (i) unacceptable to a Lender, (ii) that requires Landlord to make improvements to or re-demise the Premises, (iii) that desires to change the Permitted Use, (iv) that desires to lease the Premises for more or less than the remaining Term or (v) to whom Landlord or an affiliate of Landlord may desire to lease other available space in the Project or at another property owned by Landlord or an affiliate of Landlord.

20.11. To the extent permitted by Applicable Laws, Tenant waives any and all rights of redemption granted by or under any present or future Applicable Laws if Tenant is evicted or dispossessed for any cause, or if Landlord obtains possession of the Premises due to Tenant's default hereunder or otherwise.

20.12. Landlord shall not be in default or liable for damages under this Lease unless Landlord fails to perform obligations required of Landlord within a reasonable time. In no event shall Tenant have the right to terminate or cancel this Lease or to withhold or abate rent or to set off any Claims against Rent as a result of any default or breach by Landlord of any of its covenants, obligations, representations, warranties or promises hereunder, except as may otherwise be expressly set forth in this Lease.

20.13. In the event of any default by Landlord, Tenant shall give notice by registered or certified mail to any (a) beneficiary of a deed of trust or (b) mortgagee under a mortgage covering the Premises or any portion thereof and to any landlord of any lease of land upon or within which the Premises are located, and shall offer such beneficiary, mortgagee or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Premises by power of sale or a judicial action if such should prove necessary to effect a cure; provided that Landlord shall furnish to Tenant in writing, upon written request by Tenant, the names and addresses of all such persons who are to receive such notices.

21. Damage or Destruction.

21.1. Tenant's Obligation to Rebuild. If the Premises are damaged or destroyed, Tenant shall immediately provide notice thereof to Landlord, and shall promptly thereafter deliver to Landlord Tenant's good faith estimate of the time it will take to repair and rebuild the Premises (the "Estimated Time For Repair"). Subject to the other provisions of this Section 21, Tenant shall promptly and diligently repair and rebuild the Premises in accordance with this Section 21 unless Landlord or Tenant terminates this Lease in accordance with Section 21.2.

21.2. Termination.

21.2.1. Landlord's Right to Terminate.

21.2.1.1. Landlord shall have the right to terminate this Lease following damage to or destruction of all or a substantial portion of the Premises if any of the following occurs (each, a **"Termination Condition"**): (i) insurance proceeds, together with additional amounts Tenant agrees to contribute under this Section 21, are not confirmed to be available to Landlord, within 90 days following the date of damage, to pay 100% of the cost to fully repair the damaged Premises, excluding the deductible for which Tenant shall also be responsible for paying as an Operating Expense; (ii) based upon the Estimated Time For Repair, the Premises cannot, with reasonable diligence, be fully repaired by Tenant within eighteen (18) months after the date of the damage or destruction; (iii) the Premises cannot be safely repaired because of the presence of hazardous factors, including, but not limited to, earthquake faults, chemical waste and other similar dangers; (iv) subject to the terms and conditions of Section 21.2.1.1. hereof, all or a substantial portion of the Premises are destroyed or damaged during the last 24 months of the Term; or (v) Tenant is in Default at the time of such damage or destruction past any period of notice and cure as elsewhere provided in this Lease. For purposes of this Section 21.2, a "substantial portion" of the Premises shall be deemed to be damaged or destroyed if the Premises is rendered unsuitable for the continued use and occupancy of Tenant's business substantially in the same manner conducted prior to the event causing the damage or destruction.

21.2.1.2. If all or a substantial portion of the Premises are destroyed or damaged within the last twenty-four (24) months of the initial Term, or within the last twenty-four (24) months of the first Extension Period under this Lease, and Landlord desires to terminate this Lease under Section 21.2.1.1. hereof, Landlord shall deliver a Termination Notice to Tenant pursuant to Section 21.2.3 below and Tenant shall have a period of thirty (30) days after receipt of the Termination Notice (**"Tenant's Early Option Period"**) to exercise its option to extend the initial Term or the first Extension Period, as applicable, by providing Landlord with written notice of Tenant's exercise of its respective option prior to the expiration of Tenant's Early Option Period. If Tenant exercises its option rights under the immediately preceding sentence, the Termination Notice shall be deemed rescinded and Tenant shall proceed to repair and rebuild the Premises in accordance with the other provisions of this Section 21. If Tenant fails to deliver such written notice to Landlord prior to the end of Tenant's Early Option Period, then Tenant shall be deemed to have waived its option to extend the Term, and the last day of Tenant's Early Option Period shall be deemed to be the date of the occurrence of the Termination Condition under Section 21.2.1.1.

21.2.2. Tenant's Right to Terminate. Tenant shall have the right to terminate this Lease following damage to or destruction of all or a substantial portion of the Premises if the Premises are destroyed or damaged during the last twenty-four (24) months of the Term or any Extension, which termination shall be deemed to constitute a Termination Condition.

21.2.3. Exercise of Termination Right. If a party elects to terminate this Lease and has the right to so terminate, such party will give the other party written notice of its election to terminate (**"Termination Notice"**) within thirty (30) days after the occurrence of the applicable Termination Condition, and this Lease will terminate fifteen (15) days after the receiving party's receipt of such Termination Notice, except in the case of a termination by Landlord under Section 21.2.1.1., in which case this Lease will terminate fifteen (15) days after expiration of the Tenant Early Option Period if Tenant timely fails to exercise timely Tenant's option to extend the Term. If this Lease is terminated pursuant to Section 21.2, Landlord shall, subject to the rights of its lender(s), be entitled to receive and retain all the insurance proceeds resulting from such damage, including rental loss insurance, except for those proceeds payable under policies obtained by Tenant which specifically insure Tenant's personal property, trade fixtures and machinery and Tenant is expressly allowed to retrieve and retain its personal property and inventory including, without limitation those items set forth on Exhibit B.

21.3. Tenant's Obligation to Repair. If Tenant is required to repair or rebuild any damage or destruction of the Premises under Section 21.1, then Tenant shall (a) submit its plans to repair such damage and reconstruct the Premises to Landlord for review and approval, which approval shall not be unreasonably withheld; (b) diligently repair and rebuild the Premises in the same or better condition and with the same or better quality of materials as the condition of the Premises as of the Commencement Date, and in a manner that is consistent with the plans and specifications approved by Landlord; (c) obtain all permits and governmental approvals necessary to repair or reconstruct the Premises (which permits shall not contain any conditions that are materially more restrictive than the permits in existence on the date hereof); (d) cause all work to be performed only by qualified contractors that are reasonably approved by Landlord; (e) allow Landlord and its consultants and agents to enter the Premises at all reasonable times to inspect the Premises and Tenant's ongoing work and cooperate reasonably in good faith with their effort to ensure that the work is proceeding in a manner that is consistent with this Lease; (f) comply with all applicable laws and permits in connection with the performance of such work; (g) timely pay all of its consultants, suppliers and other contractors in connection with the performance of such work; (h) notify Landlord if Tenant receives any notice of any default or any violation of any applicable law or any permit or similar notice in connection with such work; (i) deliver as-built plans for the Premises within thirty (30) days after the completion of such repair and restoration; (j) ensure that Landlord has fee simple title to the Premises during such work without any claim by any contractor or other party; (k) maintain such insurance as Landlord may reasonably require (including insurance in the nature of builders' risk insurance) and (1) comply with such other conditions as Landlord may reasonably require. In addition, Tenant shall, at its expense, replace or fully repair all of Tenant's personal property and any alterations installed by Tenant existing at the time of such damage or destruction. To the fullest extent permitted by law, Tenant shall indemnify, protect, defend and hold Landlord (and its employees and agents) harmless from and against any and all claims, costs, expenses, suits, judgments, actions, investigations, proceedings and liabilities arising out of or in connection with Tenant's obligations under this Section 21, including, without limitation, any acts, omissions or negligence in the making or performance of any such repairs or replacements. In the event Tenant does not repair and rebuild the Premises pursuant to this Section 21, Tenant shall be in breach, and Landlord shall have the right to retain all casualty insurance proceeds and condemnation proceeds.

21.4. Application of Insurance Proceeds for Repair and Rebuilding. Landlord shall cause the insurance proceeds (the **"Insurance Proceeds"**) on account of such damage or destruction to be held by Landlord and disbursed as follows:

21.4.1. Minor Restorations. If (i) the estimated cost of restoration is less than One Million Dollars ($1,000,000.00), (ii) prior to commencement of restoration, no Default or event which, with the passage of time, would give rise to a Default shall exist and no mechanics' or materialmen's liens shall have been filed and remain undischarged, (iii) the architects, contracts, contractors, plans and specifications for the restoration shall have been approved by Landlord (which approval shall not be unreasonably withheld or delayed), (iv) Landlord shall be provided with reasonable assurance against mechanics' liens, accrued or incurred, as Landlord or its lenders may reasonably require and such other documents and instruments as Landlord or its lenders may reasonably require, and (v) Tenant shall have procured acceptable performance and payment bonds reasonably acceptable to Landlord in an amount and form, and from a surety, reasonably acceptable to Landlord, and naming Landlord as an additional obligee; then Landlord shall make available that portion of the Insurance Proceeds to Tenant for application to pay the costs of restoration incurred by Tenant and Tenant shall promptly complete such restoration.

21.4.2. Other Than Minor Restorations. If the estimated cost of restoration is equal to or exceeds One Million Dollars ($1,000,000), and if Tenant provides evidence satisfactory to Landlord that sufficient funds are available to restore the Premises, Landlord shall make disbursements from the available Insurance Proceeds from time to time in an amount not exceeding the cost of the work completed since the date covered by the last disbursement, upon receipt of (a) satisfactory evidence, including architect's certificates, of the stage of completion, of the estimated cost of completion and of performance of the work to date in a good and workmanlike manner in accordance with the contracts, plans and specifications, (b) reasonable assurance against mechanics' or materialmen's liens, accrued or incurred, as Landlord or its lenders may reasonably require, (c) contractors' and subcontractors' sworn statements, (d) a satisfactory bring-to-date of title insurance, (e) performance and payment bonds reasonably acceptable to Landlord in an amount and form, and from a surety, reasonably acceptable to Landlord, and naming Landlord as an additional obligee, (f) such other documents and instruments as Landlord or its lenders may reasonably require, and (g) other evidence of cost and payment so that Landlord can verify that the amounts disbursed from time to time are represented by work that is completed, in place and free and clear of mechanics' lien claims.

21.4.3. Requests for Disbursements. Requests for disbursement shall be made no more frequently than monthly and shall be accompanied by a certificate of Tenant describing in detail the work for which payment is requested, stating the cost incurred in connection therewith and stating that Tenant has not previously received payment for such work; the certificate to be delivered by Tenant upon completion of the work shall, in addition, state that the work has been completed and complies with the applicable requirements of this Lease. Landlord may retain 10% of each requisition until the restoration is fully completed. In addition, Landlord may withhold from amounts otherwise to be paid to Tenant, any amount that is necessary in Landlord's reasonable judgment to protect Landlord from any potential loss due to work that is improperly performed or claims by Tenant's contractors and consultants.

21.4.4. Costs in Excess of Insurance Proceeds. In addition, prior to commencement of restoration and at any time during restoration, if the estimated cost of restoration, as determined by the evaluation of an independent engineer acceptable to Landlord and Tenant, exceeds the amount of the Insurance Proceeds, Tenant will provide evidence satisfactory to Landlord that the amount of such excess will be available to restore the Premises. Any Insurance Proceeds remaining upon completion of restoration shall be refunded to Tenant up to the amount of Tenant's payments pursuant to the immediately preceding sentence. If no such refund is required, any sum of Insurance Proceeds remaining upon completion of restoration shall be paid to Landlord. In the event Landlord and Tenant cannot agree on an independent engineer, an independent engineer designated by Tenant and an independent engineer designated by Landlord shall within five (5) business days select an independent engineer licensed to practice in California who shall resolve such dispute within ten (10) business days after being retained by Landlord. All fees, costs and expenses of such third engineer so selected shall be shared equally by Landlord and Tenant.

21.5. Abatement of Rent. In the event of repair, reconstruction and restoration as provided in this Section, all Rent to be paid by Tenant under this Lease shall be abated proportionately based on the extent to which Tenant's use of the Premises is impaired during the period of such repair, reconstruction or restoration, unless Landlord provides Tenant with other space during the period of repair, reconstruction and restoration that, in Tenant's reasonable opinion, is suitable for the temporary conduct of Tenant's business; provided, however, that the amount of such abatement shall be reduced by the amount of Rent that is received by Tenant as part of the business interruption or loss of rental income with respect to the Premises from the proceeds of business interruption or loss of rental income insurance. Tenant shall not otherwise be entitled to any compensation or damages from Landlord for loss of the use of the Premises, damage to Tenant's personal property or any inconvenience occasioned by such damage, repair or restoration.

21.6. Replacement Cost. The determination in good faith by Landlord of the estimated cost of repair of any damage, of the replacement cost, or of the time period required for repair shall be conclusive for purposes of this Section 21.

21.7. This Section 21 sets forth the terms and conditions upon which this Lease may terminate in the event of any damage or destruction. Accordingly, the parties hereby waive the provisions of any Applicable Laws (and any successor statutes) permitting the parties to terminate this Lease as a result of any damage or destruction.

22. Eminent Domain.

22.1. In the event (a) the whole of the Premises or (b) such part thereof as shall substantially interfere with Tenant's use and occupancy of the Premises for the Permitted Use shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking, Tenant or Landlord may terminate this Lease effective as of the date possession is required to be surrendered to such authority, except with regard to (y) items occurring prior to the taking and (z) provisions of this Lease that, by their express terms, survive the expiration or earlier termination hereof.

22.2. In the event of a partial taking of the Premises for any public or quasi-public purpose by any lawful power or authority by exercise of right of appropriation, condemnation, or eminent domain, or sole to prevent such taking, then, without regard to whether any portion of the Premises occupied by Tenant was so taken, Landlord may elect to terminate this Lease (except with regard to (a) items occurring prior to the taking and (b) provisions of this Lease that, by their express terms, survive the expiration or earlier termination hereof) as of such taking if such taking is, in Landlord's sole opinion, of a material nature such as to make it uneconomical to continue use of the unappropriated portion for purposes of renting space for the Permitted Use.

22.3. Tenant shall be entitled to any award that is specifically awarded as compensation for (a) the taking of Tenant's personal property that was installed at Tenant's expense and including, but not limited to, those items listed on Exhibit B and (b) the costs of Tenant moving to a new location. Except as set forth in the previous sentence, any award for such taking shall be the property of Landlord unless such taking is temporary and the Lease is not terminated in which case the entirety of the award remains with Tenant, net of any costs incurred by Landlord to restore the Premises pursuant to Section 22.4 or to obtain such award, for which Landlord shall be entitled to be reimbursed prior to remitting the balance of such award to Tenant.

22.4. If, upon any taking of the nature described in this Section, this Lease continues in effect, then Landlord shall promptly proceed to restore the Premises to substantially their same condition prior to such partial taking. To the extent such restoration is infeasible, as determined by Landlord in its sole and absolute discretion, the Rent shall be decreased proportionately to reflect the loss of any portion of the Premises no longer available to Tenant.

22.5. This Section 22 sets forth the terms and conditions upon which this Lease may terminate in the event of any damage or destruction. Accordingly, the parties hereby waive the provisions of any Applicable Laws (and any successor statutes) permitting the parties to terminate this Lease as a result of any damage or destruction.

23. Surrender. At least thirty (30) days prior to Tenant's surrender of possession of any part of the Premises, Tenant shall provide Landlord with a facility decommissioning and Hazardous Materials closure plan for the Premises (**"Exit Survey"**) prepared by an independent third party state-certified professional with appropriate expertise, which Exit Survey must be reasonably acceptable to Landlord. In addition, at least ten (10) days prior to Tenant's surrender of possession of any part of the Premises, Tenant shall (a) provide Landlord with written evidence of all appropriate governmental releases obtained by Tenant in accordance with Applicable Laws, including laws pertaining to the surrender of the Premises, and (b) conduct a site inspection with Landlord. In addition, Tenant agrees to remain responsible after the surrender of the Premises for the remediation of any recognized environmental conditions set forth in the Exit Survey and comply with any recommendations set forth in the Exit Survey. Tenant's obligations under this Section shall survive the expiration or earlier termination of the Lease. The provisions of this Section 23 shall survive the termination or expiration of this Lease, and no surrender of possession of any part of the Premises shall release Tenant from any of its obligations hereunder, unless such surrender is accepted in writing by Landlord.

24. Bankruptcy. In the event a debtor, trustee or debtor in possession under the Bankruptcy Code, or another person with similar rights, duties and powers under any other Applicable Laws, proposes to cure any default under this Lease or to assume or assign this Lease and is obliged to provide adequate assurance to Landlord that (a) a default shall be cured, (b) Landlord shall be compensated for its damages arising from any breach of this Lease and (c) future performance of Tenant's obligations under this Lease shall occur, then such adequate assurances shall include any or all of the following, as designated by Landlord in its sole and absolute discretion: (i) those acts specified in the Bankruptcy Code or other Applicable Laws as included within the meaning of "adequate assurance," even if this Lease does not concern a facility described in such Applicable Laws; (ii) a prompt cash payment to compensate Landlord for any monetary defaults or actual damages arising directly from a breach of this Lease; (iii) a cash deposit in an amount at least equal to the then-current amount of the Security Deposit; or (iv) the assumption or assignment of all of Tenant's interest and obligations under this Lease.

25. Brokers. Tenant represents and warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease and that it knows of no real estate broker or agent that is or might be entitled to a commission in connection with this Lease. Tenant agrees to indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from any and all cost or liability for compensation claimed by any broker or agent employed or engaged by Tenant or claiming to have been employed or engaged by Tenant. The provisions of this Section 25 shall survive the expiration or termination of this Lease.

26. Definition of Landlord. With regard to obligations imposed upon Landlord pursuant to this Lease, the term **"Landlord,"** as used in this Lease, shall refer only to Landlord or Landlord's then-current successor-in-interest. In the event of any transfer, assignment or conveyance of Landlord's interest in this Lease or in Landlord's fee title to or leasehold interest in the Property, as applicable, Landlord herein named (and in case of any subsequent transfers or conveyances, the subsequent Landlord) shall be automatically freed and relieved, from and after the date of such transfer, assignment or conveyance, from all liability for the performance of any covenants or obligations contained in this Lease thereafter to be performed by Landlord and, without further agreement, the transferee, assignee or conveyee of Landlord's in this Lease or in Landlord's fee title to or leasehold interest in the Property, as applicable, shall be deemed to have assumed and agreed to observe and perform any and all covenants and obligations of Landlord hereunder during the tenure of its interest in the Lease or the Property. Landlord or any subsequent Landlord may transfer its interest in the Premises or this Lease without Tenant's consent.

27. Limitation of Landlord's Liability. If Landlord is in default under this Lease and, as a consequence, Tenant recovers a monetary judgment against Landlord, the judgment shall be satisfied only out of (a) the proceeds of sale received on execution of the judgment and levy against the right, title and interest of Landlord in the Premises, (b) rent or other income from such real property receivable by Landlord or (c) the consideration received by Landlord from the sale, financing, refinancing or other disposition of all or any part of Landlord's right, title or interest in the Premises. Neither Landlord nor any of its affiliates, nor any of their respective partners, shareholders, directors, officers, employees, members or agents shall be personally liable for Landlord's obligations or any deficiency under this Lease. No partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates shall be sued or named as a party in any suit or action. No partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates shall be required to answer or otherwise plead to any service of process, and no judgment shall be taken or writ of execution levied against any partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates. Each of the covenants and agreements of this Section 28 shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by Applicable Laws and shall survive the expiration or earlier termination of this Lease.

28. Control by Landlord. Landlord reserves full control over the Premises to the extent not inconsistent with Tenant's enjoyment of the same as provided by this Lease; provided, however, that such rights shall be exercised in a way that does not adversely affect Tenant's beneficial use and occupancy of the Premises, including the Permitted Use and Tenant's access to the Premises. Tenant shall, at Landlord's request, promptly execute such further documents as may be reasonably appropriate to assist Landlord in the performance of its obligations hereunder; provided that Tenant need not execute any document that creates additional liability for Tenant or that deprives Tenant of the quiet enjoyment and use of the Premises as provided for in this Lease. Landlord may, upon twenty-four (24) hours' prior notice (which may be oral or by email to the office manager or other Tenant-designated individual at the Premises; but provided that no time restrictions shall apply or advance notice be required if an emergency necessitates immediate entry), enter the Premises to (v) inspect the same and to determine whether Tenant is in compliance with its obligations hereunder, (w) supply any service Landlord is required to provide hereunder, (x) post notices of nonresponsibility and (y) show the Premises to prospective tenants during the final year of the Term and current and prospective purchasers and lenders at any time (in all situations provided that Landlord's personnel are accompanied by Tenants' authorized personnel in sensitive areas of the Premises). In no event shall Tenant's Rent abate as a result of Landlord's activities pursuant to this Section 29; provided, however, that all such activities shall be conducted in such a manner so as to cause as little interference to Tenant as is reasonably possible. If an emergency necessitates immediate access to the Premises, Landlord may use whatever force is necessary to enter the Premises, and any such entry to the Premises shall not constitute a forcible or unlawful entry to the Premises, a detainer of the Premises, or an eviction of Tenant from the Premises or any portion thereof.

29. Joint and Several Obligations. If more than one person or entity executes this Lease as Tenant, then (i) each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed or performed by Tenant, and such terms, covenants, conditions, provisions and agreements shall be binding with the same force and effect upon each and all of the persons executing this Lease as Tenant; and (ii) the term **"Tenant,"** as used in this Lease, shall mean and include each of them, jointly and severally. The act of, notice from/to, refund to, or signature of any one or more of them with respect to the tenancy under this Lease, including any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted, so given or received such notice or refund, or so signed.

30. Representations. Each of Tenant and Landlord guarantees, warrants and represents that (a) such party is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) such party is duly qualified to do business in the state in which the Property is located, (c) such party has full corporate, partnership, trust, association or other appropriate power and authority to enter into this Lease and to perform its obligations hereunder, (d) each person (and all of the persons if more than one signs) signing this Lease on behalf of such party is duly and validly authorized to do so and (e) neither (i) the execution, delivery or performance of this Lease nor (ii) the consummation of the transactions contemplated hereby will violate or conflict with any provision of documents or instruments under which such party is constituted or to which such party is a party. In addition, Tenant guarantees, warrants and represents that none of (x) it, (y) its affiliates or partners nor (z) to the best of its knowledge, its members, shareholders or other equity owners or any of their respective employees, officers, directors, representatives or agents is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (**"OFAC"**) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other similar governmental action.

31. Confidentiality. Tenant shall keep the terms and conditions of this Lease confidential and shall not (a) disclose to any third party any terms or conditions of this Lease or any other Lease-related document (including subleases, assignments, work letters, construction contracts, letters of credit, subordination agreements, non-disturbance agreements, brokerage agreements or estoppels) or (b) provide to any third party an original or copy of this Lease (or any Lease-related document). Notwithstanding the foregoing, confidential information under this Section may be released by Landlord or Tenant under the following circumstances: (x) if required by Applicable Laws or in any judicial proceeding; provided that the releasing party has given the other party reasonable notice of such requirement, if feasible, (y) to a party's attorneys, investors, accountants, brokers and other bona fide consultants or advisers; provided such third parties agree to be bound by this Section or (z) to bona fide prospective assignees or subtenants of this Lease; provided they agree in writing to be bound by this Section.

32. Notices. Except as otherwise stated in this Lease, any notice, consent, demand, invoice, statement or other communication required or permitted to be given hereunder shall be in writing and shall be given by (a) personal delivery, (b) overnight delivery with a reputable international overnight delivery service, such as FedEx, or (c) facsimile or email transmission, so long as such transmission is followed within one (1) business day by delivery utilizing one of the methods described in Subsection 33(a) or 0). Any such notice, consent, demand, invoice, statement or other communication shall be deemed delivered (x) upon receipt, if given in accordance with Subsection 33(a); (y) one (1) business day after deposit with a reputable international overnight delivery service, if given if given in accordance with Subsection 33(b); or (z) upon transmission, if given in accordance with Subsection 33(c). Except as otherwise stated in this Lease, any notice, consent, demand, invoice, statement or other communication required or permitted to be given pursuant to this Lease shall be addressed to Tenant at the Premises, or to Landlord or Tenant at the addresses shown in Section 2. Either party may, by notice to the other given pursuant to this Section, specify additional or different addresses for notice purposes.

33. Guaranties. In the event that any entity affiliated with Tenant is formed after the Execution Date which entity conducts business in the cannabis industry in the state of Minnesota or the state of New York (each, a **"New Guarantor"**), Tenant shall promptly cause such New Guarantor to execute a Guaranty in the form attached hereto as Exhibit D and deliver such executed Guaranty to Landlord. Any failure by Tenant to provide such Guaranty within thirty (30) days following the formation of such New Guarantor shall be deemed a material default under this Lease. The obligations of each Guarantor shall be joint and several and Tenant shall cause each Guarantor to execute and deliver such further documentation as may be reasonably required to confirm such Guarantor's full and unconditional guaranty of Tenant's obligations under this Lease.

34. Miscellaneous.

34.1. To induce Landlord to enter into this Lease, Tenant agrees that it shall, within one-hundred and twenty (120) days after the end of Tenant's financial year, furnish Landlord with a certified copy of Tenant's audited year-end unconsolidated financial statements for the previous year and shall cause Guarantor to furnish Landlord (within one-hundred and fifty days from the end of Guarantor's financial year) with a certified copy of Guarantor's audited year-end unconsolidated financial statements for the previous year. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all respects and that all financial statements, records and information furnished by Guarantor to Landlord in connection with this Lease are true, correct and complete in all respects. If audited financials are not otherwise prepared, unaudited financials complying with generally accepted accounting principles and certified by the chief financial officer of Tenant or Guarantor (as applicable) as true, correct and complete in all respects shall suffice for purposes of this Section. The provisions of this Section shall not apply at any time while Tenant or Guarantor (as applicable) is a corporation whose shares are traded on any nationally recognized stock exchange.

34.2. The terms of this Lease are intended by the parties as a final, complete and exclusive expression of their agreement with respect to the terms that are included herein, and may not be contradicted or supplemented by evidence of any other prior or contemporaneous agreement.

34.3. Neither party shall record this Lease.

34.4. Landlord and Tenant have each participated in the drafting and negotiation of this Lease, and the language in all parts of this Lease shall be in all cases construed as a whole according to its fair meaning and not strictly for or against either Landlord or Tenant.

34.5. Except as otherwise expressly set forth in this Lease, each party shall pay its own costs and expenses incurred in connection with this Lease and such party's performance under this Lease; provided that, if either party commences an action, proceeding, demand, claim, action, cause of action or suit against the other party arising out of or in connection with this Lease, then the substantially prevailing party shall be reimbursed by the other party for all reasonable costs and expenses, including reasonable attorneys' fees and expenses, incurred by the substantially prevailing party in such action, proceeding, demand, claim, action, cause of action or suit, and in any appeal in connection therewith (regardless of whether the applicable action, proceeding, demand, claim, action, cause of action, suit or appeal is voluntarily withdrawn or dismissed).

34.6. Time is of the essence with respect to the performance of every provision of this Lease.

34.7. Each provision of this Lease performable by Tenant shall be deemed both a covenant and a condition.

34.8. Notwithstanding anything to the contrary contained in this Lease, Tenant's obligations under this Lease are independent and shall not be conditioned upon performance by Landlord.

34.9. Whenever consent or approval of either party is required, that party shall not unreasonably withhold, condition or delay such consent or approval, except as may be expressly set forth to the contrary.

34.10. Any provision of this Lease that shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and all other provisions of this Lease shall remain in full force and effect and shall be interpreted as if the invalid, void or illegal provision did not exist.

34.11. Each of the covenants, conditions and agreements herein contained shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs; legatees; devisees; executors; administrators; and permitted successors and assigns. This Lease is for the sole benefit of the parties and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns, and nothing in this Lease shall give or be construed to give any other person or entity any legal or equitable rights. Nothing in this Section shall in any way alter the provisions of this Lease restricting assignment or subletting.

34.12. This Lease shall be governed by, construed and enforced in accordance with the laws of the state in which the Premises are located, without regard to such state's conflict of law principles.

34.13. Landlord covenants that Tenant, upon paying the Rent and performing its obligations contained in this Lease, may peacefully and quietly have, hold and enjoy the Premises, free from any claim by Landlord or persons claiming under Landlord, but subject to all of the terms and provisions hereof, provisions of Applicable Laws and rights of record to which this Lease is or may become subordinate. This covenant is in lieu of any other quiet enjoyment covenant, either express or implied.

34.14. Each of Tenant and Landlord guarantees, warrants and represents to the other party that the individual or individuals signing this Lease have the power, authority and legal capacity to sign this Lease on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed.

34.15. This Lease may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document.

34.16. No provision of this Lease may be modified, amended or supplemented except by an agreement in writing signed by Landlord and Tenant.

34.17. No waiver of any term, covenant or condition of this Lease shall be binding upon Landlord unless executed in writing by Landlord. The waiver by Landlord of any breach or default of any term, covenant or condition contained in this Lease shall not be deemed to be a waiver of any preceding or subsequent breach or default of such term, covenant or condition or any other term, covenant or condition of this Lease.

34.18. To the extent permitted by Applicable Laws, the parties waive trial by jury in any action, proceeding or counterclaim brought by the other party hereto related to matters arising out of or in any way connected with this Lease; the relationship between Landlord and Tenant; Tenant's use or occupancy of the Premises; or any claim of injury or damage related to this Lease or the Premises.

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

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease on the day and year first above written.

LANDLORD:

IIP-MN 1 LLC,
a Delaware limited liability company

By: /s/ Catherine Hastings
Name: Catherine Hastings
Title: Chief Financial Officer

TENANT:

MINNESOTA MEDICAL SOLUTIONS, LLC,
a Minnesota limited liability company

By: /s/ Amber Shimpa
Name: Amber Shimpa
Title: Chief Financial Officer

EXHIBIT A

PREMISES

Lot 2, Block 1 Bison Plains, City of Otsego, Wright County, Minnesota

EXHIBIT B

TENANT'S PERSONAL PROPERTY

(see attached)

Minnesota Medical Solutions, LLC - Tenant's Personal Property

Seller's inventory, including but not limited to, any cannabis plants, derivatives of such plants or goods in process or finished goods
Computers, printers, network drives and other IT components and software, both proprietary as well as commerical third-party
All hand tools including but not limited to drills, pallet jacks, wrench sets, lawn care equipment, hand carts and ladders
Racking and shelving
Transport vehicles stored onsite, including skid-steer
Reg 2stg Hi-Pur 3500/100 BRP
QTOF
Novasep HPLC Hipersep High Pressure Chromatography
HP Agilent 6890 Plus Gas Chromatograph
Spectro Ciros CCD Spectrometer ICP Analyzer
Amersham Pharmacia Biotech AKTAFPLC System
2006 ChemGlass s/n ARQ-0611-101MS 50L Process Reactor
Beckman spinchron
Lab tables and chairs
Single Quad MS Agilent G1956B MSD
Agilent 1100 Prep HPLC System
Agilent 1200 Prep Fraction Collector
6' Hepa Hood
Pump Check Valve Kit
Streamline laminar flow cabinet
Weighing FX- 3000iWp Waterproof dust proof precision balance, weighing software
Microflow hood
Heated oil bath HB 10 / 100 - 120V
Thermo neslab merlin M25 Reciculating chiller labratory 115 V
G1315-60016 Prep Flow Cell
MRA 100-000 6/4 MRA SV SS
40 Funnel Tray for G1364C Fraction Collector
2 Stainless steel drum pumps & 6 Sanitizing mats
2019 Diaphram pump-vacuum filtration - 2019 Filtration pump Chemical resistant 115 V 60hz
Dry fast collegiate Diaphram Pump
Mini Valve Stainless Steel Regulator
Lauda wk 3200 Chiller
Benchmark H4000-HS Stirrer Hotplate
Dayton Drum Mixer
Cole Parmer Model 7585-20 peristaltic pump
Transducer
Custom Dioxide Pressure Pump
Automatic Capsule Filling Machine
Victory SS upright Freezer
Torque Tester Calibration Kit
Electronic Torque tester with computer interface
Automatic Capper for plastic caps

Racks With Wheels
Production printer labels and 2d imager
Semi Auto bottle capper
Refrigerators
Automatic Capsule Banding Machine
Liquid pump assembly LC 0078 Tilting Zone door filter pack sensor and filling machine
Robo LiCap Robotic Vial & Bottle Filler
Busch Machinery CVC 330B Wrap Around Vial Labeler
Small Clean Room - Receiving Area
Visco Tec Eco Pen 700

EXHIBIT C

FORM OF TENANT ESTOPPEL CERTIFICATE

To: IIP-MN 1 LLC
11440 West Bernardo Court, Suite 2
San Diego, California 92127
Attention: General Counsel

Re: [PREMISES ADDRESS] (the "Premises") at 8740 77th Street Northeast, Otsego, Minnesota (the "Property")

The undersigned tenant ("Tenant") hereby certifies to you as follows:

1. Tenant is a tenant at the Property under a lease (the "Lease") for the Premises dated as of [_____], 20 [___]. The Lease has not been cancelled, modified, assigned, extended or amended [except as follows: [_____]], and there are no other agreements, written or oral, affecting or relating to Tenant's lease of the Premises or any other space at the Property. The lease term expires on [_____], 20[__].

2. Tenant took possession of the Premises, currently consisting of [_____] square feet, on [_____], 20 [___], and commenced to pay rent on [_____], 20[___]. Tenant has full possess ion of the Premises, has not assigned the Lease or sublet any part of the Premises, and does not hold the Premises under an assignment or sublease[, except as follows: [_____]].

3. All base rent, rent escalations and additional rent under the Lease have been paid through [_____], 20[__]. There is no prepaid rent[, except $[_____]][, and the amount of security deposit is $[_____] [in cash][OR][in the form of a letter of credit]]. Tenant currently has no right to any future rent abatement under the Lease.

4. Base rent is currently payable in the amount of $[_____] per month.

5. All work to be performed for Tenant under the Lease has been performed as required under the Lease and has been accepted by Tenant[, except [_____]], and all allowances to be paid to Tenant, including allowances for tenant improvements, moving expenses or other items, have been paid.

6. The Lease is in full force and effect, free from default and free from any event that could become a default under the Lease, and Tenant has no claims against the landlord or offsets or defenses against rent, and there are no disputes with the landlord. Tenant has received no notice of prior sale, transfer, assignment, hypothecation or pledge of the Lease or of the rents payable thereunder[, except [_____]].

7. Tenant has no rights or options to purchase the Property.

8. To Tenant's knowledge, no hazardous wastes have been generated, treated, stored or disposed of by or on behalf of Tenant in, on or around the Premises in violation of any environmental laws.

9. The undersigned has executed this Estoppel Certificate with the knowledge and understanding that [INSERT NAME OF LANDLORD, PURCHASER OR LENDER, AS APPROPRIATE] or its assignee is [acquiring the Property/making a loan secured by the Property] in reliance on this certificate and that the undersigned shall be bound by this certificate. The statements contained herein may be relied upon by [INSERT NAME OF PURCHASER OR LENDER, AS APPROPRIATE], IIP-MN 1 LLC, IIP Operating Partnership, LP, Innovative Industrial Properties, Inc., and any [other] mortgagee of the Property and their respective successors and assigns.

[Signature page follows]

Any capitalized terms not defined herein shall have the respective meanings given in the Lease.

Dated this [_____] day of [_____], 20[__].

[_____],
a [_____]

By: _____
Name: _____
Title: _____

EXHIBIT D

FORM OF

GUARANTY OF LEASE

This Guaranty of Lease (**"Guaranty"**) is executed effective on the _____ day of [_____], 20[___], by [_____], a [_____] (**"Guarantor"**), whose address for notices is [_____], in favor of IIP-MN 1 LLC, a Delaware limited liability company (**"Landlord"**), whose address for notices is 11440 West Bernardo Court, Suite 220, San Diego, California 92127, Attn: General Counsel.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor covenants and agrees as follows:

1. **Recitals.** This Guaranty is made with reference to the following recitals of facts which constitute a material part of this Guaranty:

(a) Landlord, as Landlord, and Minnesota Medical Solutions, LLC, a Minnesota limited liability company, as Tenant **("Tenant"),** entered into that certain Lease dated as of November 8, 2017 (the **"Lease"),** with respect to certain space in the building located at 8740 77th Street Northeast, Otsego, Minnesota, as more particularly described in the Lease (the **"Leased Premises").**

(b) Guarantor is [DESCRIBE RELATIONSHIP OF GUARANTOR TO TENANT] and is therefore receiving a substantial benefit for executing this Guaranty.

(c) Landlord would not have entered into the Lease with Tenant without having received the Guaranty executed by Guarantor as an inducement to Landlord.

(d) By this Guaranty, Guarantor intends to absolutely, unconditionally and irrevocably guarantee the full, timely, and complete (i) payment of all rent and other sums required to be paid by Tenant under the Lease and any other indebtedness of Tenant, (ii) performance of all other terms, covenants, conditions and obligations of Tenant arising out of the Lease and all foreseeable and unforeseeable damages that may arise as a foreseeable or unforeseeable consequence of any non-payment, non-performance or non-observance of, or non-compliance with, any of the terms, covenants, conditions or other obligations described in the Lease (including, without limitation, all attorneys' fees and disbursements and all litigation costs and expenses incurred or payable by Landlord or for which Landlord may be responsible or liable, or caused by any such default), and (iii) payment of any and all expenses (including reasonable attorneys' fees and expenses and litigation expenses) incurred by Landlord in enforcing any of the rights under the Lease or this Guaranty within five (5) days after Landlord's demand thereafter (collectively, the **"Guaranteed Obligations"**).

2. **Guaranty.** From and after the Execution Date (as such term is defined under the Lease), Guarantor absolutely, unconditionally and irrevocably guarantees, as principal obligor and not merely as surety, to Landlord, the full, timely and unconditional payment and performance, of the Guaranteed Obligations strictly in accordance with the terms of the Lease, as such Guaranteed Obligations may be modified, amended, extended or renewed from time to time. This is a Guaranty of payment and performance and not merely of collection. Guarantor agrees that Guarantor is primarily liable for and responsible for the payment and performance of the Guaranteed Obligations. Guarantor shall be bound by all of the provisions, terms, conditions, restrictions and limitations contained in the Lease which are to be observed or performed by Tenant, the same as if Guarantor was named therein as Tenant with joint and several liability with Tenant, and any remedies that Landlord has under the Lease against Tenant shall apply to Guarantor as well. If Tenant defaults in any Guaranteed Obligation under the Lease, Guarantor shall in lawful money of the United States, pay to Landlord on demand the amount due and owing under the Lease. Guarantor waives any rights to notices of acceptance, modifications, amendment, extension or breach of the Lease. If Guarantor is a natural person, it is expressly agreed that this guaranty shall survive the death of such guarantor and shall continue in effect. The obligations of Guarantor under this Guaranty are independent of the obligations of Tenant or any other guarantor. Guarantor acknowledges that this Guaranty and Guarantor's obligations and liabilities under this Guaranty are and shall at all times continue to be absolute and unconditional in all respects and shall be the separate and independent undertaking of Guarantor without regard to the genuineness, validity, legality or enforceability of the Lease, and shall at all times be valid and enforceable irrespective of any other agreements or circumstances of any nature whatsoever which might otherwise constitute a defense to this Guaranty and the obligations and liabilities of Guarantor under this Guaranty or the obligations or liabilities of any other person or entity (including, without limitation, Tenant) relating to this Guaranty or the obligations or liabilities of Guarantor hereunder or otherwise with respect to the Lease or to Tenant. Guarantor hereby absolutely, unconditionally and irrevocably waives any and all rights it may have to assert any defense, set-off, counterclaim or cross-claim of any nature whatsoever with respect to this Guaranty or the obligations or liabilities of Guarantor under this Guaranty or the obligations or liabilities of any other person or entity (including, without limitation, Tenant) relating to this Guaranty or the obligations or liabilities of Guarantor under this Guaranty or otherwise with respect to the Lease, in any action or proceeding brought by the holder hereof to enforce the obligations or liabilities of Guarantor under this Guaranty. This Guaranty sets forth the entire agreement and understanding of Landlord and Guarantor, and Guarantor acknowledges that no oral or other agreements, understandings, representations or warranties exist with respect to this Guaranty or with respect to the obligations or liabilities of Guarantor under this Guaranty. The obligations of Guarantor under this Guaranty shall be continuing and irrevocable (a) during any period of time when the liability of Tenant under the Lease continues, and (b) until all of the Guaranteed Obligations have been fully discharged by payment, performance or compliance. If at any time all or any part of any payment received by Landlord from Tenant or Guarantor or any other person under or with respect to the Lease or this Guaranty has been refunded or rescinded pursuant to any court order, or declared to be fraudulent or preferential, or are set aside or otherwise are required to be repaid to Tenant, its estate, trustee, receiver or any other party, including as a result of the insolvency, bankruptcy or reorganization of Tenant or any other party (an **"Invalidated Payment"**), then Guarantor's obligations under the Guaranty shall, to the extent of such Invalidated Payment be reinstated and deemed to have continued in existence as of the date that the original payment occurred. This Guaranty shall not be affected or limited in any manner by whether Tenant may be liable, with respect to the Guaranteed Obligations individually, jointly with other primarily, or secondarily.

3. **No Impairment of Guaranteed Obligations.** Guarantor further agrees that Guarantor's liability for the Guaranteed Obligations shall in no way be released, discharged, impaired or affected or subject to any counterclaim, setoff or deduction by (a) any waiver, consent, extension, indulgence, compromise, release, departure from or other action or inaction of Landlord under or in respect of the Lease or this Guaranty, or any obligation or liability of Tenant, or any exercise or non-exercise of any right, remedy, power or privilege under or in respect to the Lease or this Guaranty, (b) any change in the time, manner or place of payment or performance of the Guaranteed Obligations, (c) the acceptance by Landlord of any additional security or any increase, substitution or change therein, (d) the release by Landlord of any security or any withdrawal thereof or decrease therein, (e) any assignment of the Lease or any subletting of all or any portion of the Leased Premises (with or without Landlord's consent), (f) any holdover by Tenant beyond the term of the Lease (g) any termination of the Lease, (h) any release or discharge of Tenant in any bankruptcy, receivership or other similar proceedings, (i) the impairment, limitation or modification of the liability of Tenant or the estate of Tenant in bankruptcy or of any remedy for the enforcement of Tenant's liability under the Lease resulting from the operation of any present or future provisions of any bankruptcy code or other statute or from the decision in any court, or the rejection or disaffirmance of the Lease in any such proceedings, (j) any merger, consolidation, reorganization or similar transaction involving Tenant, even if Tenant ceases to exist as a result of such transaction, (k) the change in the corporate relationship between Tenant and Guarantor or any termination of such relationship, (1) any change in the direct or indirect ownership of all or any part of the shares in Tenant, or (m) to the extent permitted under applicable law, any other occurrence or circumstance whatsoever, whether similar or dissimilar to the foregoing, which might otherwise constitute a legal or equitable defense or discharge of the liabilities of Guarantor or which might otherwise limit recourse against Guarantor. Guarantor further understands and agrees that Landlord may at any time enter into agreements with Tenant to amend and modify the Lease, and may waive or release any provision or provisions of the Lease, and, with reference to such instruments, may make and enter into any such agreement or agreements as Landlord and Tenant may deem proper and desirable, without in any manner impairing or affecting this Guaranty or any of Landlord's rights hereunder or Guarantor's obligations hereunder, unless otherwise agreed in writing thereunder or under the Lease.

4. Remedies.

(a) If Tenant defaults with respect to the Guaranteed Obligations, and if Guarantor does not fulfill Tenant's obligations immediately upon its receipt of written notice of such default from Landlord, Landlord may at its election proceed immediately against Guarantor, Tenant, or any combination of Tenant, Guarantor, and/or any other guarantor. It is not necessary for Landlord, in order to enforce payment and performance by Guarantor under this Guaranty, first or contemporaneously to institute suit or exhaust remedies against Tenant or other liable for any of the Guaranteed Obligations or to enforce rights against any collateral securing any of it. Guarantor hereby waives any right to require Landlord to join Tenant in any action brought hereunder or to commence any action against or obtain any judgment against Tenant or to pursue any other remedy or enforce any other right. If any portion of the Guaranteed Obligations terminates and Landlord continues to have any rights that it may enforce against Tenant under the Lease after such termination, then Landlord may at its election enforce such rights against Guarantor. Unless and until all Guaranteed Obligations have been fully satisfied, Guarantor shall not be released from its obligations under this Guaranty irrespective of: (i) the exercise (or failure to exercise) by Landlord of any of Landlord's rights or remedies (including, without limitation, compromise or adjustment of the Guaranteed Obligations or any part thereof); or (ii) any release by Landlord in favor of Tenant regarding the fulfillment by Tenant of any obligation under the Lease.

(b) Notwithstanding anything in the foregoing to the contrary, Guarantor hereby covenants and agrees to and with Landlord that Guarantor may be joined in any action by or against Tenant in connection with the Lease. Guarantor also agrees that, in any jurisdiction, it will be conclusively bound by the judgment in any such action by or against Tenant (wherever brought) as if Guarantor were a party to such action even though Guarantor is not joined as a party in such action.

5. **Waivers.** With the exception of the defense of prior payment, performance or compliance by Tenant or Guarantor of or with the Guaranteed Obligations which Guarantor is called upon to pay or perform, or the defense that Landlord's claim against Guarantor is barred by the applicable statute of limitations, Guarantor hereby waives and releases all defenses of the law of guaranty or suretyship to the extent permitted by law.

6. **Rights Cumulative.** All rights, powers and remedies of Landlord under this Guaranty shall be cumulative and in addition to all rights, powers and remedies given to Landlord by law.

7. **Representations and Warranties.** Guarantor hereby represents and warrants that (a) Guarantor has goods and net worth that are sufficient to enable Guarantor to promptly perform all of the Guaranteed Obligations as and when they are due; (b) Landlord has made no representation to Guarantor as to the creditworthiness or financial condition of Tenant; (c) Guarantor has full power to execute, deliver and carry out the terms and provisions of this Guaranty and has taken all necessary action to authorize the execution, delivery and performance of this Guaranty; (d) Guarantor's execution and delivery of, and the performance of its obligations under, this Guaranty does not conflict with or violate any of Guarantor's organizational documents, or any contract, agreement or decree which Guarantor is a party to or which is binding on Guarantor; (e) the individual executing this Guaranty on behalf of Guarantor has the authority to bind Guarantor to the terms and conditions of this Guaranty; (f) Guarantor has been represented by counsel of its choice in connection with this Guaranty; (g) this Guaranty when executed and delivered shall constitute the legal, valid and binding obligations of Guarantor enforceable against Guarantor in accordance with its terms; and (h) there is no action, suit, or proceeding pending or, to the knowledge of Guarantor, threatened against Guarantor before or by any governmental authority which questions the validity or enforceability of, or Guarantor's ability to perform under, this Guaranty.

8. **Subordination.** In the event of Tenant's insolvency or the disposition of the assets of Tenant, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Tenant applicable to the payment of all claims of Landlord and/or Guarantor shall be paid to Landlord and shall be first applied by Landlord to the Guaranteed Obligations. Any indebtedness of Tenant now or hereafter held by Guarantor, whether as original creditor or assignee or by way of subrogation, restitution, reimbursement, indemnification or otherwise, is hereby subordinated in right of payment to the Guaranteed Obligations. So long as an uncured event of default exists under the Lease, (a) at Landlord's written request, Guarantor shall cause Tenant to pay to Landlord all or any part of any funds invested in or loaned to Tenant by Guarantor which Guarantor is entitled to withdraw or collect and (b) any such indebtedness or other amount collected or received by Guarantor shall be held in trust for Landlord and shall forthwith be paid over to Landlord to be credited and applied against the Guaranteed Obligations. Subject to the foregoing, Guarantor shall be entitled to receive from Landlord any amount that are, from time to time, due to Guarantor in the ordinary course of business. Until all of Tenant's obligations under the Lease are fully performed, Guarantor shall have no right of subrogation against Tenant by reason of any payments, acts or performance by Guarantor under this Guaranty.

9. **Governing Law.** This Guaranty shall be governed by and construed in accordance with the laws of the State of Minnesota, United States of America, without regard to principles of conflicts of laws. TO THE FULLEST EXTENT PERMITTED BY LAW, GUARANTOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS GUARANTY.

10. **Attorneys' Fees.** In the event any litigation or other proceeding **("Proceeding")** is initiated by any party against any other party to enforce this Guaranty, the prevailing party in such Proceeding shall be entitled to recover from the unsuccessful party all costs, expenses, and actual reasonable attorneys' fees relating to or arising out of such Proceeding.

11. **Modification.** This Guaranty may be modified only by a contract in writing executed by Guarantor and Landlord.

12. **Invalidity.** If any provision of the Guaranty shall be invalid or unenforceable, the remainder of this Guaranty shall not be affected by such invalidity or unenforceability. In the event, and to the extent, that this Guaranty shall be held ineffective or unenforceable by any court of competent jurisdiction, then Guarantor shall be deemed to be a tenant under the Lease with the same force and effect as if Guarantor were expressly named as a cotenant therein with joint and several liability.

13. **Successors and Assigns.** Unless otherwise agreed in writing or under the Lease, this Guaranty shall be binding upon and shall inure to the benefit of the successors-in-interest and assigns of each party to this Guaranty.

14. **Notices.** Any notice, consent, demand, invoice, statement or other communication required or permitted to be given hereunder shall be in writing and shall be given by (a) personal delivery, (b) overnight delivery with a reputable international overnight delivery service, such as FedEx, or (c) facsimile or email transmission, so long as such transmission is followed within one (1) business day by delivery utilizing one of the methods described in subsections (a) or (b). Any such notice, consent, demand, invoice, statement or other communication shall be deemed delivered (x) upon receipt, if given in accordance with subsection (a); (y) one business (1) day after deposit with a reputable international overnight delivery service, if given if given in accordance with subsection (b); or (z) upon transmission, if given in accordance with subsection (c). Except as otherwise stated in this Guaranty, any notice, consent, demand, invoice, statement or other communication required or permitted to be given pursuant to this Guaranty shall be addressed to Guarantor or Landlord at the address set forth above in the introductory paragraph of this Guaranty. Either party may, by notice to the other given pursuant to this Section, specify additional or different addresses for notice purposes.

15. **Waiver.** Any waiver of a breach or default under this Guaranty must be in a writing that is duly executed by Landlord and shall not be a waiver of any other default concerning the same or any other provision of this Guaranty. No delay or omission in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver.

16. **Withholding.** Unless otherwise agreed in the Lease, any and all payments by Guarantor to Landlord under this Guaranty shall be made free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and all liabilities with respect thereto (collectively, **"Taxes").** If Guarantor shall be required by any applicable laws to deduct any Taxes from or in respect of any sum payable under this Guaranty to Landlord: (a) the sum payable shall be increased as necessary so that after making all required deductions, the Landlord receives an amount equal to the sum it would have received had no such deductions been made; (b) Guarantor shall make such deductions; and (c) Guarantor shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable laws.

17. **Financial Condition of Tenant.** Landlord shall have no obligation to disclose or discuss with Guarantor Landlord's assessment of the financial condition of Tenant. Guarantor has adequate means to obtain information from Tenant on a continuing basis concerning the financial condition of Tenant and its ability to perform its Guaranteed Obligations, and Guarantor assumes responsibility for being and keeping informed of Tenant's financial condition and of all circumstances bearing upon the risk of Tenant's failure to perform the Guaranteed Obligations.

18. **Bankruptcy.** So long as the Guaranteed Obligations remain outstanding, Guarantor shall not, without Landlord's prior written consent, commence or join with any other person in commencing any bankruptcy or similar proceeding of or against Tenant. Guarantor's obligations hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any bankruptcy or similar proceeding (voluntary or involuntary) involving Tenant or by any defense that Tenant may have by reason of an order, decree or decision of any court or administrative body resulting from any such proceeding. To the fullest extent permitted by law, Guarantor will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person to pay to Landlord or allow the claim of Landlord in respect of any interest, fees, costs, expenses or other Guaranteed Obligations accruing or arising after the date on which such case or proceeding is commenced.

19. **Conveyance or Transfer.** Without Landlord's written consent, Guarantor shall not convey, sell, lease or transfer any of its properties or assets to any person or entity to the extent that such conveyance, sale, lease or transfer could have a material adverse effect on Guarantor's ability to fulfill any of the Guaranteed Obligations.

20. [NOTE: ONLY WHERE GUARANTOR IS NOT A DIRECT OR INDIRECT PARENT OF TENANT: [Limitation on Obligations Guaranteed.

(a) Notwithstanding any other provision hereof, the right of recovery against Guarantor under Section 2 shall not exceed $1.00 less than the lowest amount that would render Guarantor's obligations under Section 2 void or voidable under applicable law, including, without limitation, the Uniform Fraudulent Conveyance Act, Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to the guaranty set forth herein and the obligations of Guarantor hereunder. To effectuate the foregoing, the Guaranteed Obligations in respect of the guarantee set forth in Section 2 at any time shall be limited to the maximum amount as would result in the Guaranteed Obligations with respect thereto not constituting a fraudulent transfer or conveyance after giving full effect to the liability under such guarantee set forth in Section 2 and its related contribution rights, but before taking into account any liabilities under any other guarantee by Guarantor. For purposes of the foregoing, all guarantees of Guarantor other than the guarantee under Section 2 will be deemed to be enforceable and payable after the guaranty under Section 2. To the fullest extent permitted by applicable law, this Section shall be for the benefit solely of creditors and representatives of creditors of Guarantor and not for the benefit of Guarantor or the holders of any equity interest in Guarantor.

(b) Guarantor agrees that obligations may at any time and from time to time be incurred or permitted in an amount exceeding the maximum liability of Guarantor under Section 2 without impairing the guarantee contained in Section 2 or affecting Landlord's rights and remedies hereunder.]]

21. **Financials.** To induce Landlord to enter into the Lease, Guarantor shall, within ninety (90) days after the end of Guarantor's financial year, furnish Landlord with a certified copy of Guarantor's year-end unconsolidated financial statements for the previous year, audited by a nationally recognized accounting firm. If audited financial statements are not otherwise prepared, then Guarantor may satisfy the requirement to provide audited financial statements by providing in lieu thereof unaudited financial statements prepared in accordance with GAAP and certified by the chief financial officer of Guarantor as correct and complete copies of such financial statements, fairly presenting Guarantor's financial condition as of the time set forth therein and having been prepared in accordance with GAAP.

22. **Joint and Several Liability.** Guarantor's liability under this Guaranty shall be joint and several with any and all other Guarantors in accordance with the terms and conditions of the Lease.

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IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be signed by its respective officer thereunto duly authorized, all as of the date first written above.

GUARANTOR

[_____],

a [_____]

By: _____
Name: _____
Title: _____

EXHIBIT E

WORK LETTER

This Work Letter (this **"Work Letter")** is made and entered into as of the 8th day of November, 2017, by and between IIP-MN 1 LLC, a Delaware limited liability company **("Landlord"),** and Minnesota Medical Solutions, LLC, a Minnesota limited liability company **("Tenant"),** and is attached to and made a part of that certain Lease dated as of November 8, 2017 (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time, the "Lease"), by and between Landlord and Tenant for the Premises located at 8740 77th Street Northeast, Otsego, Minnesota. All capitalized terms used but not otherwise defined herein shall have the meanings given them in the Lease.

1. General Requirements.

1.1 Authorized Representatives.

(a) Landlord designates, as Landlord's authorized representative **("Landlord's Authorized Representative"**), (i) Catherine Hastings as the person authorized to initial plans, drawings, approvals and to sign change orders pursuant to this Work Letter and (ii) an officer of Landlord as the person authorized to sign any amendments to this Work Letter or the Lease. Tenant shall not be obligated to respond to or act upon any such item until such item has been initialed or signed (as applicable) by the appropriate Landlord's Authorized Representative. Landlord may change either Landlord's Authorized Representative upon one (1) business day's prior written notice to Tenant.

(b) Tenant designates Amber Shimpa **("Tenant's Authorized Representative"**) as the person authorized to initial and sign all plans, drawings, change orders and approvals pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any such item until such item has been initialed or signed (as applicable) by Tenant's Authorized Representative. Tenant may change Tenant's Authorized Representative upon one (1) business day's prior written notice to Landlord.

1.2 Schedule. The schedule for design and development of the Tenant Improvements, including the time periods for preparation and review of construction documents, approvals and performance, shall be in accordance with a schedule to be prepared by Tenant (the **"Schedule"**). Tenant shall prepare the Schedule so that it is a reasonable schedule for the completion of the Tenant Improvements. The Schedule shall clearly identify all activities requiring Landlord participation. As soon as the Schedule is completed, Tenant shall deliver the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Such Schedule shall be approved or disapproved by Landlord within ten (10) business days after delivery to Landlord. Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If Landlord disapproves the Schedule, then Landlord shall notify Tenant in writing of its objections to such Schedule, and the parties shall confer and negotiate in good faith to reach agreement on the Schedule. The Schedule shall be subject to adjustment as mutually agreed upon in writing by the parties, or as provided in this Work Letter.

1.3 Tenant's Architects, Contractors and Consultants. The architect, engineering consultants, design team, general contractor and subcontractors responsible for the construction of the Tenant Improvements shall be selected by Tenant and approved by Landlord, which approval Landlord shall not unreasonably withhold, condition or delay. All Tenant contracts related to the Tenant Improvements shall provide that Tenant may assign such contracts and any warranties with respect to the Tenant Improvements to Landlord at any time.

2. Tenant Improvements. All Tenant Improvements shall be performed by Tenant's contractor, at Tenant's sole cost and expense (subject to Landlord's obligations with respect to any portion of the TI Allowance) and in accordance with the Approved Plans (as defined below), the Lease and this Work Letter. All material and equipment furnished by Tenant or its contractors as the Tenant Improvements shall be new or "like new;" the Tenant Improvements shall be performed in a first-class, workmanlike manner. Tenant shall take, and shall require its contractors to take, commercially reasonable steps to protect the Premises during the performance of any Tenant Improvements, including covering or temporarily removing any window coverings so as to guard against dust, debris or damage.

1.1 Work Plans. Tenant shall prepare and submit to Landlord for approval schematics covering the Tenant Improvements prepared in conformity with the applicable provisions of this Work Letter (the **"Draft Schematic Plans")**. The Draft Schematic Plans shall contain sufficient information and detail to accurately describe the proposed design to Landlord and such other information as Landlord may reasonably request. Landlord shall notify Tenant in writing within ten (10) business days after receipt of the Draft Schematic Plans whether Landlord approves or objects to the Draft Schematic Plans and of the manner, if any, in which the Draft Schematic Plans are unacceptable. Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If Landlord reasonably objects to the Draft Schematic Plans, then Tenant shall revise the Draft Schematic Plans and cause Landlord's objections to be remedied in the revised Draft Schematic Plans. Tenant shall then resubmit the revised Draft Schematic Plans to Landlord for approval, such approval not to be unreasonably withheld, conditioned or delayed. Landlord's approval of or objection to revised Draft Schematic Plans and Tenant's correction of the same shall be in accordance with this Section until Landlord has approved the Draft Schematic Plans in writing or been deemed to have approved them. The iteration of the Draft Schematic Plans that is approved or deemed approved by Landlord without objection shall be referred to herein as the **"Approved Schematic Plans."**

1.2 Construction Plans. Tenant shall prepare final plans and specifications for the Tenant Improvements that (a) are consistent with and are logical evolutions of the Approved Schematic Plans and (b) incorporate any other Tenant-requested (and Landlord-approved) Changes (as defined below). As soon as such final plans and specifications **("Construction Plans")** are completed, Tenant shall deliver the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. All such Construction Plans shall be submitted by Tenant to Landlord in electronic .pdf, CADD and full-size hard copy formats, and shall be approved or disapproved by Landlord within ten (10) business days after delivery to Landlord. Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If the Construction Plans are disapproved by Landlord, then Landlord shall notify Tenant in writing of its objections to such Construction Plans, and the parties shall confer and negotiate in good faith to reach agreement on the Construction Plans. Promptly after the Construction Plans are approved by Landlord and Tenant, two (2) copies of such Construction Plans shall be initialed and dated by Landlord and Tenant, and Tenant shall promptly submit such Construction Plans to all appropriate Governmental Authorities for approval. The Construction Plans so approved, and all change orders approved (to the extent required) by Landlord, are referred to herein as the **"Approved Plans."**

1.3 Changes to the Tenant Improvements. Any material changes to the Approved Plans (each, a **"Change")** requested by Tenant shall be subject to the prior written approval of Landlord, not to be unreasonably withheld, conditioned or delayed. Any such Change request shall detail the nature and extent of any requested Changes, including any modification of the Approved Plans and the Schedule, as applicable, necessitated by the Change. In the event that Landlord fails to respond to any such Change request within five (5) business days of receipt, such Change shall be deemed approved.

3. Completion of Tenant Improvements. Tenant, at its sole cost and expense (except for the TI Allowance), shall perform and complete the Tenant Improvements in all respects (a) in substantial conformance with the Approved Plans, (b) otherwise in compliance with provisions of the Lease and this Work Letter and (c) in accordance with Applicable Laws, the requirements of Tenant's insurance carriers, the requirements of Landlord's insurance carriers (to the extent Landlord provides its insurance carriers' requirements to Tenant) and the board of fire underwriters having jurisdiction over the Premises. The Tenant Improvements shall be deemed completed at such time as Tenant shall furnish to Landlord (t) evidence satisfactory to Landlord that (i) all Tenant Improvements have been completed and paid for in full (which shall be evidenced by the architect's certificate of completion and the general contractor's and each subcontractor's and material supplier's final unconditional waivers and releases of liens, each in a form acceptable to Landlord and complying with Applicable Laws, and a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor, together with a statutory notice of substantial completion from the general contractor), (ii) all Tenant Improvements have been accepted by Landlord, (iii) any and all liens related to the Tenant Improvements have either been discharged of record (by payment, bond, order of a court of competent jurisdiction or otherwise) or waived by the party filing such lien and (iv) no security interests relating to the Tenant Improvements are outstanding, (u) all certifications and approvals with respect to the Tenant Improvements that may be required from any Governmental Authority and any board of fire underwriters or similar body for the use and occupancy of the Premises (including a certificate of occupancy for the Premises for the Permitted Use), (v) certificates of insurance required by the Lease to be purchased and maintained by Tenant, (w) an affidavit from Tenant's architect certifying that all work performed in, on or about the Premises is in accordance with the Approved Plans, (x) complete "as built" drawing print sets, project specifications and shop drawings and electronic CADD files on disc (showing the Tenant Improvements as an overlay on the Building "as built" plans for work performed by their architect and engineers in relation to the Tenant Improvements, (y) a commissioning report prepared by a licensed, qualified commissioning agent hired by Tenant and approved by Landlord for all new or affected mechanical, electrical and plumbing systems (which report Landlord may hire a licensed, qualified commissioning agent to peer review, and whose reasonable recommendations Tenant's commissioning agent shall perform and incorporate into a revised report) and (z) such other "close out" materials as Landlord reasonably requests, such as copies of manufacturers' warranties, operation and maintenance manuals and the like.

4. Insurance.

1.1 Property Insurance. At all times during the period beginning with commencement of construction of the Tenant Improvements and ending with final completion of the Tenant Improvements, Tenant shall maintain, or cause to be maintained (in addition to the insurance required of Tenant pursuant to the Lease), property insurance insuring Landlord and the Landlord Parties, as their interests may appear. Such policy shall, on a completed values basis for the full insurable value at all times, insure against loss or damage by fire, vandalism and malicious mischief and other such risks as are customarily covered by the so-called "broad form extended coverage endorsement" upon all Tenant Improvements and the general contractor's and any subcontractors' machinery, tools and equipment, all while each forms a part of, or is contained in, the Tenant Improvements or any temporary structures on the Premises, or is adjacent thereto; provided that, for the avoidance of doubt, insurance coverage with respect to the general contractor's and any subcontractors' machinery, tools and equipment shall be carried on a primary basis by such general contractor or the applicable subcontractor(s). Tenant agrees to pay any deductible, and Landlord is not responsible for any deductible, for a claim under such insurance. Such property insurance shall contain an express waiver of any right of subrogation by the insurer against Landlord and the Landlord Parties, and shall name Landlord and its affiliates as loss payees as their interests may appear.

1.2 Workers' Compensation Insurance. At all times during the period of construction of the Tenant Improvements, Tenant shall, or shall cause its contractors or subcontractors to, maintain statutory workers' compensation insurance as required by Applicable Laws.

5. Liability. Tenant assumes sole responsibility and liability for any and all injuries or the death of any persons, including Tenant's contractors and subcontractors and their respective employees, agents and invitees, and for any and all damages to property caused by, resulting from or arising out of any act or omission on the part of Tenant, Tenant's contractors or subcontractors, or their respective employees, agents and invitees in the prosecution of the Tenant Improvements. Tenant agrees to indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against all Claims due to, because of or arising out of any and all such injuries, death or damage, whether real or alleged, and Tenant and Tenant's contractors and subcontractors shall assume and defend at their sole cost and expense all such Claims; provided, however, that nothing contained in this Work Letter shall be deemed to indemnify or otherwise hold Landlord harmless from or against liability caused by Landlord's gross negligence or willful misconduct. Any deficiency in design or construction of the Tenant Improvements shall be solely the responsibility of Tenant, notwithstanding the fact that Landlord may have approved of the same in writing.

6. TI Allowance.

1.1 Application of TI Allowance. Landlord shall contribute the TI Allowance toward the costs and expenses incurred in connection with the performance of the Tenant Improvements, in accordance with Section 5 of the Lease. If the entire TI Allowance is not applied toward or reserved for the costs of the Tenant Improvements, then Tenant shall not be entitled to a credit of such unused portion of the TI Allowance. Tenant may apply the TI Allowance for the payment of construction and other costs in accordance with the terms and provisions of the Lease.

1.2 Approval of Budget for the Tenant Improvements. Notwithstanding anything to the contrary set forth elsewhere in this Work Letter or the Lease, Landlord shall not have any obligation to expend any portion of the TI Allowance until Landlord and Tenant shall have approved in writing the budget for the Tenant Improvements (the **"Approved Budget").** Prior to Landlord's approval of the Approved Budget, Tenant shall pay all of the costs and expenses incurred in connection with the Tenant Improvements as they become due. Landlord shall not be obligated to reimburse Tenant for costs or expenses relating to the Tenant Improvements that exceed the amount of the TI Allowance. Landlord shall not unreasonably withhold, condition or delay its approval of any budget for Tenant Improvements that is proposed by Tenant.

1.3 Fund Requests. Subject to Section 5 of the Lease, Upon submission by Tenant to Landlord of (a) a statement (a **"Fund Request")** setting forth the total amount of the TI Allowance requested, (b) a summary of the Tenant Improvements performed using AIA standard form Application for Payment (G 702) executed by the general contractor and by the architect, (c) invoices from the general contractor, the architect, and any subcontractors, material suppliers and other parties in the amount of the TI Allowance requested by Tenant for reimbursement, (d) unconditional lien releases from the general contractor and each subcontractor and material supplier with respect to all payments made by Tenant for the Tenant Improvements in a form acceptable to Landlord and complying with Applicable Laws; and (e) the items required to be delivered by Tenant pursuant to Section 5 of the Lease, then Landlord shall, within fifteen (15) days following receipt by Landlord of the Fund Request and all accompanying materials required by this Section, pay to Tenant the amount of the TI Allowance requested.

7. Miscellaneous.

1.1 Incorporation of Lease Provisions. Sections 35.2 through 35.18 of the Lease are incorporated into this Work Letter by reference, and shall apply to this Work Letter in the same way that they apply to the Lease.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Work Letter to be effective on the date first above written.

LANDLORD:

IIP-MN 1 LLC,
a Delaware limited liability company

By: /s/ Catherine Hastings
Name: Catherine Hastings
Title: Chief Financial Officer

TENANT:

Minnesota Medical Solutions, LLC,
a Minnesota limited liability company

By: /s/ Amber Shimpa
Name: Amber Shimpa
Title: Chief Financial Officer

EXHIBIT E-1

TENANT WORK INSURANCE SCHEDULE

Tenant shall be responsible for requiring all of Tenant contractors doing construction or renovation work to purchase and maintain such insurance as shall protect it from the claims set forth below which may arise out of or result from any Tenant Work whether such Tenant Work is completed by Tenant or by any Tenant contractors or by any person directly or indirectly employed by Tenant or any Tenant contractors, or by any person for whose acts Tenant or any Tenant contractors may be liable:

2. Claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Tenant Work to be performed.

3. Claims for damages because of bodily injury, occupational sickness or disease, or death of employees under any applicable employer's liability law.

4. Claims for damages because of bodily injury, or death of any person other than Tenant's or any Tenant contractors' employees.

5. Claims for damages insured by usual personal injury liability coverage which are sustained (a) by any person as a result of an offense directly or indirectly related to the employment of such person by Tenant or any Tenant contractors or (b) by any other person.

6. Claims for damages, other than to the Tenant Work itself, because of injury to or destruction of tangible property, including loss of use therefrom.

7. Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle.

Tenant contractors' Commercial General Liability Insurance shall include premises/operations (including explosion, collapse and underground coverage if such Tenant Work involves any underground work), elevators, independent contractors, products and completed operations, and blanket contractual liability on all written contracts, all including broad form property damage coverage.

Tenant contractors' Commercial General, Automobile, Employers and Umbrella Liability Insurance shall be written for not less than limits of liability as follows:

a.	Commercial General Liability: Bodily Injury and Property Damage	Commercially reasonable amounts, but in any event no less than $1,000,000 per occurrence and $2,000,000 general aggregate, with $2,000,000 products and completed operations aggregate.
		$1,000,000 per accident
b.	Commercial Automobile Liability: Bodily Injury and Property Damage	$500,000
c.	Employer's Liability: Each Accident Disease — Policy Limit Disease — Each Employee	$500,000 $500,000 Commercially reasonable amounts (excess of coverages a, b and c above), but in any event no less than $3,000,000 per occurrence / aggregate.
d.	Umbrella Liability: Bodily Injury and Property Damage	

All subcontractors for Tenant contractors shall carry the same coverages and limits as specified above, unless different limits are reasonably approved by Landlord. The foregoing policies shall contain a provision that coverages afforded under the policies shall not be canceled or not renewed until at least thirty (30) days' prior written notice has been given to the Landlord. Certificates of insurance including required endorsements showing such coverages to be in force shall be filed with Landlord prior to the commencement of any Tenant Work and prior to each renewal. Coverage for completed operations must be maintained for the lesser of ten (10) years and the applicable statue of repose following completion of the Tenant Work, and certificates evidencing this coverage must be provided to Landlord. The minimum A M Best's rating of each insurer shall be A- VII. Landlord and its mortgagees shall be named as an additional insureds under Tenant contractors' Commercial General Liability, Commercial Automobile Liability and Umbrella Liability Insurance policies as respects liability arising from work or operations performed, or ownership, maintenance or use of autos, by or on behalf of such contractors. Each contractor and its insurers shall provide waivers of subrogation with respect to any claims covered or that should have been covered by valid and collectible insurance, including any deductibles or self-insurance maintained thereunder.

If any contractor's work involves the handling or removal of asbestos (as determined by Landlord in its sole and absolute discretion), such contractor shall also carry Pollution Legal Liability insurance. Such coverage shall include bodily injury, sickness, disease, death or mental anguish or shock sustained by any person; property damage, including physical injury to or destruction of tangible property (including the resulting loss of use thereof), clean-up costs and the loss of use of tangible property that has not been physically injured or destroyed; and defense costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such damages. Coverage shall apply to both sudden and non-sudden pollution conditions including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water. Claims-made coverage is permitted, provided the policy retroactive date is continuously maintained prior to the Commencement Date, and coverage is continuously maintained during all periods in which Tenant occupies the Premises. Coverage shall be maintained with limits of not less than $1,000,000 per incident with a $2,000,000 policy aggregate.

Exhibit 10.20

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this "Amendment") is entered into as of this 7th day of December, 2018, by and between IIP-MN 1 LLC, a Delaware limited liability company ("Landlord"), and Minnesota Medical Solutions, LLC, a Minnesota limited liability company ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant are parties to that certain Lease Agreement dated as of November 8, 2017 (the "Existing Lease"), whereby Tenant leases the premises from Landlord located at 8740 77th Street Northeast, Otsego, Minnesota; and

B. WHEREAS, Landlord and Tenant desire to modify and amend the Existing Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Lease unless otherwise defined herein. The Existing Lease, as amended by this Amendment, is referred to collectively herein as the "Lease." From and after the date hereof, the term "Lease," as used in the Existing Lease, shall mean the Existing Lease, as amended by this Amendment.

2. Term. Section 3.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"3.1. Term. The actual term of this Lease (as the same may be extended or earlier terminated in accordance with this Lease, the **"Term")** commenced on November 8, 2017 (the **"Commencement Date")** and shall end on December 7, 2033, subject to extension or earlier termination of this Lease as provided herein."

3. TI Allowance. The first sentence of Section 5.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"Tenant shall cause appropriate improvements consistent with the Permitted Use (the **"Tenant Improvements")** to be constructed in the Premises pursuant to the Work Letter attached hereto as Exhibit E (the **"Work Letter")** at a cost to Landlord not to exceed Two Million Nine Hundred Eighty-Eight Thousand Dollars ($2,988,000.00) (the **"TI Allowance")."**

In addition, the final sentence of Section 5.2 of the Existing Lease is hereby amended and restated in its entirety as follows:

"In addition, Landlord's obligation to disburse any of the TI Allowance in excess of Two Million Five Hundred Thousand Dollars ($2,500,000.00) shall be conditional upon the satisfaction of the following: (a) Tenant's delivery to Landlord of a certificate of occupancy for the Premises suitable for the Permitted Use, as applicable; (b) Tenant's delivery to Landlord of a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor or such other form or certification as may be reasonably acceptable to Landlord; (c) Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter; and (d) there shall be no uncured event of default by Tenant under this Lease."

4. Effective as of the date hereof, the monthly Base Rent shall equal Seventy-Seven Thousand Six Hundred Twenty-Five Dollars ($77,625), and be subject to the Base Rent adjustments on each anniversary of the Commencement Date, as set forth in the Existing Lease.

5. Security Deposit. The Security Deposit is hereby increased by One Hundred Fifty Thousand Dollars ($150,000) to Four Hundred Fifty Thousand Dollars ($450,000). Concurrent with the effectiveness of this Amendment, Tenant shall deposit with Landlord the additional sum of One Hundred Fifty Thousand Dollars ($150,000) as the additional Security Deposit.

In addition, the penultimate sentence in Section 6.4 of the Existing Lease is hereby amended and restated in its entirety as follows:

"The Security Deposit shall be reduced to Three Hundred Thirty-Seven Thousand Five Hundred Dollars ($337,500) on November 8, 2020, provided that no Default has occurred and is continuing on such date; the Security Deposit shall be further reduced to Two Hundred Twenty-Five Thousand Dollars ($225,000) on November 8, 2023, provided that no Default has occurred and is continuing on such date; and the Security Deposit shall be further reduced to One Hundred Twelve Thousand Five Hundred Dollars ($112,500) on November 8, 2026, provided that no Default has occurred and is continuing on such date."

6. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment and agrees to reimburse, indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord, at Tenant's sole cost and expense) and hold harmless the Landlord Indemnitees for, from and against any and all cost or liability for compensation claimed by any such broker or agent employed or engaged by it or claiming to have been employed or engaged by it.

7. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Existing Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

8. Effect of Amendment. Except as modified by this Amendment, the Existing Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Amendment and the Existing Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties.

9. Successors and Assigns. Each of the covenants, conditions and agreements contained in this Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns and sublessees. Nothing in this section shall in any way alter the provisions of the Lease restricting assignment or subletting.

10. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

11. Authority. Tenant guarantees, warrants and represents that the individual or individuals signing this Amendment have the power, authority and legal capacity to sign this Amendment on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed.

12. Counterparts; Facsimile and PDF Signatures. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile or portable document format (PDF) signature on this Amendment shall be equivalent to, and have the same force and effect as, an original signature.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

IIP-MN 1 LLC,
a Delaware limited liability company

By: /s/ Catherine Hastings
Name: Catherine Hastings
Title: Chief Financial Officer, Chief Accounting Officer and Treasurer

TENANT:

MINNESOTA MEDICAL SOLUTIONS, LLC,
a Minnesota limited liability company

By: /s/ Amber Shimpa
Name: Amber Shimpa
Title: CFO

Exhibit 10.21

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT (this "Amendment") is entered into as of this 25th day of September, 2019, by and between IIP-MN 1 LLC, a Delaware limited liability company ("Landlord"), and Minnesota Medical Solutions, LLC, a Minnesota limited liability company ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant are parties to that certain Lease Agreement dated as of November 8, 2017, as amended by that certain First Amendment to Lease Agreement dated as of December 7, 2018 (as so amended, the "Existing Lease"), whereby Tenant leases the premises from Landlord located at 8740 77th Street Northeast, Otsego, Minnesota; and

B. WHEREAS, Landlord and Tenant desire to modify and amend the Existing Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Lease unless otherwise defined herein. The Existing Lease, as amended by this Amendment, is referred to collectively herein as the "Lease." From and after the date hereof, the term "Lease," as used in the Existing Lease, shall mean the Existing Lease, as amended by this Amendment.

2. Term. Section 3.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"3.1. Term. The actual term of this Lease (as the same may be extended or earlier terminated in accordance with this Lease, the **"Term")** commenced on November 8, 2017 (the **"Commencement Date")** and shall end on December 7, 2038, subject to extension or earlier termination of this Lease as provided herein."

3. TI Allowance. The first sentence of Section 5.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"Tenant shall cause appropriate improvements consistent with the Permitted Use (the **"Tenant Improvements")** to be constructed in the Premises pursuant to the Work Letter attached hereto as Exhibit E (the **"Work Letter")** at a cost to Landlord not to exceed Five Million Five Hundred Eighty-Eight Thousand Dollars ($5,588,000.00) (the **"TI Allowance")."**

In addition, the final sentence of Section 5.2 of the Existing Lease is hereby amended and restated in its entirety as follows:

"In addition, Landlord's obligation to disburse any of the TI Allowance in excess of Five Million Four Hundred Thousand Dollars ($5,400,000.00) shall be conditional upon the satisfaction of the following: (a) Tenant's delivery to Landlord of a certificate of occupancy for the Premises suitable for the Permitted Use, as applicable; (b) Tenant's delivery to Landlord of a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor or such other form or certification as may be reasonably acceptable to Landlord; (c) Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter; and (d) there shall be no uncured event of default by Tenant under this Lease."

4. Effective as of the date hereof, the monthly Base Rent shall equal One Hundred Eleven Thousand Two Hundred Sixty-Two and 50/100 Dollars ($111,262.50), and be subject to the Base Rent adjustments on each anniversary of the Commencement Date, as set forth in the Existing Lease.

5. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment and agrees to reimburse, indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord, at Tenant's sole cost and expense) and hold harmless the Landlord Indemnitees for, from and against any and all cost or liability for compensation claimed by any such broker or agent employed or engaged by it or claiming to have been employed or engaged by it.

6. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Existing Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

7. Effect of Amendment. Except as modified by this Amendment, the Existing Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Amendment and the Existing Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties.

8. Successors and Assigns. Each of the covenants, conditions and agreements contained in this Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns and sublessees. Nothing in this section shall in any way alter the provisions of the Lease restricting assignment or subletting.

9. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

10. Authority. Tenant guarantees, warrants and represents that the individual or individuals signing this Amendment have the power, authority and legal capacity to sign this Amendment on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed.

11. Counterparts; Facsimile and PDF Signatures. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile or portable document format (PDF) signature on this Amendment shall be equivalent to, and have the same force and effect as, an original signature.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

IIP-MN 1 LLC,
a Delaware limited liability company

By: /s/ Catherine Hastings
Name: Catherine Hastings
Title: Chief Financial Officer, Chief Accounting Officer and Treasurer

TENANT:

MINNESOTA MEDICAL SOLUTIONS, LLC,
a Minnesota limited liability company

By: /s/ Amber Shimpa
Name: Amber Shimpa
Title: CFO

Exhibit 10.22

THIRD AMENDMENT TO LEASE AGREEMENT

THIS THIRD AMENDMENT TO LEASE AGREEMENT (this "Amendment") is entered into effective as of the 18th day of February, 2020, by and between IIP-MN 1 LLC, a Delaware limited liability company ("Landlord"), and Minnesota Medical Solutions, LLC, a Minnesota limited liability company ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant are parties to that certain Lease Agreement dated as of November 8, 2017 (the "Original Lease"), as amended by that certain First Amendment to Lease Agreement dated as of December 7, 2018 (the "First Amendment"), and as further amended by that certain Second Amendment to Lease Agreement dated September 25, 2019 (the "Second Amendment" and together with the Original Lease and First Amendment, the "Existing Lease"), whereby Tenant leases the premises from Landlord located at 8740 77th Street Northeast, Otsego, Minnesota; and

B. WHEREAS, Landlord and Tenant desire to modify and amend the Existing Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Lease unless otherwise defined herein. The Existing Lease, as amended by this Amendment, is referred to collectively herein as the "Lease." From and after the date hereof, the term "Lease," as used in the Existing Lease, shall mean the Existing Lease, as amended by this Amendment.

2. TI Allowance. Landlord has agreed to increase the TI Allowance available to Tenant by Fifty Thousand One Hundred Eighty-Three Dollars ($50,183.00), provided there shall be no adjustment to Base Rent under the Lease. Accordingly, the first sentence of Section 5.1 of the Original Lease is hereby amended and restated in its entirety as follows:

> "Tenant shall cause appropriate improvements consistent with the Permitted Use (the **"Tenant Improvements")** to be constructed in the Premises pursuant to the Work Letter attached hereto as Exhibit E (the **"Work Letter")** at a cost to Landlord not to exceed Five Million Five Hundred Eighty-Eight Thousand Dollars ($5,638,183.00) (the **"TI Allowance")."**

3. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment and agrees to reimburse, indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord, at Tenant's sole cost and expense) and hold harmless the Landlord Indemnitees for, from and against any and all cost or liability for compensation claimed by any such broker or agent employed or engaged by it or claiming to have been employed or engaged by it.

4. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Existing Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

5. Effect of Amendment. Except as modified by this Amendment, the Existing Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Amendment and the Existing Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties.

6. Successors and Assigns. Each of the covenants, conditions and agreements contained in this Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns and sublessees. Nothing in this section shall in any way alter the provisions of the Lease restricting assignment or subletting.

7. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

8. Authority. Tenant guarantees, warrants and represents that the individual or individuals signing this Amendment have the power, authority and legal capacity to sign this Amendment on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed.

9. Counterparts; Facsimile and PDF Signatures. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile or portable document format (PDF) signature on this Amendment shall be equivalent to, and have the same force and effect as, an original signature.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

IIP-MN 1 LLC,
a Delaware limited liability company

By: /s/ Brian Wolfe
Name: Brian Wolfe
Title: Vice President, General Counsel and Secretary

TENANT:

MINNESOTA MEDICAL SOLUTIONS, LLC,
a Minnesota limited liability company

By: /s/ Shawn P. Nugent
Name: Shawn P. Nugent
Title: CFO

Exhibit 10.23

FOURTH AMENDMENT TO LEASE AGREEMENT

THIS FOURTH AMENDMENT TO LEASE AGREEMENT (this "Amendment") is entered into effective as of the 10th day of April 2020 (the "Amendment Effective Date"), by and between IIP-MN 1 LLC, a Delaware limited liability company ("Landlord"), and Minnesota Medical Solutions, LLC, a Minnesota limited liability company ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant are parties to that certain Lease Agreement dated as of November 8, 2017 (the "Original Lease"), as amended by that certain First Amendment to Lease Agreement dated as of December 7, 2018 (the "First Amendment"), as further amended by that certain Second Amendment to Lease Agreement dated September 25, 2019 (the "Second Amendment"), and as further amended by that certain Third Amendment to Lease Agreement dated February 18, 2020 (the "Third Amendment" and together with the Original Lease, First Amendment and Second Amendment, the "Existing Lease"), whereby Tenant leases the premises from Landlord located at 8740 77th Street Northeast, Otsego, Minnesota; and

B. WHEREAS, Landlord and Tenant desire to modify and amend the Existing Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Lease unless otherwise defined herein. The Existing Lease, as amended by this Amendment, is referred to collectively herein as the "Lease." From and after the date hereof, the term "Lease," as used in the Existing Lease, shall mean the Existing Lease, as amended by this Amendment.

2. TI Allowance. Landlord has agreed to increase the TI Allowance available to Tenant by One Million Sixty Thousand Dollars ($1,060,000.00), subject to the terms and conditions outlined in this Amendment. Accordingly, the first sentence of Section 5.1 of the Original Lease is hereby amended and restated in its entirety as follows:

> "Tenant shall cause appropriate improvements consistent with the Permitted Use (the **"Tenant Improvements")** to be constructed in the Premises pursuant to the Work Letter attached hereto as Exhibit E (the **"Work Letter")** at a cost to Landlord not to exceed Six Million Six Hundred Ninety-Eight Thousand One Hundred Eighty-Three Dollars ($6,698,183.00) (the **"TI Allowance")."**

In addition, the final sentence of Section 5.2 of the Existing Lease is hereby amended and restated in its entirety as follows:

"In addition, Landlord's obligation to disburse any of the TI Allowance in excess of Six Million Four Hundred Sixty Thousand Dollars ($6,460,000.00) shall be conditional upon the satisfaction of the following: (a) Tenant's delivery to Landlord of a certificate of occupancy for the Premises suitable for the Permitted Use, as applicable; (b) Tenant's delivery to Landlord of a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor or such other form or certification as may be reasonably acceptable to Landlord; (c) Tenant's satisfaction of the conditions precedent to funding of the TI Allowance set forth in Section 6.3 of the Work Letter; and (d) there shall be no uncured event of default by Tenant under this Lease."

3. Term. Section 3.1 of the Existing Lease is hereby amended and restated in its entirety as follows:

"3.1. Term. The actual term of this Lease (as the same may be extended or earlier terminated in accordance with this Lease, the **"Term")** commenced on November 8, 2017 (the **"Commencement Date")** and shall end on April 9, 2040, subject to extension or earlier termination of this Lease as provided herein."

4. Base Rent. Effective as of the Amendment Effective Date, the monthly Base Rent shall equal One Hundred Twenty-Nine Thousand Three Hundred Fifty and 42/100 Dollars ($129,350.42) and shall be subject to the Base Rent adjustments on each anniversary of the Commencement Date, as set forth in the Existing Lease.

5. Security Deposit. The penultimate sentence in Section 6.4 of the Existing Lease is hereby amended and restated as follows:

"The Security Deposit shall be reduced to Two Hundred Twenty-Five Thousand Dollars ($225,000) on November 8, 2023, provided that no Default has occurred and is continuing on such date; and the Security Deposit shall be further reduced to One Hundred Twelve Thousand Five Hundred Dollars ($112,500) on November 8, 2026, provided that no Default has occurred and is continuing on such date."

6. New Guaranty. Concurrently with the execution of this Amendment, Tenant shall cause Vireo Health International, Inc., a British Columbia, Canada corporation (the "New Guarantor"), to execute and deliver to Landlord a guaranty in the form attached as Exhibit A to this Amendment (the "New Guaranty"). From and after the date of this Amendment, all references in the Existing Lease to a "Guarantor" or the "Guarantors" shall include the New Guarantor and all references to a "Guaranty" or the "Guaranties" shall include the New Guaranty.

7. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment and agrees to reimburse, indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord, at Tenant's sole cost and expense) and hold harmless the Landlord Indemnitees for, from and against any and all cost or liability for compensation claimed by any such broker or agent employed or engaged by it or claiming to have been employed or engaged by it.

8. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Existing Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

9. Effect of Amendment. Except as modified by this Amendment, the Existing Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Amendment and the Existing Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties.

10. Successors and Assigns. Each of the covenants, conditions and agreements contained in this Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns and sublessees. Nothing in this section shall in any way alter the provisions of the Lease restricting assignment or subletting.

11. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

12. Authority. Tenant guarantees, warrants and represents that the individual or individuals signing this Amendment have the power, authority and legal capacity to sign this Amendment on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed.

13. Counterparts; Facsimile and PDF Signatures. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile or portable document format (PDF) signature on this Amendment shall be equivalent to, and have the same force and effect as, an original signature.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

IIP-MN 1 LLC,
a Delaware limited liability company

By: /s/ Brian Wolfe
Name: Brian Wolfe
Title: Vice President, General Counsel and Secretary

TENANT:

MINNESOTA MEDICAL SOLUTIONS, LLC,
a Minnesota limited liability company

By: /s/ Shawn P. Nugent
Name: Shawn P. Nugent
Title: CFO

EXHIBIT "A"

FORM OF NEW GUARANTY

[See Attached]

GUARANTY OF LEASE

This Guaranty of Lease **("Guaranty")** is executed effective on the 10th day of April, 2020, by Vireo Health International, Inc., a British Columbia, Canada corporation **("Guarantor"),** whose address for notices is c/o Minnesota Medical Solutions, LLC, 207 S 9th Street, Minneapolis, MN. 55402; Attn: Chief Financial Officer, in favor of IIP-MN 1 LLC, a Delaware limited liability company **("Landlord"),** whose address for notices is 11440 West Bernardo Court, Suite 100, San Diego, California 92127, Attn: General Counsel.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor covenants and agrees as follows:

1. **Recitals.** This Guaranty is made with reference to the following recitals of facts which constitute a material part of this Guaranty:

(a) Landlord, as Landlord, and Minnesota Medical Solutions, LLC, a Minnesota limited liability company, as Tenant **("Tenant"),** entered into that certain Lease dated as of November 8, 2017, as amended from time to time (as so amended, the **"Lease"),** with respect to certain space in the building located at 8740 77th Street Northeast, Otsego, Minnesota, as more particularly described in the Lease (the **"Leased Premises").**

(b) Guarantor is the indirect parent entity of Tenant and is therefore receiving a substantial benefit for executing this Guaranty.

(c) Landlord would not have entered into amendment to the Lease as of the date hereof with Tenant without having received the Guaranty executed by Guarantor as an inducement to Landlord.

(d) By this Guaranty, effective retroactively to the commencement of the Lease, Guarantor intends to absolutely, unconditionally and irrevocably guarantee the full, timely, and complete (i) payment of all rent and other sums required to be paid by Tenant under the Lease and any other indebtedness of Tenant, (ii) performance of all other terms, covenants, conditions and obligations of Tenant arising out of the Lease and all foreseeable and unforeseeable damages that may arise as a foreseeable or unforeseeable consequence of any nonpayment, non-performance or non-observance of, or non-compliance with, any of the terms, covenants, conditions or other obligations described in the Lease (including, without limitation, all attorneys' fees and disbursements and all litigation costs and expenses incurred or payable by Landlord or for which Landlord may be responsible or liable, or caused by any such default), and (iii) payment of any and all expenses (including reasonable attorneys' fees and expenses and litigation expenses) incurred by Landlord in enforcing any of the rights under the Lease or this Guaranty within five (5) days after Landlord's demand thereafter (collectively, the **"Guaranteed Obligations").**

2. **Guaranty.** Effective (including retroactively) for Guaranteed Obligations accruing before, on and after the Execution Date (as such term is defined under the Lease), Guarantor absolutely, unconditionally and irrevocably guarantees, as principal obligor and not merely as surety, to Landlord, the full, timely and unconditional payment and performance, of the Guaranteed Obligations strictly in accordance with the terms of the Lease, as such Guaranteed Obligations may be modified, amended, extended or renewed from time to time. This is a Guaranty of payment and performance and not merely of collection. Guarantor agrees that Guarantor is primarily liable for and responsible for the payment and performance of the Guaranteed Obligations. Guarantor shall be bound by all of the provisions, terms, conditions, restrictions and limitations contained in the Lease which are to be observed or performed by Tenant, the same as if Guarantor was named therein as Tenant with joint and several liability with Tenant, and any remedies that Landlord has under the Lease against Tenant shall apply to Guarantor as well. If Tenant defaults in any Guaranteed Obligation under the Lease, Guarantor shall in lawful money of the United States, pay to Landlord on demand the amount due and owing under the Lease. Guarantor waives any rights to notices of acceptance, modifications, amendment, extension or breach of the Lease. If Guarantor is a natural person, it is expressly agreed that this guaranty shall survive the death of such guarantor and shall continue in effect. The obligations of Guarantor under this Guaranty are independent of the obligations of Tenant or any other guarantor. Guarantor acknowledges that this Guaranty and Guarantor's obligations and liabilities under this Guaranty are and shall at all times continue to be absolute and unconditional in all respects and shall be the separate and independent undertaking of Guarantor without regard to the genuineness, validity, legality or enforceability of the Lease, and shall at all times be valid and enforceable irrespective of any other agreements or circumstances of any nature whatsoever which might otherwise constitute a defense to this Guaranty and the obligations and liabilities of Guarantor under this Guaranty or the obligations or liabilities of any other person or entity (including, without limitation, Tenant) relating to this Guaranty or the obligations or liabilities of Guarantor hereunder or otherwise with respect to the Lease or to Tenant. Guarantor hereby absolutely, unconditionally and irrevocably waives any and all rights it may have to assert any defense, set-off, counterclaim or cross-claim of any nature whatsoever with respect to this Guaranty or the obligations or liabilities of Guarantor under this Guaranty or the obligations or liabilities of any other person or entity (including, without limitation, Tenant) relating to this Guaranty or the obligations or liabilities of Guarantor under this Guaranty or otherwise with respect to the Lease, in any action or proceeding brought by the holder hereof to enforce the obligations or liabilities of Guarantor under this Guaranty. This Guaranty sets forth the entire agreement and understanding of Landlord and Guarantor, and Guarantor acknowledges that no oral or other agreements, understandings, representations or warranties exist with respect to this Guaranty or with respect to the obligations or liabilities of Guarantor under this Guaranty. The obligations of Guarantor under this Guaranty shall be continuing and irrevocable (a) during any period of time when the liability of Tenant under the Lease continues, and (b) until all of the Guaranteed Obligations have been fully discharged by payment, performance or compliance. If at any time all or any part of any payment received by Landlord from Tenant or Guarantor or any other person under or with respect to the Lease or this Guaranty has been refunded or rescinded pursuant to any court order, or declared to be fraudulent or preferential, or are set aside or otherwise are required to be repaid to Tenant, its estate, trustee, receiver or any other party, including as a result of the insolvency, bankruptcy or reorganization of Tenant or any other party (an **"Invalidated Payment"),** then Guarantor's obligations under the Guaranty shall, to the extent of such Invalidated Payment be reinstated and deemed to have continued in existence as of the date that the original payment occurred. This Guaranty shall not be affected or limited in any manner by whether Tenant may be liable, with respect to the Guaranteed Obligations individually, jointly with other primarily, or secondarily.

3. **No Impairment of Guaranteed Obligations.** Guarantor further agrees that Guarantor's liability for the Guaranteed Obligations shall in no way be released, discharged, impaired or affected or subject to any counterclaim, setoff or deduction by (a) any waiver, consent, extension, indulgence, compromise, release, departure from or other action or inaction of Landlord under or in respect of the Lease or this Guaranty, or any obligation or liability of Tenant, or any exercise or non-exercise of any right, remedy, power or privilege under or in respect to the Lease or this Guaranty, (b) any change in the time, manner or place of payment or performance of the Guaranteed Obligations, (c) the acceptance by Landlord of any additional security or any increase, substitution or change therein, (d) the release by Landlord of any security or any withdrawal thereof or decrease therein, (e) any assignment of the Lease or any subletting of all or any portion of the Leased Premises (with or without Landlord's consent), (f) any holdover by Tenant beyond the term of the Lease (g) any termination of the Lease, (h) any release or discharge of Tenant in any bankruptcy, receivership or other similar proceedings, (i) the impairment, limitation or modification of the liability of Tenant or the estate of Tenant in bankruptcy or of any remedy for the enforcement of Tenant's liability under the Lease resulting from the operation of any present or future provisions of any bankruptcy code or other statute or from the decision in any court, or the rejection or disaffirmance of the Lease in any such proceedings, (j) any merger, consolidation, reorganization or similar transaction involving Tenant, even if Tenant ceases to exist as a result of such transaction, (k) the change in the corporate relationship between Tenant and Guarantor or any termination of such relationship, (1) any change in the direct or indirect ownership of all or any part of the shares in Tenant, or (m) to the extent permitted under applicable law, any other occurrence or circumstance whatsoever, whether similar or dissimilar to the foregoing, which might otherwise constitute a legal or equitable defense or discharge of the liabilities of Guarantor or which might otherwise limit recourse against Guarantor. Guarantor further understands and agrees that Landlord may at any time enter into agreements with Tenant to amend and modify the Lease, and may waive or release any provision or provisions of the Lease, and, with reference to such instruments, may make and enter into any such agreement or agreements as Landlord and Tenant may deem proper and desirable, without in any manner impairing or affecting this Guaranty or any of Landlord's rights hereunder or Guarantor's obligations hereunder, unless otherwise agreed in writing thereunder or under the Lease.

4. **Remedies.**

a) If Tenant defaults with respect to the Guaranteed Obligations, and if Guarantor does not fulfill Tenant's obligations immediately upon its receipt of written notice of such default from Landlord, Landlord may at its election proceed immediately against Guarantor, Tenant, or any combination of Tenant, Guarantor, and/or any other guarantor. It is not necessary for Landlord, in order to enforce payment and performance by Guarantor under this Guaranty, first or contemporaneously to institute suit or exhaust remedies against Tenant or other liable for any of the Guaranteed Obligations or to enforce rights against any collateral securing any of it. Guarantor hereby waives any right to require Landlord to join Tenant in any action brought hereunder or to commence any action against or obtain any judgment against Tenant or to pursue any other remedy or enforce any other right. If any portion of the Guaranteed Obligations terminates and Landlord continues to have any rights that it may enforce against Tenant under the Lease after such termination, then Landlord may at its election enforce such rights against Guarantor. Unless and until all Guaranteed Obligations have been fully satisfied, Guarantor shall not be released from its obligations under this Guaranty irrespective of: (i) the exercise (or failure to exercise) by Landlord of any of Landlord's rights or remedies (including, without limitation, compromise or adjustment of the Guaranteed Obligations or any part thereof); or (ii) any release by Landlord in favor of Tenant regarding the fulfillment by Tenant of any obligation under the Lease.

b) Notwithstanding anything in the foregoing to the contrary, Guarantor hereby covenants and agrees to and with Landlord that Guarantor may be joined in any action by or against Tenant in connection with the Lease. Guarantor also agrees that, in any jurisdiction, it will be conclusively bound by the judgment in any such action by or against Tenant (wherever brought) as if Guarantor were a party to such action even though Guarantor is not joined as a party in such action.

5. **Waivers.** With the exception of the defense of prior payment, performance or compliance by Tenant or Guarantor of or with the Guaranteed Obligations which Guarantor is called upon to pay or perform, or the defense that Landlord's claim against Guarantor is barred by the applicable statute of limitations, Guarantor hereby waives and releases all defenses of the law of guaranty or suretyship to the extent permitted by law.

6. **Rights Cumulative.** All rights, powers and remedies of Landlord under this Guaranty shall be cumulative and in addition to all rights, powers and remedies given to Landlord by law.

7. **Representations and Warranties.** Guarantor hereby represents and warrants that (a) Guarantor has goods and net worth that are sufficient to enable Guarantor to promptly perform all of the Guaranteed Obligations as and when they are due; (b) Landlord has made no representation to Guarantor as to the creditworthiness or financial condition of Tenant; (c) Guarantor has full power to execute, deliver and carry out the terms and provisions of this Guaranty and has taken all necessary action to authorize the execution, delivery and performance of this Guaranty; (d) Guarantor's execution and delivery of, and the performance of its obligations under, this Guaranty does not conflict with or violate any of Guarantor's organizational documents, or any contract, agreement or decree which Guarantor is a party to or which is binding on Guarantor; (e) the individual executing this Guaranty on behalf of Guarantor has the authority to bind Guarantor to the terms and conditions of this Guaranty; (f) Guarantor has been represented by counsel of its choice in connection with this Guaranty; (g) this Guaranty when executed and delivered shall constitute the legal, valid and binding obligations of Guarantor enforceable against Guarantor in accordance with its terms; and (h) there is no action, suit, or proceeding pending or, to the knowledge of Guarantor, threatened against Guarantor before or by any governmental authority which questions the validity or enforceability of, or Guarantor's ability to perform under, this Guaranty.

8. **Subordination.** In the event of Tenant's insolvency or the disposition of the assets of Tenant, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Tenant applicable to the payment of all claims of Landlord and/or Guarantor shall be paid to Landlord and shall be first applied by Landlord to the Guaranteed Obligations. Any indebtedness of Tenant now or hereafter held by Guarantor, whether as original creditor or assignee or by way of subrogation, restitution, reimbursement, indemnification or otherwise, is hereby subordinated in right of payment to the Guaranteed Obligations. So long as an uncured event of default exists under the Lease, (a) at Landlord's written request, Guarantor shall cause Tenant to pay to Landlord all or any part of any funds invested in or loaned to Tenant by Guarantor which Guarantor is entitled to withdraw or collect and (b) any such indebtedness or other amount collected or received by Guarantor shall be held in trust for Landlord and shall forthwith be paid over to Landlord to be credited and applied against the Guaranteed Obligations. Subject to the foregoing, Guarantor shall be entitled to receive from Landlord any amounts that are, from time to time, due to Guarantor in the ordinary course of business. Until all of Tenant's obligations under the Lease are fully performed, Guarantor shall have no right of subrogation against Tenant by reason of any payments, acts or performance by Guarantor under this Guaranty.

9. **Governing Law.** This Guaranty shall be governed by and construed in accordance with the laws of the State of Minnesota, United States of America, without regard to principles of conflicts of laws. TO THE FULLEST EXTENT PERMITTED BY LAW, GUARANTOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS GUARANTY.

10. **Attorneys' Fees.** In the event any litigation or other proceeding **("Proceeding")** is initiated by any party against any other party to enforce this Guaranty, the prevailing party in such Proceeding shall be entitled to recover from the unsuccessful party all costs, expenses, and actual reasonable attorneys' fees relating to or arising out of such Proceeding.

11. **Modification.** This Guaranty may be modified only by a contract in writing executed by Guarantor and Landlord.

12. **Invalidity.** If any provision of the Guaranty shall be invalid or unenforceable, the remainder of this Guaranty shall not be affected by such invalidity or unenforceability. In the event, and to the extent, that this Guaranty shall be held ineffective or unenforceable by any court of competent jurisdiction, then Guarantor shall be deemed to be a tenant under the Lease with the same force and effect as if Guarantor were expressly named as a co-tenant therein with joint and several liability.

13. **Successors and Assigns.** Unless otherwise agreed in writing or under the Lease, this Guaranty shall be binding upon and shall inure to the benefit of the successors-in-interest and assigns of each party to this Guaranty.

14. **Notices.** Any notice, consent, demand, invoice, statement or other communication required or permitted to be given hereunder shall be in writing and shall be given by (a) personal delivery, (b) overnight delivery with a reputable international overnight delivery service, such as FedEx, or (c) facsimile or email transmission, so long as such transmission is followed within one (1) business day by delivery utilizing one of the methods described in subsections (a) or (b). Any such notice, consent, demand, invoice, statement or other communication shall be deemed delivered (x) upon receipt, if given in accordance with subsection (a); (y) one business (1) day after deposit with a reputable international overnight delivery service, if given if given in accordance with subsection (b); or (z) upon transmission, if given in accordance with subsection (c). Except as otherwise stated in this Guaranty, any notice, consent, demand, invoice, statement or other communication required or permitted to be given pursuant to this Guaranty shall be addressed to Guarantor or Landlord at the address set forth above in the introductory paragraph of this Guaranty. Either party may, by notice to the other given pursuant to this Section, specify additional or different addresses for notice purposes.

15. **Waiver.** Any waiver of a breach or default under this Guaranty must be in a writing that is duly executed by Landlord and shall not be a waiver of any other default concerning the same or any other provision of this Guaranty. No delay or omission in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver.

16. **Withholding.** Unless otherwise agreed in the Lease, any and all payments by Guarantor to Landlord under this Guaranty shall be made free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and all liabilities with respect thereto (collectively, **"Taxes").** If Guarantor shall be required by any applicable laws to deduct any Taxes from or in respect of any sum payable under this Guaranty to Landlord: (a) the sum payable shall be increased as necessary so that after making all required deductions, the Landlord receives an amount equal to the sum it would have received had no such deductions been made; (b) Guarantor shall make such deductions; and (c) Guarantor shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable laws.

17. **Financial Condition of Tenant.** Landlord shall have no obligation to disclose or discuss with Guarantor Landlord's assessment of the financial condition of Tenant. Guarantor has adequate means to obtain information from Tenant on a continuing basis concerning the financial condition of Tenant and its ability to perform its Guaranteed Obligations, and Guarantor assumes responsibility for being and keeping informed of Tenant's financial condition and of all circumstances bearing upon the risk of Tenant's failure to perform the Guaranteed Obligations.

18. **Bankruptcy.** So long as the Guaranteed Obligations remain outstanding, Guarantor shall not, without Landlord's prior written consent, commence or join with any other person in commencing any bankruptcy or similar proceeding of or against Tenant. Guarantor's obligations hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any bankruptcy or similar proceeding (voluntary or involuntary) involving Tenant or by any defense that Tenant may have by reason of an order, decree or decision of any court or administrative body resulting from any such proceeding. To the fullest extent permitted by law, Guarantor will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person to pay to Landlord or allow the claim of Landlord in respect of any interest, fees, costs, expenses or other Guaranteed Obligations accruing or arising after the date on which such case or proceeding is commenced.

19. **Conveyance or Transfer.** Without Landlord's written consent, Guarantor shall not convey, sell, lease or transfer any of its properties or assets to any person or entity to the extent that such conveyance, sale, lease or transfer could have a material adverse effect on Guarantor's ability to fulfill any of the Guaranteed Obligations.

20. **Financials.** To induce Landlord to enter into the Lease, Guarantor shall, within ninety (90) days after the end of Guarantor's financial year, furnish Landlord with a certified copy of Guarantor's year-end unconsolidated financial statements for the previous year, audited by a nationally recognized accounting firm. If audited financial statements are not otherwise prepared, then Guarantor may satisfy the requirement to provide audited financial statements by providing in lieu thereof unaudited financial statements prepared in accordance with GAAP and certified by the chief financial officer of Guarantor as correct and complete copies of such financial statements, fairly presenting Guarantor's financial condition as of the time set forth therein and having been prepared in accordance with GAAP. The provisions of this Section shall not apply at any time while Guarantor is traded on any nationally recognized Canadian or United States stock exchange.

21. **Joint and Several Liability.** Guarantor's liability under this Guaranty shall be joint and several with any and all other Guarantors in accordance with the terms and conditions of the Lease.

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IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be signed by its respective officer thereunto duly authorized, all as of the date first written above.

GUARANTOR

VIREO HEALTH INTERNATIONAL, INC.

By: /s/ Shawn Nugent
Name: Shawn Nugent
Title: CFO

Exhibit 10.24

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into on December 1, 2020 ("Effective Date") by and between Vireo Health, Inc., a Delaware corporation (the "Company") and Amber Shimpa, an individual residing in the State of Minnesota ("Employee") (collectively "Parties" or individually "Party").

RECITALS

WHEREAS, the Company desires to continue to employ Employee pursuant to the terms of this Agreement and Employee desires to accept such employment pursuant to the terms of this Agreement; and

WHEREAS, during Employee's employment with the Company, Employee has been and will become acquainted with technical and nontechnical information which the Company has developed, acquired and uses, or which the Company has developed, acquired or used, or will develop, acquire or use, and which is commercially valuable to the Company and which the Company desires to protect, and Employee may contribute to such information through inventions, discoveries, improvements or otherwise.

NOW, THEREFORE, in consideration of the employment of Employee by the Company, and further in consideration of the salary, wages or other compensation and benefits to be provided by the Company to Employee, and for additional mutual covenants and conditions, the receipt and sufficiency of which are hereby acknowledged, the Company and Employee, intending legally to be bound, hereby agree as follows:

AGREEMENT

In consideration of the above recitals and the mutual promises set forth in this Agreement, the Parties agree as follows:

1. Nature and Capacity of Employment.

   1.1 Title and Duties. Effective as of Effective Date, the Company will employ Employee as its Chief Administrative Officer, or such other title as may be assigned to Employee by the Company's Chief Executive Officer from time to time, pursuant to the terms and conditions set forth in this Agreement. Employee will perform such duties and responsibilities for the Company as the Company's Chief Executive Officer may assign to Employee from time to time consistent with Employee's position. The Employee hereby agrees to act in that capacity under the terms and conditions set forth in this Agreement. Employee shall serve the Company faithfully and to the best of Employee's ability and shall at all times act in accordance with the law, excepting only the Controlled Substances Act as it applies to the state-licensed operations of the Company. Employee shall devote Employee's full working time, attention and efforts to performing Employee's duties and responsibilities under this Agreement and advancing the Company's business interests. Employee shall follow applicable policies and procedures adopted by the Company from time to time, including without limitation the Company's Code of Conduct, Employee Handbook and other Company policies, including those relating to business ethics, conflict of interest, non-discrimination and non-harassment. Employee shall not, without the prior written consent of the Company's Board of Directors (the "Board"), accept other employment or engage in other business activities during Employee's employment with the Company that may prevent Employee from fulfilling the duties or responsibilities as set forth in or contemplated by this Agreement. Employee may participate in civic, religious and charitable activities and personal investment activities to a reasonable extent, so long as such activities do not interfere with the performance of Employee's duties and responsibilities hereunder.

1.2 No Restrictions. Employee hereby represents and confirms that Employee is under no contractual or legal commitments that would prevent Employee from fulfilling Employee's duties and responsibilities as set forth in this Agreement.

1.3 Location. Employee's employment will be based at the Company's corporate headquarters. Employee acknowledges and agrees that Employee's position, duties and responsibilities may require regular travel, both in the U.S. and internationally.

2. Term. Unless terminated at an earlier date in accordance with Section 5, the term of Employee's employment with the Company under the terms and conditions of this Agreement will be for the period commencing on the Effective Date and ending on the two (2) year anniversary of the Effective Date (the "Initial Term"). On the two (2) year anniversary of the Effective Date, and on each succeeding one (1) year anniversary of the Effective Date (each an "Anniversary Date"), the Term shall be automatically extended until the next Anniversary Date (each a "Renewal Term"), subject to termination on an earlier date in accordance with Section 5 or unless either Party gives written notice of non-renewal to the other Party at least one hundred eighty (180) days prior to the Anniversary Date on which this Agreement would otherwise be automatically extended that the Party providing such notice elects not to extend the Term; provided, however, that if a Change in Control (as defined in Section 6.5) occurs during the Initial Term or during any Renewal Term then the Term will expire on the one (1) year anniversary of the date of the Change in Control. The Initial Term together with any Renewal Terms is the "Term." If Employee remains employed by the Company after the Term ends for any reason, then such continued employment shall be according to the terms and conditions established by the Company from time to time (provided that any provisions of this Agreement and the Restrictive Covenants Agreement (as defined in Section 3) that by their terms survive the termination of the Term shall remain in full force and effect).

3. Restrictive Covenants Agreement. On the Effective Date, Employee is executing a Confidential Information, Intellectual Property Rights, Non-Competition and Non-Solicitation Agreement, in the form of Exhibit A attached hereto and made a part hereof (the "Restrictive Covenants Agreement"). Employee acknowledges and agrees that the Company's execution of this Agreement and agreement to employ Employee are conditioned upon Employee executing the Restrictive Covenants Agreement. Nothing in this Agreement is intended to modify, amend, cancel or supersede the Restrictive Covenants Agreement in any manner.

4. Compensation, Benefits and Business Expenses.

4.1 Base Salary. As of the Effective Date, the Company agrees to pay Employee an annualized base salary of USD$260,000.00 (the "Base Salary"), which Base Salary will be earned by Employee on a pro rata basis as Employee performs services and which shall be paid according to the Company's normal payroll practices. For each of the Company's fiscal years during the Term, the Company's Chief Executive Officer will conduct a periodic review of Employee and, based on that review and the Chief Executive Officer's discretion, establish Employee's Base Salary in an amount not less than the Base Salary in effect for the prior year, unless Employee's Base Salary is reduced as part of a general reduction in the base salaries for all officers of the Company and in substantially the same proportion as the reduction in the base salaries for all officers of the Company. The review contemplated by this Section 4.1 need not be formal, nor need it be conducted on or before a specific date.

4.2 Annual Incentive Compensation. For each of the Company's fiscal years during the Term, Employee may be eligible to earn an annualized cash bonus if and in an amount determined by the Company's Chief Executive Officer in his or her discretion and subject to the terms of any written document addressing such annual cash bonus as the Company's Chief Executive Officer may adopt in his or her sole discretion. Unless specified otherwise a written annual cash bonus document applicable to Employee, Employee must be employed on the date any annual cash bonus is paid in order to earn and receive each such bonus.

4.3 [Reserved.]

4.4 Employee Benefits. While Employee is employed by the Company during the Term, Employee shall be entitled to participate in the retirement plans, health plans, and all other employee benefits made available by the Company, and as they may be changed from time to time. Employee acknowledges and agrees that Employee will be subject to all eligibility requirements and all other provisions of these benefits plans, and that the Company is under no obligation to Employee to establish and maintain any employee benefit plan in which Employee may participate. The terms and provisions of any employee benefit plan of the Company are matters within the exclusive province of the Board, subject to applicable law.

4.5 Paid Time Off. While Employee is employed by the Company during the Term, Employee shall have available unlimited personal time off in accordance with the Company's policies then in effect. Paid time off may be used for illness or other personal business, or as vacation time off at such times so as not to materially disrupt the operations of the Company. Paid time off is intended to be used, not stored, and these days shall in no event be converted to cash, nor shall any unused days be paid to Employee upon termination of his employment under this Agreement.

4.6 Business Expenses. While Employee is employed by the Company during the Term, the Company shall reimburse Employee for all reasonable and necessary out-of-pocket business, travel and entertainment expenses incurred by Employee in the performance of Employee's duties and responsibilities hereunder, subject to the Company's normal policies and procedures for expense verification and documentation.

5. Termination of Employment.

5.1 Termination of Employment Events. Employee's employment with the Company is at-will. Employee's employment with the Company will terminate immediately upon:

(a) The date of Employee's receipt of written notice from the Company of the termination of Employee's employment (or any later date specified in such written notice from the Company);

(b) Employee's abandonment of Employee's employment or the effective date of Employee's resignation for Good Reason (as defined below) or any other reason (as specified in written notice from Employee);

(c) Employee's Disability (as defined below); or

(d) Employee's death.

5.2 Termination Date. The date upon which Employee's termination of employment with the Company is effective is the "Termination Date." For purposes of Sections 6.1 or 6.2 only, with respect to the timing of the Pre-CIC Severance Payments or the Post-CIC Severance Payment (as applicable), the Pre-CIC Benefits Continuation Payments or the Post-CIC Benefits Continuation Payments (as applicable), the Outplacement Payments, the Termination Date means the date on which a "separation from service" has occurred for purposes of Section 409A of the Internal Revenue Code, as amended, and the regulations and guidance thereunder (the "Code").

5.3 Resignation From Positions. Unless otherwise requested by the Board in writing, upon Employee's termination of employment with the Company for any reason Employee shall automatically resign as of the Termination Date from all titles, positions and appointments Employee then holds with the Company, whether as an officer, director, trustee or employee (without any claim for compensation related thereto), and Employee hereby agrees to take all actions necessary to effectuate such resignations.

6. Payments Upon Termination of Employment.

6.1 Termination of Employment Without Cause or for Good Reason During the Term and Before the First Change in Control. If Employee's employment with the Company is terminated during the Term by the Company for any reason other than for Cause (as defined in Section 6.4), or by Employee for Good Reason (as defined in Section 6.6), and the Termination Date occurs before the first Change in Control to occur during the Term, then the Company shall, in addition to paying Employee's Base Salary and other compensation earned through the Termination Date, and subject to Section 6.9,

(a) pay to Employee as severance pay an amount equal to fifty percent (50%) of Employee's annualized Base Salary as of the Termination Date, less all legally required and authorized deductions and withholdings, payable in substantially equal installments in accordance with the Company's regular payroll cycle during the twelve (12) month period immediately following the Termination Date, provided, however, that any installments that otherwise would be payable on the Company's regular payroll dates between the Termination Date and the 45th calendar day after the Termination Date will be delayed until the Company's first regular payroll date that is more than forty-five (45) days after the Termination Date and included with the installment payable on such payroll date (the "Pre-CIC Severance Payments"); and

(b) if Employee is eligible for and takes all steps necessary to continue Employee's group health insurance coverage with the Company following the Termination Date (including completing and returning the forms necessary to elect COBRA coverage), pay for the portion of the premium costs for such coverage that the Company would pay if Employee remained employed by the Company, at the same level of coverage that was in effect as of the Termination Date, through the earliest of: (i) the six (6) month anniversary of the Termination Date, (ii) the date Employee becomes eligible for group health insurance coverage from any other employer, or (iii) the date Employee is no longer eligible to continue Employee's group health insurance coverage with the Company under applicable law ("Pre-CIC Benefits Continuation Payments").

6.2 Termination of Employment Without Cause or for Good Reason During the Term and Within Twelve (12) Months After the First Change in Control. If Employee's employment with the Company is terminated during the Term by the Company for any reason other than for Cause, or by Employee for Good Reason, and the Termination Date occurs on the date of the first Change in Control to occur during the Term or before the twelve (12) month anniversary of such Change in Control, then the Company shall, in addition to paying Employee's Base Salary and other compensation earned through the Termination Date, and subject to Section 6.9,

(a) pay to Employee as severance pay an amount equal to one hundred percent (100%) of Employee's annualized Base Salary as of the Termination Date, less all legally required and authorized deductions and withholdings, payable in a lump sum on the Company's first regular payroll date that is after the expiration of all rescission periods identified in the Release (as defined in Section 6.9) but in no event later than seventy-five (75) days after the Termination Date (the "Post-CIC Severance Payment"); provided, however, if the Post-CIC Severance Payment could be made in two different calendar years based on the date on which Employee signs the Release and all rescission periods identified in the Release expire, then the Post-CIC Severance Payment shall be paid in a lump sum in the second calendar year but no later than March 15 of such calendar year;

(b) if Employee is eligible for and takes all steps necessary to continue Employee's group health insurance coverage with the Company following the Termination Date (including completing and returning the forms necessary to elect COBRA coverage), pay for the portion of the premium costs for such coverage that the Company would pay if Employee remained employed by the Company, at the same level of coverage that was in effect as of the Termination Date, through the earliest of: (i) the twelve (12) month anniversary of the Termination Date, (ii) the date Employee becomes eligible for group health insurance coverage from any other employer, or (iii) the date Employee is no longer eligible to continue Employee's group health insurance coverage with the Company under applicable law ("Post-CIC Benefits Continuation Payments"); and

(c) pay up to $10,000.00 for outplacement services by an outplacement services provider selected by Employee, with any such amount payable by the Company directly to the outplacement services provider or reimbursed to Employee, in either case subject to Employee's submission of appropriate receipts before the twelve (12) month anniversary of the Termination Date (the "Outplacement Payments").

6.3 Other Termination of Employment Events. If Employee's employment with the Company is terminated by the Company or Employee for any reason upon or following the expiration of the Term, or if Employee's employment with the Company is terminated during the Term by reason of:

(a) Employee's abandonment of Employee's employment or Employee's resignation for any reason other than Good Reason;

(b) termination of Employee's employment by the Company for Cause; or

(c) Employee's death or Disability,

then the Company shall pay to Employee or Employee's beneficiary or Employee's estate, as the case may be, Employee's Base Salary and other compensation earned through the Termination Date and Employee shall not be eligible or entitled to receive any severance pay or benefits from the Company.

6.4 Cause Defined. "Cause" hereunder means:

(a) Employee's material failure to perform his job duties competently as reasonably determined by the Board;

(b) gross misconduct by Employee which the Board reasonably determines is (or will be if continued) demonstrably and materially damaging to the Company;

(c) fraud, misappropriation, or embezzlement by Employee;

(d) an act or acts of dishonesty by Employee and intended to result in gain or personal enrichment of Employee at the expense of the Company;

(e) Employee's conviction of or plea of nolo contendere to a felony regardless of whether involving the Company and whether or not committed during the course of Employee's employment, other than with respect to any criminal penalties related to the illegality of possessing or using Marijuana under the Controlled Substance Act, 21 U.S.C. Section 812(b);

(f) Employee's violation of the Company's Code of Conduct, Employee Handbook or other material written policy, as reasonably determined by the Board; or

(g) the material breach of this Agreement of the Restrictive Covenants Agreement by Employee.

With respect to Section 6.4(a) and Section 6.4(f), the Company shall first provide Employee with written notice and an opportunity to cure such breach, if curable, in the reasonable discretion of the Board, and identify with specificity the action needed to cure within fifteen (15) days of Employee's receipt of written notice from the Company. If the Company terminates Employee's employment for Cause pursuant to this Section 6.4, then Employee shall not be eligible or entitled to receive any severance pay or benefits from the Company.

6.5 Change in Control Defined. "Change in Control" hereunder has the same meaning such term has in the Vireo Health International Inc. 2019 Equity Incentive Plan, as amended from time to time (the "Equity Incentive Plan").

6.6 Good Reason Defined. "Good Reason" hereunder means the initial occurrence of any of the following events without Employee's consent:

(a) a material diminution in the Employee's responsibilities, authority or duties or a change in his title;

(b) a material diminution in the Employee's salary, other than a general reduction in base salaries that affects all similarly situated Company employees in substantially the same proportions;

(c) a relocation of the Employee's principal place of employment to a location more than fifty (50) miles from his principal place of employment on the Effective Date; or

(d) the material breach of this Agreement by the Company.

provided, however, that "Good Reason" shall not exist unless Employee has first provided written notice to the Company of the initial occurrence of one or more of the conditions under clauses (a) through (d) above within thirty (30) days of the condition's occurrence, such condition is not fully remedied by the Company within thirty (30) days after the Company's receipt of written notice from Employee, and the Termination Date as a result of such event occurs within ninety (90) days after the initial occurrence of such event.

6.7 Disability Defined. “Disability” hereunder has the same meaning such term has in the Equity Incentive Plan.

6.8 The Company’s Sole Obligation. In the event of termination of Employee’s employment, the sole obligation of the Company to provide Employee with severance pay or benefits shall be its obligation to make the payments called for by Section 6.1 or Section 6.2, as the case may be, and the Company shall have no other severance-related obligation to Employee or to Employee’s beneficiary or Employee’s estate. For avoidance of doubt, nothing in this Section 6.8 affects Employee’s right to receive any amounts due under the terms of any employee benefit plans or programs (other than any severance-related plan or program) then maintained by the Company in which Employee participates.

6.9 Conditions To Receive Payments. Notwithstanding the foregoing provisions of this Section 6, the Company will not be obligated to make the Pre-CIC Severance Payments or Pre-CIC Benefits Continuation Payments under Section 6.1, or the Post-CIC Severance Payment, Post-CIC Benefits Continuation Payments or Outplacement Payments under Section 6.2, to or on behalf of Employee unless (a) Employee signs a release of claims in favor of the Company in a form to be prescribed by the Company (the “Release”), (b) all applicable consideration periods and rescission periods provided by law with respect to the Release have expired without Employee rescinding the Release, and (c) Employee is in strict compliance with the terms of this Agreement and the Restrictive Covenants Agreement and any other written agreement between Employee and the Company.

7. Anticipatory Termination without Cause. If Employee’s employment with the Company is terminated during the Term by the Company for any reason other than for Cause or by Employee for Good Reason, and a Change in Control occurs (i) within six (6) months after Employee’s Termination Date or (ii) within one year after Employee’s Termination Date, pursuant to an agreement executed within sixty (60) days after Employee’s Termination Date, then Employee shall receive an additional cash payment equal to fifty percent (50%) of Employee’s annualized Base Salary as of the Termination Date, less all legally required and authorized deductions and withholdings, payable in a single lump sum no later than ten (10) days after the date of such Change in Control.

8. Section 409A and Taxes Generally.

8.1 Taxes. The Company is entitled to withhold on and report the making of such payments as may be required by law as determined in the reasonable discretion of the Company. Except for any tax amounts withheld by the Company from any compensation that Employee may receive in connection with Employee’s employment with the Company and any employer taxes required to be paid by the Company under applicable laws or regulations, Employee is solely responsible for payment of any and all taxes owed in connection with any compensation, benefits, reimbursement amounts or other payments Employee receives from the Company under this Agreement or otherwise in connection with Employee’s employment with the Company. The Company does not guarantee any particular tax consequence or result with respect to any payment made by the Company.

8.2 Section 409A. This Agreement is intended to provide for payments that satisfy, or are exempt from, the requirements of Section 409A, including Sections 409A(a)(2), (3) and (4) of the Code and current and future guidance and regulations interpreting such provisions, and should be interpreted accordingly. In furtherance of the foregoing, the provisions set forth below shall apply notwithstanding any other provision in this Agreement:

(a) all payments to be made to Employee hereunder, to the extent they constitute a deferral of compensation subject to the requirements of Section 409A (after taking into account all exclusions applicable to such payments under Section 409A), shall be made no later, and shall not be made any earlier, than at the time or times specified in this Agreement or in any applicable plan for such payments to be made, except as otherwise permitted or required under Section 409A;

(b) the date of Employee's "separation from service", as defined in Section 409A (and as determined by applying the default presumptions in Treas. Reg. §1.409A-1(h)(1)(ii)), shall be treated as the date of Employee's termination of employment for purposes of determining the time of payment of any amount that becomes payable to Employee related to Employee's termination of employment under Sections 10(a), 10(b) or 10(c), and any reference to Employee's "Termination Date" or "termination" of Employee's employment in Section 6.1 or Section 6.2 shall mean the date of Employee's "separation from service", as defined in Section 409A (and as determined by applying the default presumptions in Treas. Reg. §1.409A-1(h)(1)(ii));

(c) in the case of any amounts payable to Employee under this Agreement that may be treated as payable in the form of "a series of installment payments", as defined in Treas. Reg. §1.409A-2(b)(2)(iii), Employee's right to receive such payments shall be treated as a right to receive a series of separate payments for purposes of Treas. Reg. §1.409A-2(b)(2)(iii);

(d) to the extent that the reimbursement of any expenses eligible for reimbursement or the provision of any in-kind benefits under any provision of this Agreement would be considered deferred compensation under Section 409A (after taking into account all exclusions applicable to such reimbursements and benefits under Section 409A): (i) reimbursement of any such expense shall be made by the Company as soon as practicable after such expense has been incurred, but in any event no later than December 31st of the year following the year in which Employee incurs such expense; (ii) the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided, during any calendar year shall not affect the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided, in any calendar year; and (iii) Employee's right to receive such reimbursements or in-kind benefits shall not be subject to liquidation or exchange for another benefit;

(e) to the extent any payment or delivery otherwise required to be made to Employee hereunder on account of Employee's separation from service is properly treated as a deferral of compensation subject to Section 409A after taking into account all exclusions applicable to such payment and delivery under Section 409A, and if Employee is a "specified employee" under Section 409A at the time of Employee's separation from service, then such payment and delivery shall not be made prior to the first business day after the earlier of (i) the expiration of six months from the date of Employee's separation from service, or (ii) the date of Employee's death (such first business day, the "Delayed Payment Date"), and on the Delayed Payment Date, there shall be paid or delivered to Employee or, if Employee has died, to Employee's estate, in a single payment or delivery (as applicable) all entitlements so delayed, and in the case of cash payments, in a single cash lump sum, an amount equal to aggregate amount of all payments delayed pursuant to the preceding sentence. Except for any tax amounts withheld by the Company from the payments or other consideration hereunder and any employment taxes required to be paid by the Company, Employee shall be responsible for payment of any and all taxes owed in connection with the consideration provided for in this Agreement; and

(f) the Parties agree that this Agreement may be amended, as may be necessary to fully comply with, or to be exempt from, Section 409A and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either Party.

9. Miscellaneous.

9.1 Integration. This Agreement and the Restrictive Covenants Agreement embody the entire agreement and understanding among the Parties relative to subject matter hereof and combined supersede all prior agreements and understandings relating to such subject matter, including but not limited to any earlier offers to Employee by the Company; provided, however, this Agreement and the Restrictive Covenants Agreement are not intended to supersede or otherwise affect the Equity Incentive Plan or any Award Agreement (as defined in the Equity Incentive Plan), each of which shall remain in effect in accordance with its terms.

9.2 Applicable Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement are governed by the laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule, whether of the State of Minnesota or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Minnesota.

9.3 Choice of Jurisdiction. Employee and the Company consent to jurisdiction of the courts of the State of Minnesota and/or the federal district courts, District of Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement or Employee's employment with the Company or the termination of such employment. Any action involving claims for interpretation, breach or enforcement of this Agreement or related to Employee's employment with the Company or the termination of such employment shall be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of Minnesota and hereby waives any defense of lack of personal jurisdiction or inconvenient forum.

9.4 Employee's Representations. Employee represents that Employee is not subject to any agreement or obligation that would prevent or limit Employee from entering into this Agreement or that would be breached upon performance of Employee's duties under this Agreement, including but not limited to any duties owed to any former employers not to compete. If Employee possesses any information that Employee knows or should know is considered by any third party, such as a former employer of Employee's, to be confidential, trade secret, or otherwise proprietary, Employee shall not disclose such information to the Company or use such information to benefit the Company in any way.

9.5 Counterparts. This Agreement may be executed in several counterparts and as so executed shall constitute one agreement binding on the Parties.

9.6 Assignment and Successors. The rights and obligations of the Company under this Agreement shall inure to the benefit of and will be binding upon the successors and assigns of the Company. Neither party may, without the written consent of the other party, assign or delegate any of its rights or obligations under this Agreement except that the Company may, without any further consent of Employee, assign or delegate any of its rights or obligations under this Agreement to any corporation or other business entity (a) with which the Company may merge or consolidate, (b) to which the Company may sell or transfer all or substantially all of its assets or capital stock or equity, or (c) any affiliate or subsidiary of the Company. After any such assignment or delegation by the Company, the Company will be discharged from all further liability hereunder and such assignee will thereafter be deemed to be the "Company" for purposes of all terms and conditions of this Agreement, including this Section 9.6. Employee may not assign this Agreement or any rights or obligations hereunder. Any purported or attempted assignment or transfer by Employee of this Agreement or any of Employee's duties, responsibilities, or obligations hereunder is void.

9.7 Modification. This Agreement shall not be modified or amended except by a written instrument signed by the Parties.

9.8 Severability. The invalidity or partial invalidity of any portion of this Agreement shall not invalidate the remainder thereof, and said remainder shall remain in fully force and effect.

9.9 Opportunity to Obtain Advice of Counsel. Employee acknowledges that Employee has been advised by the Company to obtain legal advice prior to executing this Agreement, and that Employee had sufficient opportunity to do so prior to signing this Agreement.

9.10 280G Limitations. In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Employee (a) constitute "parachute payments" within the meaning of Section 280G of the Code and (b) would be subject to the excise tax imposed by Code Section 4999, then such benefits shall be either be: (i) delivered in full, or (ii) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to excise tax under Code Section 4999, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Code Section 4999, results in the receipt by Employee, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be subject to excise tax under Code Section 4999. Any determination required under this Section 9.10 will be made in writing by an accounting firm selected by the Company or such other person or entity to which the parties mutually agree (the "Accountants"), whose determination will be conclusive and binding upon Employee and the Company for all purposes. For purposes of making the calculations required by this Section 9.10, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Code Sections 280G and 4999. The Company and the Employee shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 9.10. Any reduction in payments and/or benefits required by this Section 9.10 shall occur in the following order: (A) cash payments shall be reduced first and in reverse chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; (B) accelerated vesting of stock awards, if any, shall be cancelled/reduced next and in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first), with full-value awards reversed before any stock option or stock appreciation rights are reduced; and (C) deferred compensation amounts subject to Section 409A shall be reduced last.

[*Signature Page Follows*]

THIS EMPLOYMENT AGREEMENT was voluntarily and knowingly executed by the Parties effective as of the Effective Date first set forth above.

VIREO HEALTH, INC.

Date: December 22, 2020

/s/ Kyle Kingsley
By: Kyle Kingsley
Its: Chief Executive Officer

EMPLOYEE:

Date: December 12, 2020

/s/ Amber Shimpa
Amber Shimpa

[*Signature Page to Employment Agreement*]

Exhibit A
to Employment Agreement

Confidential Information, Intellectual Property Rights, Non-Competition and Non-Solicitation Agreement

CONFIDENTIAL INFORMATION, INTELLECTUAL PROPERTY RIGHTS, NON-COMPETITION AND NON-SOLICITATION AGREEMENT

This Confidential Information, Intellectual Property Rights, Non-Competition and Non-Solicitation Agreement (the "Agreement") is made and entered into by and between Vireo Health, Inc., a Delaware corporation ("Company") and Amber Shimpa ("Employee"), as of December 1, 2020 (the "Effective Date"). Each of Company and Employee hereinafter may be referred to individually as a "Party" or, collectively, as the "Parties." In consideration of Employee's employment with Company, the compensation Employee will earn in connection with such employment, Company entering into an Employment Agreement with Employee (the "Employment Agreement"), Company providing Employee with ongoing access to Confidential Information (as defined below), and other good and valuable consideration, the sufficiency and receipt of which Employee acknowledges, Employee agrees as follows:

1. Confidential Information

1.1 Confidential Information and Trade Secrets Defined. Employee hereby acknowledges and understands the term "Confidential Information" means any data, information, or material of Company or its owners or its Affiliates relating directly or indirectly to Company or its owners or Affiliates: clients and customers or potential clients and customers (collectively "Customer(s)"); competitors; vendors; advertisers; employees; contractors; suppliers; or business partners, that is discovered or developed by, or disclosed to, Employee through Employee's relationship with Company, that is not generally ascertainable from public information, whether it is expressly identified as "confidential" or "trade secret," that includes, but is not limited to: financial information; invoices; business plans; business and contract applications; contracts; forms; research; price lists; marketing materials; advertising materials and developments; sales materials and reports; copyrighted materials; Trade Secrets; the particular needs and requirements of Customers; identities of potential Customers; and all accompanying Customer data. Employee hereby acknowledges and understands the term "Trade Secret(s)" includes, but is not limited to, a confidential, proprietary, and/or sensitive: formula; software; methodology; model; architecture; pattern; compilation; program; device; method; technique; or process, that is discovered, developed in whole or part by Employee, or disclosed to Employee, through Employee's relationship with Company, including any information, data, or material concerning the Business (as defined in Subsection 3.2), and all other information related to Company and its owner and Affiliates businesses, that is not generally known and readily ascertainable by proper means by any other person and/or Employee. This includes, but is not limited to, all inventions or discoveries made by Employee and/or Company (or its owners or Affiliates) resulting in whole or part from Employee's relationship with Company. The term "Trade Secret(s)" also includes, but is not limited to, Customer lists, invoices and reports containing specifically developed information, such as the name, address, phone number, buying history and other traits of Customers, along with any other information that Company derives a competitive advantage from and that Company makes reasonable efforts to maintain as secret. For purposes of this Agreement, "Affiliates" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, or an unincorporated organization, that directly, or indirectly through one or more intermediaries, controls, or has been or is controlled by, or is under common control with, Company, including without limitation Vireo Health International, Inc.

1.2 Use & Restriction. Employee acknowledges that Employee has had and will continue to have access to and be provided with Confidential Information in connection with performing services for Company. Employee expressly recognizes that the efficacy and profitability of Company and its owners and Affiliates is dependent in part upon Employee's protection of the Confidential Information. Employee may use the Confidential Information solely in connection with performing services for Company and its owners and Affiliates. To ensure the continued confidentiality of the Confidential Information, Employee agrees to hold the Confidential Information in strict confidence. Employee shall not, either during Employee's relationship with Company, or for such period as such information remains Confidential Information after termination, disclose or use for Employee's own benefit or for the benefit of any other individual or third party, directly or indirectly, any of the Confidential Information, except as such disclosure or use is expressly authorized by Company in writing. Employee hereby agrees to adhere to the method and form of protection of Confidential Information required by Company, subject to change at Company's sole discretion. Employee shall not communicate any Confidential Information, even in furtherance of Company's business, to any individual or third party not privy to the Confidential Information, without express consent by Company and the individual or third party's agreement to be bound by confidentiality terms that adequately protect Company's Confidential Information.

1.3 Exceptions. The confidentiality and restriction on the use of Confidential Information under this Agreement shall not apply to Confidential Information to the extent that such Confidential Information: is now, or hereafter becomes, through no breach of this Agreement by Employee, generally known or available to the public; was known to Employee without an obligation to hold it in confidence prior to the time such Confidential Information was disclosed to Employee by Company; is disclosed or used, as applicable, with the prior written consent of Company and in accordance with any limitations or conditions on such disclosure or use that may be imposed in such written consent; or was or is independently developed by Employee without any use of or reference to the Confidential Information. In addition, notwithstanding any other language in this Agreement to the contrary, Employee understands that Employee may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (a) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney if such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law or for pursuing an anti-retaliation lawsuit; or (b) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and Employee does not disclose the trade secret except pursuant to a court order.

1.4 Required Disclosure. The confidentiality obligations under this Agreement shall not apply to Confidential Information to the extent that such Confidential Information is required to be disclosed pursuant to the order or requirement of a court, administrative agency, or other authority, or otherwise by operation of applicable law. In the event of such order or requirement, Employee, if and to the extent permitted by law, shall give Company written notice thereof and of the Confidential Information to be disclosed as soon as practicable prior to disclosure of such Confidential Information and shall provide such reasonable assistance as Company may request, at Company's sole expense, in seeking a protective order or other appropriate relief in order to protect the confidentiality of the Confidential Information.

1.5 Other Nondisclosure Agreements. In the event that Company is subject to the terms of any confidentiality or nondisclosure agreement relating to some or all of the Confidential Information that imposes greater restrictions on the disclosure and/or use of such Confidential Information, then Employee shall comply with such greater restrictions to the extent that Employee is made aware of them.

1.6 Property of Company. Employee specifically acknowledges and understands that all Confidential Information and all of Company's and its owners and its Affiliates strategies and files, including, but not limited to, computer data, reports, materials, records, documents, notes, memoranda, and other items, and any originals or copies thereof, related to the business of Company or its owners or its Affiliates, which Employee either is provided, prepares, uses, or simply acquires during the term of this Agreement, are and shall remain the sole and exclusive property of Company and, to the extent applicable, shall not be removed from Company's premises without the prior consent of Company.

1.7 Return or Destroy Confidential Information. Employee agrees, immediately upon the termination of the relationship between Employee and Company for any reason or upon earlier request by Company to make a diligent search for any and all documents, computer discs, electronic files, software, tapes, computer printouts, or any other material constituting Confidential Information described in this Section 1, and shall: cease using the Confidential Information; promptly return to Company or destroy all Confidential Information and any copies thereof; and certify in writing that Employee has complied with the obligations of this Subsection 1.7.

1.8 Return of Company Property. Employee agrees, immediately upon the termination of the relationship between Employee and Company for any reason or upon earlier request by Company to promptly deliver to Company all Company property not covered by Subsection 1.7.

2. Intellectual Property

2.1 Prior Inventions. Any intellectual property, including, but not limited to, any ideas, inventions, patents, trademarks, service marks, copyrights, creations, know how, work product, and other developments or improvements, if any, patented or unpatented, that Employee, alone or with others, conceived, created, invented, developed, reduced to practice, or caused to be conceived and or caused to be reduced to practice prior to the earlier of (a) commencement of Employee's employment with Company or (b) when Employee first provided services to Company, is listed on Schedule 1 attached hereto ("Prior Inventions").

2.2 Ownership. Except with respect to Prior Inventions, all right, title, and interest of every kind and nature, whether now known or unknown, in and to any and all intellectual property, including, but not limited to, any ideas, inventions, patents, trademarks, service marks, copyrights, creations, know how, work product, properties and other developments or improvements, patented or unpatented, conceived, created, invented, written, developed, furnished, produced, disclosed, reduced to practice, or caused to be conceived and or caused to be reduced to practice in whole or in part, alone or with others, whether or not during working hours, by Employee during the term of Employee's employment with Company and for six (6) months thereafter, that are within the scope of Company's business operations or that relate to any of Company's work or projects, will, as and between Company and Employee, be and remain the sole and exclusive property of Company for any and all purposes and uses, and Employee hereby agrees to assign and assigns all rights thereto to Company. Intellectual property may be in any form including, but not limited to, written, oral, electronic, digital, or other form.

2.3 Work Made for Hire. Any work of Employee for which a copyright could be claimed developed in the course of employment with the Company will be deemed "work made for hire" under federal copyright law and all ownership rights to such work belong exclusively to Company. To the extent any invention does not qualify as a work for hire under applicable law, and to the extent any invention is subject to copyright, patent, trade secret, or other proprietary right protection, Employee hereby assigns, and agrees to assign, all rights therein to Company.

2.4 Pre-Existing Work. If, in the course of Employee's relationship with Company, Employee has used or uses, has relied upon or relies upon, has provided or provides, or has incorporated or incorporates any Prior Invention or any other intellectual property Employee owns, or in which Employee has had or has an interest, into any idea, invention, patent, trademark, service mark, copyright, creation, know how, work product, and other development or improvement conceived, created, invented, written, developed, furnished, produced, or disclosed in whole or in part, alone or with others, whether or not during working hours, by Employee during the term of Employee's employment with Company, Employee hereby grants Company, under all of Employee's intellectual property and proprietary rights, the following worldwide, non-exclusive, perpetual, irrevocable, royalty free, fully paid up rights: (a) to make, use, copy, modify, and create derivative works of such intellectual property; (b) to publicly perform or display, import, broadcast, transmit, distribute, license, offer to sell, and sell, rent, lease or lend copies of the intellectual property, and derivative works of the intellectual property; and (c) to sublicense the rights in this Subsection 2.3 to third parties.

2.5 Required Undertakings. Employee agrees, both while an employee of Company and thereafter, to assist Company and its owners and Affiliates, at Company's expense, in any and all attempts to obtain patents, copyrights, and/or trademarks or other intellectual property protection on any work Employee participated in developing and agrees to execute all documents necessary to obtain such rights in the name of or to transfer such rights to Company. If, because of Employee's mental or physical incapacity or for any other reason whatsoever, Company is unable to secure Employee's signature to apply for or pursue any patents, copyrights, or other protection for any invention assigned to Company under this Agreement or otherwise, Employee irrevocably designates and appoints Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact to act for Employee and on Employee's behalf and stead to file any applications and to do all other lawfully-permitted acts to further the prosecution and issuance of any patents, copyrights, or other protections with the same legal force and effect as if executed by Employee.

2.6 Limited Exclusion. This Section 2 does not apply to any inventions or intellectual property for which no equipment, supplies, facility or Confidential Information of Company was used, and which was developed entirely on Employee's own time, and (a) which does not relate (i) directly or indirectly to the business of Company or (ii) to Company's actual or demonstrably anticipated research or development, or (b) which does not result from any work performed by Employee for Company.

3. Non-competition and Non-solicitation

3.1 No Existing Restrictions. Employee represents and warrants that Employee is not a party to any confidentiality agreement, non-competition agreement, non-solicitation agreement, intellectual property rights agreement, or any other agreement with any former employer or other entity that in any way prohibits or inhibits Employee's ability to (a) be employed by Company; (b) perform services for Company; (c) enter into this Agreement; or (d) comply with Employee's obligations under this Agreement.

3.2 Non-competition and Non-solicitation. Employee acknowledges that Company is engaged in the business of the promotion, manufacture, cultivation, marketing or distribution of cannabis (the "Business"). Employee agrees that during the term of Employee's employment with Company and for twelve (12) consecutive months from the date of the termination of such employment (the "Restricted Period"), regardless of the reason for such termination and whether such termination is at the initiative of Employee or Company, Employee will not, directly or indirectly, individually or in connection with other individuals or entities, without the prior written consent of Company:

(a) Other than on behalf of Company, anywhere within a Market Area (as defined herein) in which Company or any of its Affiliates is then operating or doing business or in which the Company has then or within the prior six (6) months identified an intention of doing business (as confirmed by reasonable written support including, but not limited to, having begun the application or certification process to enable such Company or an Affiliate to do business in such Market Area) (the "Restricted Area"), control, manage, operate, be employed or engaged by, or otherwise participate, assist, or engage in business as, or own an interest in or provide financial or other assistance to, or permit Employee's name to be used in connection with, any individual proprietorship, partnership, corporation, joint venture, trust or any other form of business entity, if such entity is engaged, in whole or in part, in business or operations that compete with or that is the same as or substantially similar to the Business or that compete with or that is the same as or substantially similar to any other business then engaged in by Company or Company's owners or Affiliates, in in the Restricted Area; provided, however, this Section 3.2(a) does not prohibit or restrict Employee from holding a passive investment of not more than one percent (1%) of the outstanding shares of the capital stock of any publicly held corporation. For purposes of this Agreement, "Market Area" shall mean an imaginary circle with a fifty-mile radius centered on a cultivation, manufacturing, or retail facility operated by the Company or its Affiliate, or such smaller area as may be finally determined by a court of competent jurisdiction to be a reasonable area from which to exclude Employee from engaging in a competitive activity;

(b) Other than on behalf of Company, solicit any person who is then an employee, contractor, or consultant of Company, or Company's owners or Affiliates, or who was an employee, contractor, or consultant of Company, or Company's owners or Affiliates, within the prior six (6) months, to perform services, as an employee, contractor, consultant or otherwise, or take any actions which are intended to persuade any such employee, contractor, or consultant of Company, or Company's owners or Affiliates, to terminate his or her association with Company or Company's owners or Affiliates; or

(c) Other than on behalf of Company, solicit any then-current customer, potential customer, affiliate, or strategic partner of, or investor in, Company, for business that is the same as or substantially similar to, or otherwise competes with, the Business or with any other business then engaged in by Company or Company's owners or Affiliates in the Restricted Area, or otherwise interfere with the relationships of Company, or Company's owners or Affiliates, with any then-current customer, potential customer, affiliate, or strategic partner of, or investor in, Company, or Company's owners or Affiliates, or otherwise seek to cause a change in any such relationships.

3.3 Notice. Employee agrees that during the Restricted Period Employee will notify Company, in writing, of any opportunities that may involve a competitive activity or opportunity as set forth in Subsection 3.2(a) prior to accepting an offer to perform such services.

3.4 Affirmative Disclosure Obligation. Employee agrees that during the Restricted Period Employee will disclose the existence and terms of this Agreement to any prospective third party or other contracting party for whom Employee is considering providing services that constitute a competitive activity as set forth in Subsection 3.2.

3.5 Reasonableness. Employee agrees that the covenants contained in this Section 3 are necessary to protect Company's legitimate and protectable business interests and are reasonable with respect to their duration and scope. If, at the time of enforcement of this Section 3, a court holds that any restriction identified herein is unreasonable under the circumstances then existing, Company and Employee agree that such restriction shall be modified by the court such that the maximum period or scope legally permissible under such circumstances will be substituted for the period or scope identified herein.

3.6 Tolling. In the event that Employee violates any provision of this Section 3 to which there is a specific time period during which Employee is prohibited from taking certain actions or from engaging in certain activities as set forth herein, a violation of this Section 3 will toll the running of that time period from the date the violation commences until the date of its cessation. The period of time will also be tolled during any time period required for litigation during which Company seeks to enforce this Section 3.

4. Non-disparagement

Subject to Section 6, Employee agrees that during and after Employee's period of employment with Company Employee will not, publicly or privately, disparage or defame Company or its Affiliates, or any of Company's or its Affiliates' employees, officers, governors, members or agents.

5. Injunctive Relief

In the event of a breach or threatened breach of any covenant in Sections 1, 2, 3 or 4, Employee agrees that Company will be irreparably harmed, that money damages alone cannot adequately compensate Company, and that Company shall be entitled to temporary and injunctive relief as well as all applicable remedies at law or in equity available to Company against Employee including, but not limited to, reasonable attorneys' fees and costs incurred in bringing any action against Employee or otherwise enforcing the terms of this Agreement. Employee further agrees that in any such action, Company shall be entitled to relief without posting any bond or security.

6. No Unlawful Restriction

Employee understands and agrees that nothing in this Agreement is intended to or will prevent or interfere with Employee's ability or right to (a) provide truthful testimony if under subpoena to do so, (b) file any charge with or participate in any investigation or proceeding before the U.S. Equal Employment Opportunity Commission or any other federal, state or local governmental agency, (c) engage in any conduct protected under the National Labor Relations Act, or (d) respond to a subpoena, court order or as otherwise provided by law.

7. Miscellaneous

7.1 At Will Employment. Employee's employment with Company is "at will," which means it may be terminated at any time, with or without notice and for any or no reason, at the option of either Employee or Company.

7.2 Assignment. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, executors, administrators, legal representatives, successors and assigns of the Parties, except that the duties and responsibilities of Employee under this Agreement are of a personal nature and shall not be assignable or delegable in whole or in part by Employee.

7.3 Severability. Subject to Subsection 3.5, if any provision of this Agreement or application thereof to anyone or under any circumstances is adjudicated to be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect any other provision or application of this Agreement which can be given effect without the invalid or unenforceable provision or application and shall not invalidate or render unenforceable such provision or application in any other jurisdiction. If any provision is held void, invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

7.4 Entire Agreement. This Agreement and the Employment Agreement embody the entire agreement and understanding among the Parties relative to subject matter hereof and combined supersede all prior agreements and understandings relating to such subject matter, including but not limited to any earlier offers to Employee by Company; provided, however, this Agreement and the Employment Agreement are not intended to supersede or otherwise affect the Equity Incentive Plan (as defined in the Employment Agreement) or any Award Agreement (as defined in the Equity Incentive Plan), each of which shall remain in effect in accordance with its terms.

7.5 Applicable Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement are governed by the laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule, whether of the State of Minnesota or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Minnesota.

7.6 Choice of Jurisdiction. Employee and Company consent to jurisdiction of the courts of the State of Minnesota and/or the federal district courts, District of Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims for interpretation, breach or enforcement of this Agreement shall be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of Minnesota and hereby waives any defense of lack of personal jurisdiction or inconvenient forum.

7.7 Attorneys' Fees. In the event of any litigation or other proceeding concerning any controversy, claim or dispute between the parties hereto, arising out of or relating to this Agreement, the breach hereof or the interpretation hereof, the prevailing party will be entitled to recover from the other party reasonable expenses, attorneys' fees, and costs incurred therein or in the enforcement or collection of any judgment or award rendered therein. The "prevailing party" means the party determined by the court to have most nearly prevailed, even if such party did not prevail in all matters, not necessarily the party in whose favor a judgment is rendered. Further, in the event of any breach by Employee under this Agreement, Employee shall pay all the expenses and attorneys' fees incurred by Company in connection with such breach, whether or not any litigation is commenced.

7.8 Counterparts. This Agreement may be executed in any number of counterparts (including facsimile counterparts or counterparts delivered by electronic transmission (e.g., .PDF attachment)), each of which shall be an original, but all of which together shall constitute one instrument.

* * * * *

[*signature page follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date first above written.

Vireo Health, Inc.

By: /s/ Kyle Kingsley
Kyle Kingsley
Chief Executive Officer

EMPLOYEE

/s/ Amber Shimpa
Amber Shimpa

SCHEDULE 1

PRIOR INVENTIONS

TO: Vireo Health, Inc.

FROM: _____

DATE: _____

SUBJECT: PRIOR INVENTIONS

1. Except as listed in Section 2 below, the following is a complete and accurate list of all intellectual property, including, but not limited to, any ideas, inventions, patents, trademarks, service marks, copyrights, creations, know how, work product, and other developments or improvements, if any, patented or unpatented, which I, alone or with others, conceived, created, invented, developed, reduced to practice, or caused to be conceived and or caused to be reduced to practice prior to the commencement of my employment or other relationship with Vireo Health, Inc.:

_____ I have no Prior Inventions to disclose

_____ Please see below:

_____ Additional Sheets Attached

2. Due to a prior confidentiality agreement, I cannot complete the disclosure under Section 1 above with respect to Prior Inventions generally listed below, the proprietary rights and duty of confidentiality with respect to which I owe to the following Party (ies):

	Prior Invention	Party(ies)	Relationship
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

_____ Additional Sheets Attached

Exhibit 10.25

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into on December 28, 2020 ("Effective Date") by and between Vireo Health, Inc., a Delaware corporation (the "Company") and Kyle Kingsley, an individual residing in the State of Minnesota ("Employee") (collectively "Parties" or individually "Party").

RECITALS

WHEREAS, the Company desires to continue to employ Employee pursuant to the terms of this Agreement and Employee desires to accept such employment pursuant to the terms of this Agreement; and

WHEREAS, during Employee's employment with the Company, Employee has been and will become acquainted with technical and nontechnical information which the Company has developed, acquired and uses, or which the Company has developed, acquired or used, or will develop, acquire or use, and which is commercially valuable to the Company and which the Company desires to protect, and Employee may contribute to such information through inventions, discoveries, improvements or otherwise.

NOW, THEREFORE, in consideration of the employment of Employee by the Company, and further in consideration of the salary, wages or other compensation and benefits to be provided by the Company to Employee, and for additional mutual covenants and conditions, the receipt and sufficiency of which are hereby acknowledged, the Company and Employee, intending legally to be bound, hereby agree as follows:

AGREEMENT

In consideration of the above recitals and the mutual promises set forth in this Agreement, the Parties agree as follows:

1. Nature and Capacity of Employment.

1.1 Title and Duties. Effective as of Effective Date, the Company will employ Employee as its Chief Executive Officer, pursuant to the terms and conditions set forth in this Agreement. Employee will perform such duties and responsibilities for the Company as the Company's Board of Directors (the "Board") may assign to Employee from time to time consistent with Employee's position. The Employee hereby agrees to act in that capacity under the terms and conditions set forth in this Agreement. Employee shall serve the Company faithfully and to the best of Employee's ability and shall at all times act in accordance with the law, excepting only the Controlled Substances Act as it applies to the state-licensed operations of the Company. Employee shall devote Employee's full working time, attention and efforts to performing Employee's duties and responsibilities under this Agreement and advancing the Company's business interests. Employee shall follow applicable policies and procedures adopted by the Company from time to time, including without limitation the Company's Code of Conduct, Employee Handbook and other Company policies, including those relating to business ethics, conflict of interest, nondiscrimination and non-harassment. Employee shall not, without the prior written consent of the Board, accept other employment, excepting only that employment described in Schedule 1.1 to this Agreement, or engage in other business activities during Employee's employment with the Company that may prevent Employee from fulfilling the duties or responsibilities as set forth in or contemplated by this Agreement. Employee may participate in civic, religious and charitable activities and personal investment activities to a reasonable extent, so long as such activities do not interfere with the performance of Employee's duties and responsibilities hereunder.

1.2 No Restrictions. Employee hereby represents and confirms that Employee is under no contractual or legal commitments that would prevent Employee from fulfilling Employee's duties and responsibilities as set forth in this Agreement.

1.3 Location. Employee's employment will be based at the Company's corporate headquarters. Employee acknowledges and agrees that Employee's position, duties and responsibilities may require regular travel, both in the U.S. and internationally.

2. Term. Unless terminated at an earlier date in accordance with Section 5, the term of Employee's employment with the Company under the terms and conditions of this Agreement will be for the period commencing on the Effective Date and ending on the two (2) year anniversary of the Effective Date (the "Initial Term"). On the two (2) year anniversary of the Effective Date, and on each succeeding one (1) year anniversary of the Effective Date (each an "Anniversary Date"), the Term shall be automatically extended until the next Anniversary Date (each a "Renewal Term"), subject to termination on an earlier date in accordance with Section 5 or unless either Party gives written notice of non-renewal to the other Party at least one hundred eighty (180) days prior to the Anniversary Date on which this Agreement would otherwise be automatically extended that the Party providing such notice elects not to extend the Term; provided, however, that if a Change in Control (as defined in Section 6.5) occurs during the Initial Term or during any Renewal Term then the Term will expire on the one (1) year anniversary of the date of the Change in Control. The Initial Term together with any Renewal Terms is the "Term." If Employee remains employed by the Company after the Term ends for any reason, then such continued employment shall be according to the terms and conditions established by the Company from time to time (provided that any provisions of this Agreement and the Restrictive Covenants Agreement (as defined in Section 3) that by their terms survive the termination of the Term shall remain in full force and effect).

3. Restrictive Covenants Agreement. On the Effective Date, Employee is executing a Confidential Information, Intellectual Property Rights, Non-Competition and Non-Solicitation Agreement, in the form of Exhibit A attached hereto and made a part hereof (the "Restrictive Covenants Agreement"). Employee acknowledges and agrees that the Company's execution of this Agreement and agreement to employ Employee are conditioned upon Employee executing the Restrictive Covenants Agreement. Nothing in this Agreement is intended to modify, amend, cancel or supersede the Restrictive Covenants Agreement in any manner.

4. Compensation, Benefits and Business Expenses.

4.1 Base Salary. As of the Effective Date, the Company agrees to pay Employee an annualized base salary of USD$360,000.00 (the "Base Salary"), which Base Salary will be earned by Employee on a pro rata basis as Employee performs services and which shall be paid according to the Company's normal payroll practices. For each of the Company's fiscal years during the Term, the Board will conduct a periodic review of Employee and, based on that review, establish Employee's Base Salary in an amount not less than the Base Salary in effect for the prior year, unless Employee's Base Salary is reduced as part of a general reduction in the base salaries for all officers of the Company and in substantially the same proportion as the reduction in the base salaries for all officers of the Company. The review contemplated by this Section 4.1 need not be formal, nor need it be conducted on or before a specific date.

4.2 Annual Incentive Compensation. For each of the Company's fiscal years during the Term, Employee may be eligible to earn an annualized cash bonus if and in an amount determined by the Board in its discretion and subject to the terms of any written document addressing such annual cash bonus as the Board may adopt in its sole discretion. Unless specified otherwise a written annual cash bonus document applicable to Employee, Employee must be employed on the date any annual cash bonus is paid in order to earn and receive each such bonus.

4.3 [Reserved.]

4.4 Employee Benefits. While Employee is employed by the Company during the Term, Employee shall be entitled to participate in the retirement plans, health plans, and all other employee benefits made available by the Company, and as they may be changed from time to time. Employee acknowledges and agrees that Employee will be subject to all eligibility requirements and all other provisions of these benefits plans, and that the Company is under no obligation to Employee to establish and maintain any employee benefit plan in which Employee may participate. The terms and provisions of any employee benefit plan of the Company are matters within the exclusive province of the Board, subject to applicable law.

4.5 Paid Time Off. While Employee is employed by the Company during the Term, Employee shall have available unlimited personal time off in accordance with the Company's policies then in effect. Paid time off may be used for illness or other personal business, or as vacation time off at such times so as not to materially disrupt the operations of the Company. Paid time off is intended to be used, not stored, and these days shall in no event be converted to cash, nor shall any unused days be paid to Employee upon termination of his employment under this Agreement.

4.6 Business Expenses. While Employee is employed by the Company during the Term, the Company shall reimburse Employee for all reasonable and necessary out-of-pocket business, travel and entertainment expenses incurred by Employee in the performance of Employee's duties and responsibilities hereunder, subject to the Company's normal policies and procedures for expense verification and documentation.

5. Termination of Employment.

5.1 Termination of Employment Events. Employee's employment with the Company is at-will. Employee's employment with the Company will terminate immediately upon:

(a) The date of Employee's receipt of written notice from the Company of the termination of Employee's employment (or any later date specified in such written notice from the Company);

(b) Employee's abandonment of Employee's employment or the effective date of Employee's resignation for Good Reason (as defined below) or any other reason (as specified in written notice from Employee);

(c) Employee's Disability (as defined below); or

(d) Employee's death.

5.2 Termination Date. The date upon which Employee's termination of employment with the Company is effective is the "Termination Date." For purposes of Sections 6.1 or 6.2 only, with respect to the timing of the Pre-CIC Severance Payments or the Post-CIC Severance Payment (as applicable), the Pre-CIC Benefits Continuation Payments or the Post-CIC Benefits Continuation Payments (as applicable), the Outplacement Payments, the Termination Date means the date on which a "separation from service" has occurred for purposes of Section 409A of the Internal Revenue Code, as amended, and the regulations and guidance thereunder (the "Code").

5.3 Resignation From Positions. Unless otherwise requested by the Board in writing, upon Employee's termination of employment with the Company for any reason Employee shall automatically resign as of the Termination Date from all titles, positions and appointments Employee then holds with the Company, whether as an officer, director, trustee or employee (without any claim for compensation related thereto), and Employee hereby agrees to take all actions necessary to effectuate such resignations.

6. Payments Upon Termination of Employment.

6.1 Termination of Employment Without Cause or for Good Reason During the Term and Before the First Change in Control. If Employee's employment with the Company is terminated during the Term by the Company for any reason other than for Cause (as defined in Section 6.4), or by Employee for Good Reason (as defined in Section 6.6), and the Termination Date occurs before the first Change in Control to occur during the Term, then the Company shall, in addition to paying Employee's Base Salary and other compensation earned through the Termination Date, and subject to Section 6.9,

(a) pay to Employee as severance pay an amount equal to fifty percent (50%) of Employee's annualized Base Salary as of the Termination Date, less all legally required and authorized deductions and withholdings, payable in substantially equal installments in accordance with the Company's regular payroll cycle during the twelve (12) month period immediately following the Termination Date, provided, however, that any installments that otherwise would be payable on the Company's regular payroll dates between the Termination Date and the 45th calendar day after the Termination Date will be delayed until the Company's first regular payroll date that is more than forty-five (45) days after the Termination Date and included with the installment payable on such payroll date (the "Pre-CIC Severance Payments"); and

(b) if Employee is eligible for and takes all steps necessary to continue Employee's group health insurance coverage with the Company following the Termination Date (including completing and returning the forms necessary to elect COBRA coverage), pay for the portion of the premium costs for such coverage that the Company would pay if Employee remained employed by the Company, at the same level of coverage that was in effect as of the Termination Date, through the earliest of: (i) the six (6) month anniversary of the Termination Date, (ii) the date Employee becomes eligible for group health insurance coverage from any other employer, or (iii) the date Employee is no longer eligible to continue Employee's group health insurance coverage with the Company under applicable law ("Pre-CIC Benefits Continuation Payments").

6.2 Termination of Employment Without Cause or for Good Reason During the Term and Within Twelve (12) Months After the First Change in Control. If Employee's employment with the Company is terminated during the Term by the Company for any reason other than for Cause, or by Employee for Good Reason, and the Termination Date occurs on the date of the first Change in Control to occur during the Term or before the twelve (12) month anniversary of such Change in Control, then the Company shall, in addition to paying Employee's Base Salary and other compensation earned through the Termination Date, and subject to Section 6.9,

(a) pay to Employee as severance pay an amount equal to one hundred percent (100%) of Employee's annualized Base Salary as of the Termination Date, less all legally required and authorized deductions and withholdings, payable in a lump sum on the Company's first regular payroll date that is after the expiration of all rescission periods identified in the Release (as defined in Section 6.9) but in no event later than seventy-five (75) days after the Termination Date (the "Post-CIC Severance Payment"); provided, however, if the Post-CIC Severance Payment could be made in two different calendar years based on the date on which Employee signs the Release and all rescission periods identified in the Release expire, then the Post-CIC Severance Payment shall be paid in a lump sum in the second calendar year but no later than March 15 of such calendar year;

(b) if Employee is eligible for and takes all steps necessary to continue Employee's group health insurance coverage with the Company following the Termination Date (including completing and returning the forms necessary to elect COBRA coverage), pay for the portion of the premium costs for such coverage that the Company would pay if Employee remained employed by the Company, at the same level of coverage that was in effect as of the Termination Date, through the earliest of: (i) the twelve (12) month anniversary of the Termination Date, (ii) the date Employee becomes eligible for group health insurance coverage from any other employer, or (iii) the date Employee is no longer eligible to continue Employee's group health insurance coverage with the Company under applicable law ("Post-CIC Benefits Continuation Payments"); and

(c) pay up to $10,000.00 for outplacement services by an outplacement services provider selected by Employee, with any such amount payable by the Company directly to the outplacement services provider or reimbursed to Employee, in either case subject to Employee's submission of appropriate receipts before the twelve (12) month anniversary of the Termination Date (the "Outplacement Payments").

6.3 Other Termination of Employment Events. If Employee's employment with the Company is terminated by the Company or Employee for any reason upon or following the expiration of the Term, or if Employee's employment with the Company is terminated during the Term by reason of:

(a) Employee's abandonment of Employee's employment or Employee's resignation for any reason other than Good Reason;

(b) termination of Employee's employment by the Company for Cause; or

(c) Employee's death or Disability,

then the Company shall pay to Employee or Employee's beneficiary or Employee's estate, as the case may be, Employee's Base Salary and other compensation earned through the Termination Date and Employee shall not be eligible or entitled to receive any severance pay or benefits from the Company.

6.4 Cause Defined. "Cause" hereunder means:

(a) Employee's material failure to perform his job duties competently as reasonably determined by the Board;

(b) gross misconduct by Employee which the Board reasonably determines is (or will be if continued) demonstrably and materially damaging to the Company;

(c) fraud, misappropriation, or embezzlement by Employee;

(d) an act or acts of dishonesty by Employee and intended to result in gain or personal enrichment of Employee at the expense of the Company;

(e) Employee's conviction of or plea of nolo contendere to a felony regardless of whether involving the Company and whether or not committed during the course of Employee's employment, other than with respect to any criminal penalties related to the illegality of possessing or using Marijuana under the Controlled Substance Act, 21 U.S.C. Section 812(b);

(f) Employee's violation of the Company's Code of Conduct, Employee Handbook or other material written policy, as reasonably determined by the Board; or

(g) the material breach of this Agreement of the Restrictive Covenants Agreement by Employee.

With respect to Section 6.4(a) and Section 6.4(f), the Company shall first provide Employee with written notice and an opportunity to cure such breach, if curable, in the reasonable discretion of the Board, and identify with specificity the action needed to cure within fifteen (15) days of Employee's receipt of written notice from the Company. If the Company terminates Employee's employment for Cause pursuant to this Section 6.4, then Employee shall not be eligible or entitled to receive any severance pay or benefits from the Company.

6.5 Change in Control Defined. "Change in Control" hereunder has the same meaning such term has in the Vireo Health International Inc. 2019 Equity Incentive Plan, as amended from time to time (the "Equity Incentive Plan").

6.6 Good Reason Defined. "Good Reason" hereunder means the initial occurrence of any of the following events without Employee's consent:

(a) a material diminution in the Employee's responsibilities, authority or duties or a change in his title;

(b) a material diminution in the Employee's salary, other than a general reduction in base salaries that affects all similarly situated Company employees in substantially the same proportions;

(c) a relocation of the Employee's principal place of employment to a location more than fifty (50) miles from his principal place of employment on the Effective Date; or

(d) the material breach of this Agreement by the Company.

provided, however, that "Good Reason" shall not exist unless Employee has first provided written notice to the Company of the initial occurrence of one or more of the conditions under clauses (a) through (d) above within thirty (30) days of the condition's occurrence, such condition is not fully remedied by the Company within thirty (30) days after the Company's receipt of written notice from Employee, and the Termination Date as a result of such event occurs within ninety (90) days after the initial occurrence of such event.

6.7 Disability Defined. "Disability" hereunder has the same meaning such term has in the Equity Incentive Plan.

6.8 The Company's Sole Obligation. In the event of termination of Employee's employment, the sole obligation of the Company to provide Employee with severance pay or benefits shall be its obligation to make the payments called for by Section 6.1 or Section 6.2, as the case may be, and the Company shall have no other severance-related obligation to Employee or to Employee's beneficiary or Employee's estate. For avoidance of doubt, nothing in this Section 6.8 affects Employee's right to receive any amounts due under the terms of any employee benefit plans or programs (other than any severance-related plan or program) then maintained by the Company in which Employee participates.

6.9 Conditions To Receive Payments. Notwithstanding the foregoing provisions of this Section 6, the Company will not be obligated to make the Pre-CIC Severance Payments or Pre-CIC Benefits Continuation Payments under Section 6.1, or the Post-CIC Severance Payment, Post-CIC Benefits Continuation Payments or Outplacement Payments under Section 6.2, to or on behalf of Employee unless (a) Employee signs a release of claims in favor of the Company in a form to be prescribed by the Company (the "Release"), (b) all applicable consideration periods and rescission periods provided by law with respect to the Release have expired without Employee rescinding the Release, and (c) Employee is in strict compliance with the terms of this Agreement and the Restrictive Covenants Agreement and any other written agreement between Employee and the Company.

7. Anticipatory Termination without Cause. If Employee's employment with the Company is terminated during the Term by the Company for any reason other than for Cause or by Employee for Good Reason, and a Change in Control occurs (i) within six (6) months after Employee's Termination Date or (ii) within one year after Employee's Termination Date, pursuant to an agreement executed within sixty (60) days after Employee's Termination Date, then Employee shall receive an additional cash payment equal to fifty percent (50%) of Employee's annualized Base Salary as of the Termination Date, less all legally required and authorized deductions and withholdings, payable in a single lump sum no later than ten (10) days after the date of such Change in Control.

8. Section 409A and Taxes Generally.

8.1 Taxes. The Company is entitled to withhold on and report the making of such payments as may be required by law as determined in the reasonable discretion of the Company. Except for any tax amounts withheld by the Company from any compensation that Employee may receive in connection with Employee's employment with the Company and any employer taxes required to be paid by the Company under applicable laws or regulations, Employee is solely responsible for payment of any and all taxes owed in connection with any compensation, benefits, reimbursement amounts or other payments Employee receives from the Company under this Agreement or otherwise in connection with Employee's employment with the Company. The Company does not guarantee any particular tax consequence or result with respect to any payment made by the Company.

8.2 Section 409A. This Agreement is intended to provide for payments that satisfy, or are exempt from, the requirements of Section 409A, including Sections 409A(a)(2), (3) and (4) of the Code and current and future guidance and regulations interpreting such provisions, and should be interpreted accordingly. In furtherance of the foregoing, the provisions set forth below shall apply notwithstanding any other provision in this Agreement:

(a) all payments to be made to Employee hereunder, to the extent they constitute a deferral of compensation subject to the requirements of Section 409A (after taking into account all exclusions applicable to such payments under Section 409A), shall be made no later, and shall not be made any earlier, than at the time or times specified in this Agreement or in any applicable plan for such payments to be made, except as otherwise permitted or required under Section 409A;

(b) the date of Employee's "separation from service", as defined in Section 409A (and as determined by applying the default presumptions in Treas. Reg. §1.409A-1(h)(1)(ii)), shall be treated as the date of Employee's termination of employment for purposes of determining the time of payment of any amount that becomes payable to Employee related to Employee's termination of employment under Sections 10(a), 10(b) or 10(c), and any reference to Employee's "Termination Date" or "termination" of Employee's employment in Section 6.1 or Section 6.2 shall mean the date of Employee's "separation from service", as defined in Section 409A (and as determined by applying the default presumptions in Treas. Reg. §1.409A-1(h)(1)(ii));

(c) in the case of any amounts payable to Employee under this Agreement that may be treated as payable in the form of "a series of installment payments", as defined in Treas. Reg. §1.409A-2(b)(2)(iii), Employee's right to receive such payments shall be treated as a right to receive a series of separate payments for purposes of Treas. Reg. §1.409A-2(b)(2)(iii);

(d) to the extent that the reimbursement of any expenses eligible for reimbursement or the provision of any in-kind benefits under any provision of this Agreement would be considered deferred compensation under Section 409A (after taking into account all exclusions applicable to such reimbursements and benefits under Section 409A): (i) reimbursement of any such expense shall be made by the Company as soon as practicable after such expense has been incurred, but in any event no later than December 31st of the year following the year in which Employee incurs such expense; (ii) the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided, during any calendar year shall not affect the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided, in any calendar year; and (iii) Employee's right to receive such reimbursements or in-kind benefits shall not be subject to liquidation or exchange for another benefit;

(e) to the extent any payment or delivery otherwise required to be made to Employee hereunder on account of Employee's separation from service is properly treated as a deferral of compensation subject to Section 409A after taking into account all exclusions applicable to such payment and delivery under Section 409A, and if Employee is a "specified employee" under Section 409A at the time of Employee's separation from service, then such payment and delivery shall not be made prior to the first business day after the earlier of (i) the expiration of six months from the date of Employee's separation from service, or (ii) the date of Employee's death (such first business day, the "Delayed Payment Date"), and on the Delayed Payment Date, there shall be paid or delivered to Employee or, if Employee has died, to Employee's estate, in a single payment or delivery (as applicable) all entitlements so delayed, and in the case of cash payments, in a single cash lump sum, an amount equal to aggregate amount of all payments delayed pursuant to the preceding sentence. Except for any tax amounts withheld by the Company from the payments or other consideration hereunder and any employment taxes required to be paid by the Company, Employee shall be responsible for payment of any and all taxes owed in connection with the consideration provided for in this Agreement; and

(f) the Parties agree that this Agreement may be amended, as may be necessary to fully comply with, or to be exempt from, Section 409A and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either Party.

9. Miscellaneous.

9.1 Integration. This Agreement and the Restrictive Covenants Agreement embody the entire agreement and understanding among the Parties relative to subject matter hereof and combined supersede all prior agreements and understandings relating to such subject matter, including but not limited to any earlier offers to Employee by the Company; provided, however, this Agreement and the Restrictive Covenants Agreement are not intended to supersede or otherwise affect the Equity Incentive Plan or any Award Agreement (as defined in the Equity Incentive Plan), each of which shall remain in effect in accordance with its terms.

9.2 Applicable Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement are governed by the laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule, whether of the State of Minnesota or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Minnesota.

9.3 Choice of Jurisdiction. Employee and the Company consent to jurisdiction of the courts of the State of Minnesota and/or the federal district courts, District of Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement or Employee's employment with the Company or the termination of such employment. Any action involving claims for interpretation, breach or enforcement of this Agreement or related to Employee's employment with the Company or the termination of such employment shall be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of Minnesota and hereby waives any defense of lack of personal jurisdiction or inconvenient forum.

9.4 Employee's Representations. Employee represents that Employee is not subject to any agreement or obligation that would prevent or limit Employee from entering into this Agreement or that would be breached upon performance of Employee's duties under this Agreement, including but not limited to any duties owed to any former employers not to compete. If Employee possesses any information that Employee knows or should know is considered by any third party, such as a former employer of Employee's, to be confidential, trade secret, or otherwise proprietary, Employee shall not disclose such information to the Company or use such information to benefit the Company in any way.

9.5 Counterparts. This Agreement may be executed in several counterparts and as so executed shall constitute one agreement binding on the Parties.

9.6 Assignment and Successors. The rights and obligations of the Company under this Agreement shall inure to the benefit of and will be binding upon the successors and assigns of the Company. Neither party may, without the written consent of the other party, assign or delegate any of its rights or obligations under this Agreement except that the Company may, without any further consent of Employee, assign or delegate any of its rights or obligations under this Agreement to any corporation or other business entity (a) with which the Company may merge or consolidate, (b) to which the Company may sell or transfer all or substantially all of its assets or capital stock or equity, or (c) any affiliate or subsidiary of the Company. After any such assignment or delegation by the Company, the Company will be discharged from all further liability hereunder and such assignee will thereafter be deemed to be the "Company" for purposes of all terms and conditions of this Agreement, including this Section 9.6. Employee may not assign this Agreement or any rights or obligations hereunder. Any purported or attempted assignment or transfer by Employee of this Agreement or any of Employee's duties, responsibilities, or obligations hereunder is void.

9.7 Modification. This Agreement shall not be modified or amended except by a written instrument signed by the Parties.

9.8 Severability. The invalidity or partial invalidity of any portion of this Agreement shall not invalidate the remainder thereof, and said remainder shall remain in fully force and effect.

9.9 Opportunity to Obtain Advice of Counsel. Employee acknowledges that Employee has been advised by the Company to obtain legal advice prior to executing this Agreement, and that Employee had sufficient opportunity to do so prior to signing this Agreement.

9.10 280G Limitations. In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Employee (a) constitute "parachute payments" within the meaning of Section 280G of the Code and (b) would be subject to the excise tax imposed by Code Section 4999, then such benefits shall be either be: (i) delivered in full, or (ii) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to excise tax under Code Section 4999, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Code Section 4999, results in the receipt by Employee, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be subject to excise tax under Code Section 4999. Any determination required under this Section 9.10 will be made in writing by an accounting firm selected by the Company or such other person or entity to which the parties mutually agree (the "Accountants"), whose determination will be conclusive and binding upon Employee and the Company for all purposes. For purposes of making the calculations required by this Section 9.10, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Code Sections 280G and 4999. The Company and the Employee shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 9.10. Any reduction in payments and/or benefits required by this Section 9.10 shall occur in the following order: (A) cash payments shall be reduced first and in reverse chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; (B) accelerated vesting of stock awards, if any, shall be cancelled/reduced next and in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first), with full-value awards reversed before any stock option or stock appreciation rights are reduced; and (C) deferred compensation amounts subject to Section 409A shall be reduced last.

[Signature Page Follows]

THIS EMPLOYMENT AGREEMENT was voluntarily and knowingly executed by the Parties effective as of the Effective Date first set forth above.

VIREO HEALTH, INC.

/s/ John Heller
By: John Heller
Its: Chief Financial Officer

EMPLOYEE:

/s/ Kyle Kingsley
Kyle Kingsley

[*Signature Page to Employment Agreement*]

Exhibit A
to Employment Agreement

Confidential Information, Intellectual Property Rights, Non-Competition and
Non-Solicitation Agreement

Exhibit A

Schedule 1.1

to Employment Agreement

Employee is permitted to engage in the following outside employment for up to 3 hours per month in the aggregate:

Management of Clinical Scribes LLC, MedMacros LLC, Med Note Masters LLC, Medical Scribe Training Systems LLC, and Doctor Sly LLC (medical devices).

Schedule 1.1

Exhibit 10.26

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into on December 1, 2020 ("Effective Date") by and between Vireo Health, Inc., a Delaware corporation (the "Company") and Christian Gonzalez-Ocasio, an individual residing in the Commonwealth of Puerto Rico ("Employee") (collectively "Parties" or individually "Party").

RECITALS

WHEREAS, the Company desires to continue to employ Employee pursuant to the terms of this Agreement and Employee desires to accept such employment pursuant to the terms of this Agreement; and

WHEREAS, during Employee's employment with the Company, Employee has been and will become acquainted with technical and nontechnical information which the Company has developed, acquired and uses, or which the Company has developed, acquired or used, or will develop, acquire or use, and which is commercially valuable to the Company and which the Company desires to protect, and Employee may contribute to such information through inventions, discoveries, improvements or otherwise.

NOW, THEREFORE, in consideration of the employment of Employee by the Company, and further in consideration of the salary, wages or other compensation and benefits to be provided by the Company to Employee, and for additional mutual covenants and conditions, the receipt and sufficiency of which are hereby acknowledged, the Company and Employee, intending legally to be bound, hereby agree as follows:

AGREEMENT

In consideration of the above recitals and the mutual promises set forth in this Agreement, the Parties agree as follows:

1. Nature and Capacity of Employment.

1.1 Title and Duties. Effective as of Effective Date, the Company will employ Employee as its Chief Operating Officer or such other title as may be assigned to Employee by the Company's Chief Executive Officer from time to time, pursuant to the terms and conditions set forth in this Agreement. Employee will perform such duties and responsibilities for the Company as the Company's Chief Executive Officer may assign to Employee from time to time consistent with Employee's position. The Employee hereby agrees to act in that capacity under the terms and conditions set forth in this Agreement. Employee shall serve the Company faithfully and to the best of Employee's ability and shall at all times act in accordance with the law, excepting only the Controlled Substances Act as it applies to the state-licensed operations of the Company. Employee shall devote Employee's full working time, attention and efforts to performing Employee's duties and responsibilities under this Agreement and advancing the Company's business interests. Employee shall follow applicable policies and procedures adopted by the Company from time to time, including without limitation the Company's Code of Conduct, Employee Handbook and other Company policies, including those relating to business ethics, conflict of interest, nondiscrimination and non-harassment. Employee shall not, without the prior written consent of the Company's Board of Directors (the "Board"), accept other employment, excepting only that employment described in Schedule 1.1 to this Agreement, or engage in other business activities during Employee's employment with the Company that may prevent Employee from fulfilling the duties or responsibilities as set forth in or contemplated by this Agreement. Employee may participate in civic, religious and charitable activities and personal investment activities to a reasonable extent, so long as such activities do not interfere with the performance of Employee's duties and responsibilities hereunder.

1.2 No Restrictions. Employee hereby represents and confirms that Employee is under no contractual or legal commitments that would prevent Employee from fulfilling Employee's duties and responsibilities as set forth in this Agreement.

1.3 Location. Employee's employment will be based at the Company's corporate headquarters. Employee acknowledges and agrees that Employee's position, duties and responsibilities may require regular travel, both in the U.S. and internationally.

2. Term. Unless terminated at an earlier date in accordance with Section 5, the term of Employee's employment with the Company under the terms and conditions of this Agreement will be for the period commencing on the Effective Date and ending on the two (2) year anniversary of the Effective Date (the "Initial Term"). On the two (2) year anniversary of the Effective Date, and on each succeeding one (1) year anniversary of the Effective Date (each an "Anniversary Date"), the Term shall be automatically extended until the next Anniversary Date (each a "Renewal Term"), subject to termination on an earlier date in accordance with Section 5 or unless either Party gives written notice of non-renewal to the other Party at least one hundred eighty (180) days prior to the Anniversary Date on which this Agreement would otherwise be automatically extended that the Party providing such notice elects not to extend the Term; provided, however, that if a Change in Control (as defined in Section 6.5) occurs during the Initial Term or during any Renewal Term then the Term will expire on the one (1) year anniversary of the date of the Change in Control. The Initial Term together with any Renewal Terms is the "Term." If Employee remains employed by the Company after the Term ends for any reason, then such continued employment shall be according to the terms and conditions established by the Company from time to time (provided that any provisions of this Agreement and the Restrictive Covenants Agreement (as defined in Section 3) that by their terms survive the termination of the Term shall remain in full force and effect).

3. Restrictive Covenants Agreement. On the Effective Date, Employee is executing a Confidential Information, Intellectual Property Rights, Non-Competition and Non-Solicitation Agreement, in the form of Exhibit A attached hereto and made a part hereof (the "Restrictive Covenants Agreement"). Employee acknowledges and agrees that the Company's execution of this Agreement and agreement to employ Employee are conditioned upon Employee executing the Restrictive Covenants Agreement. Nothing in this Agreement is intended to modify, amend, cancel or supersede the Restrictive Covenants Agreement in any manner.

4. Compensation, Benefits and Business Expenses.

4.1 Base Salary. As of the Effective Date, the Company agrees to pay Employee an annualized base salary of USD$250,000.00 (the "Base Salary"), which Base Salary will be earned by Employee on a pro rata basis as Employee performs services and which shall be paid according to the Company's normal payroll practices. For each of the Company's fiscal years during the Term, the Company's Chief Executive Officer will conduct a periodic review of Employee and, based on that review and the Chief Executive Officer's discretion, establish Employee's Base Salary in an amount not less than the Base Salary in effect for the prior year, unless Employee's Base Salary is reduced as part of a general reduction in the base salaries for all officers of the Company and in substantially the same proportion as the reduction in the base salaries for all officers of the Company. The review contemplated by this Section 4.1 need not be formal, nor need it be conducted on or before a specific date.

4.2 Annual Incentive Compensation. For each of the Company's fiscal years during the Term, Employee may be eligible to earn an annualized cash bonus if and in an amount determined by the Company's Chief Executive Officer in his or her discretion and subject to the terms of any written document addressing such annual cash bonus as the Company's Chief Executive Officer may adopt in his or her sole discretion. Unless specified otherwise a written annual cash bonus document applicable to Employee, Employee must be employed on the date any annual cash bonus is paid in order to earn and receive each such bonus.

4.3 [Reserved.]

4.4 Employee Benefits. While Employee is employed by the Company during the Term, Employee shall be entitled to participate in the retirement plans, health plans, and all other employee benefits made available by the Company, and as they may be changed from time to time. Employee acknowledges and agrees that Employee will be subject to all eligibility requirements and all other provisions of these benefits plans, and that the Company is under no obligation to Employee to establish and maintain any employee benefit plan in which Employee may participate. The terms and provisions of any employee benefit plan of the Company are matters within the exclusive province of the Board, subject to applicable law.

4.5 Paid Time Off. While Employee is employed by the Company during the Term, Employee shall have available unlimited personal time off in accordance with the Company's policies then in effect. Paid time off may be used for illness or other personal business, or as vacation time off at such times so as not to materially disrupt the operations of the Company. Paid time off is intended to be used, not stored, and these days shall in no event be converted to cash, nor shall any unused days be paid to Employee upon termination of his employment under this Agreement.

4.6 Business Expenses. While Employee is employed by the Company during the Term, the Company shall reimburse Employee for all reasonable and necessary out-of-pocket business, travel and entertainment expenses incurred by Employee in the performance of Employee's duties and responsibilities hereunder, subject to the Company's normal policies and procedures for expense verification and documentation.

5. Termination of Employment.

5.1 Termination of Employment Events. Employee's employment with the Company is at-will. Employee's employment with the Company will terminate immediately upon:

(a) The date of Employee's receipt of written notice from the Company of the termination of Employee's employment (or any later date specified in such written notice from the Company);

(b) Employee's abandonment of Employee's employment or the effective date of Employee's resignation for Good Reason (as defined below) or any other reason (as specified in written notice from Employee);

(c) Employee's Disability (as defined below); or

(d) Employee's death.

5.2 Termination Date. The date upon which Employee's termination of employment with the Company is effective is the "Termination Date." For purposes of Sections 6.1 or 6.2 only, with respect to the timing of the Pre-CIC Severance Payments or the Post-CIC Severance Payment (as applicable), the Pre-CIC Benefits Continuation Payments or the Post-CIC Benefits Continuation Payments (as applicable), the Outplacement Payments, the Termination Date means the date on which a "separation from service" has occurred for purposes of Section 409A of the Internal Revenue Code, as amended, and the regulations and guidance thereunder (the "Code").

5.3 Resignation From Positions. Unless otherwise requested by the Board in writing, upon Employee's termination of employment with the Company for any reason Employee shall automatically resign as of the Termination Date from all titles, positions and appointments Employee then holds with the Company, whether as an officer, director, trustee or employee (without any claim for compensation related thereto), and Employee hereby agrees to take all actions necessary to effectuate such resignations.

6. Payments Upon Termination of Employment.

6.1 Termination of Employment Without Cause or for Good Reason During the Term and Before the First Change in Control. If Employee's employment with the Company is terminated during the Term by the Company for any reason other than for Cause (as defined in Section 6.4), or by Employee for Good Reason (as defined in Section 6.6), and the Termination Date occurs before the first Change in Control to occur during the Term, then the Company shall, in addition to paying Employee's Base Salary and other compensation earned through the Termination Date, and subject to Section 6.9,

(a) pay to Employee as severance pay an amount equal to fifty percent (50%) of Employee's annualized Base Salary as of the Termination Date, less all legally required and authorized deductions and withholdings, payable in substantially equal installments in accordance with the Company's regular payroll cycle during the twelve (12) month period immediately following the Termination Date, provided, however, that any installments that otherwise would be payable on the Company's regular payroll dates between the Termination Date and the 45th calendar day after the Termination Date will be delayed until the Company's first regular payroll date that is more than forty-five (45) days after the Termination Date and included with the installment payable on such payroll date (the "Pre-CIC Severance Payments"); and

(b) if Employee is eligible for and takes all steps necessary to continue Employee's group health insurance coverage with the Company following the Termination Date (including completing and returning the forms necessary to elect COBRA coverage), pay for the portion of the premium costs for such coverage that the Company would pay if Employee remained employed by the Company, at the same level of coverage that was in effect as of the Termination Date, through the earliest of: (i) the six (6) month anniversary of the Termination Date, (ii) the date Employee becomes eligible for group health insurance coverage from any other employer, or (iii) the date Employee is no longer eligible to continue Employee's group health insurance coverage with the Company under applicable law ("Pre-CIC Benefits Continuation Payments").

6.2 Termination of Employment Without Cause or for Good Reason During the Term and Within Twelve (12) Months After the First Change in Control. If Employee's employment with the Company is terminated during the Term by the Company for any reason other than for Cause, or by Employee for Good Reason, and the Termination Date occurs on the date of the first Change in Control to occur during the Term or before the twelve (12) month anniversary of such Change in Control, then the Company shall, in addition to paying Employee's Base Salary and other compensation earned through the Termination Date, and subject to Section 6.9,

(a) pay to Employee as severance pay an amount equal to one hundred percent (100%) of Employee's annualized Base Salary as of the Termination Date, less all legally required and authorized deductions and withholdings, payable in a lump sum on the Company's first regular payroll date that is after the expiration of all rescission periods identified in the Release (as defined in Section 6.9) but in no event later than seventy-five (75) days after the Termination Date (the "Post-CIC Severance Payment"); provided, however, if the Post-CIC Severance Payment could be made in two different calendar years based on the date on which Employee signs the Release and all rescission periods identified in the Release expire, then the Post-CIC Severance Payment shall be paid in a lump sum in the second calendar year but no later than March 15 of such calendar year;

(b) if Employee is eligible for and takes all steps necessary to continue Employee's group health insurance coverage with the Company following the Termination Date (including completing and returning the forms necessary to elect COBRA coverage), pay for the portion of the premium costs for such coverage that the Company would pay if Employee remained employed by the Company, at the same level of coverage that was in effect as of the Termination Date, through the earliest of: (i) the twelve (12) month anniversary of the Termination Date, (ii) the date Employee becomes eligible for group health insurance coverage from any other employer, or (iii) the date Employee is no longer eligible to continue Employee's group health insurance coverage with the Company under applicable law ("Post-CIC Benefits Continuation Payments"); and

(c) pay up to $10,000.00 for outplacement services by an outplacement services provider selected by Employee, with any such amount payable by the Company directly to the outplacement services provider or reimbursed to Employee, in either case subject to Employee's submission of appropriate receipts before the twelve (12) month anniversary of the Termination Date (the "Outplacement Payments").

6.3 Other Termination of Employment Events. If Employee's employment with the Company is terminated by the Company or Employee for any reason upon or following the expiration of the Term, or if Employee's employment with the Company is terminated during the Term by reason of:

(a) Employee's abandonment of Employee's employment or Employee's resignation for any reason other than Good Reason;

(b) termination of Employee's employment by the Company for Cause; or

(c) Employee's death or Disability,

then the Company shall pay to Employee or Employee's beneficiary or Employee's estate, as the case may be, Employee's Base Salary and other compensation earned through the Termination Date and Employee shall not be eligible or entitled to receive any severance pay or benefits from the Company.

6.4 Cause Defined. "Cause" hereunder means:

(a) Employee's material failure to perform his job duties competently as reasonably determined by the Board;

(b) gross misconduct by Employee which the Board reasonably determines is (or will be if continued) demonstrably and materially damaging to the Company;

(c) fraud, misappropriation, or embezzlement by Employee;

(d) an act or acts of dishonesty by Employee and intended to result in gain or personal enrichment of Employee at the expense of the Company;

(e) Employee's conviction of or plea of nolo contendere to a felony regardless of whether involving the Company and whether or not committed during the course of Employee's employment, other than with respect to any criminal penalties related to the illegality of possessing or using Marijuana under the Controlled Substance Act, 21 U.S.C. Section 812(b);

(f) Employee's violation of the Company's Code of Conduct, Employee Handbook or other material written policy, as reasonably determined by the Board; or

(g) the material breach of this Agreement of the Restrictive Covenants Agreement by Employee.

With respect to Section 6.4(a) and Section 6.4(f), the Company shall first provide Employee with written notice and an opportunity to cure such breach, if curable, in the reasonable discretion of the Board, and identify with specificity the action needed to cure within fifteen (15) days of Employee's receipt of written notice from the Company. If the Company terminates Employee's employment for Cause pursuant to this Section 6.4, then Employee shall not be eligible or entitled to receive any severance pay or benefits from the Company.

6.5 Change in Control Defined. "Change in Control" hereunder has the same meaning such term has in the Vireo Health International Inc. 2019 Equity Incentive Plan, as amended from time to time (the "Equity Incentive Plan").

6.6 Good Reason Defined. "Good Reason" hereunder means the initial occurrence of any of the following events without Employee's consent:

(a) a material diminution in the Employee's responsibilities, authority or duties or a change in his title;

(b) a material diminution in the Employee's salary, other than a general reduction in base salaries that affects all similarly situated Company employees in substantially the same proportions;

(c) a relocation of the Employee's principal place of employment to a location more than fifty (50) miles from his principal place of employment on the Effective Date; or

(d) the material breach of this Agreement by the Company.

provided, however, that "Good Reason" shall not exist unless Employee has first provided written notice to the Company of the initial occurrence of one or more of the conditions under clauses (a) through (d) above within thirty (30) days of the condition's occurrence, such condition is not fully remedied by the Company within thirty (30) days after the Company's receipt of written notice from Employee, and the Termination Date as a result of such event occurs within ninety (90) days after the initial occurrence of such event.

6.7 Disability Defined. "Disability" hereunder has the same meaning such term has in the Equity Incentive Plan.

6.8 The Company's Sole Obligation. In the event of termination of Employee's employment, the sole obligation of the Company to provide Employee with severance pay or benefits shall be its obligation to make the payments called for by Section 6.1 or Section 6.2, as the case may be, and the Company shall have no other severance-related obligation to Employee or to Employee's beneficiary or Employee's estate. For avoidance of doubt, nothing in this Section 6.8 affects Employee's right to receive any amounts due under the terms of any employee benefit plans or programs (other than any severance-related plan or program) then maintained by the Company in which Employee participates.

6.9 Conditions To Receive Payments. Notwithstanding the foregoing provisions of this Section 6, the Company will not be obligated to make the Pre-CIC Severance Payments or Pre-CIC Benefits Continuation Payments under Section 6.1, or the Post-CIC Severance Payment, Post-CIC Benefits Continuation Payments or Outplacement Payments under Section 6.2, to or on behalf of Employee unless (a) Employee signs a release of claims in favor of the Company in a form to be prescribed by the Company (the "Release"), (b) all applicable consideration periods and rescission periods provided by law with respect to the Release have expired without Employee rescinding the Release, and (c) Employee is in strict compliance with the terms of this Agreement and the Restrictive Covenants Agreement and any other written agreement between Employee and the Company.

7. Anticipatory Termination without Cause. If Employee's employment with the Company is terminated during the Term by the Company for any reason other than for Cause or by Employee for Good Reason, and a Change in Control occurs (i) within six (6) months after Employee's Termination Date or (ii) within one year after Employee's Termination Date, pursuant to an agreement executed within sixty (60) days after Employee's Termination Date, then Employee shall receive an additional cash payment equal to fifty percent (50%) of Employee's annualized Base Salary as of the Termination Date, less all legally required and authorized deductions and withholdings, payable in a single lump sum no later than ten (10) days after the date of such Change in Control.

8. Section 409A and Taxes Generally.

8.1 Taxes. The Company is entitled to withhold on and report the making of such payments as may be required by law as determined in the reasonable discretion of the Company. Except for any tax amounts withheld by the Company from any compensation that Employee may receive in connection with Employee's employment with the Company and any employer taxes required to be paid by the Company under applicable laws or regulations, Employee is solely responsible for payment of any and all taxes owed in connection with any compensation, benefits, reimbursement amounts or other payments Employee receives from the Company under this Agreement or otherwise in connection with Employee's employment with the Company. The Company does not guarantee any particular tax consequence or result with respect to any payment made by the Company.

8.2 Section 409A. This Agreement is intended to provide for payments that satisfy, or are exempt from, the requirements of Section 409A, including Sections 409A(a)(2), (3) and (4) of the Code and current and future guidance and regulations interpreting such provisions, and should be interpreted accordingly. In furtherance of the foregoing, the provisions set forth below shall apply notwithstanding any other provision in this Agreement:

(a) all payments to be made to Employee hereunder, to the extent they constitute a deferral of compensation subject to the requirements of Section 409A (after taking into account all exclusions applicable to such payments under Section 409A), shall be made no later, and shall not be made any earlier, than at the time or times specified in this Agreement or in any applicable plan for such payments to be made, except as otherwise permitted or required under Section 409A;

(b) the date of Employee's "separation from service", as defined in Section 409A (and as determined by applying the default presumptions in Treas. Reg. §1.409A-1(h)(1)(ii)), shall be treated as the date of Employee's termination of employment for purposes of determining the time of payment of any amount that becomes payable to Employee related to Employee's termination of employment under Sections 10(a), 10(b) or 10(c), and any reference to Employee's "Termination Date" or "termination" of Employee's employment in Section 6.1 or Section 6.2 shall mean the date of Employee's "separation from service", as defined in Section 409A (and as determined by applying the default presumptions in Treas. Reg. §1.409A-1(h)(1)(ii));

(c) in the case of any amounts payable to Employee under this Agreement that may be treated as payable in the form of "a series of installment payments", as defined in Treas. Reg. §1.409A-2(b)(2)(iii), Employee's right to receive such payments shall be treated as a right to receive a series of separate payments for purposes of Treas. Reg. §1.409A-2(b)(2)(iii);

(d) to the extent that the reimbursement of any expenses eligible for reimbursement or the provision of any in-kind benefits under any provision of this Agreement would be considered deferred compensation under Section 409A (after taking into account all exclusions applicable to such reimbursements and benefits under Section 409A): (i) reimbursement of any such expense shall be made by the Company as soon as practicable after such expense has been incurred, but in any event no later than December 31st of the year following the year in which Employee incurs such expense; (ii) the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided, during any calendar year shall not affect the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided, in any calendar year; and (iii) Employee's right to receive such reimbursements or in-kind benefits shall not be subject to liquidation or exchange for another benefit;

(e) to the extent any payment or delivery otherwise required to be made to Employee hereunder on account of Employee's separation from service is properly treated as a deferral of compensation subject to Section 409A after taking into account all exclusions applicable to such payment and delivery under Section 409A, and if Employee is a "specified employee" under Section 409A at the time of Employee's separation from service, then such payment and delivery shall not be made prior to the first business day after the earlier of (i) the expiration of six months from the date of Employee's separation from service, or (ii) the date of Employee's death (such first business day, the "Delayed Payment Date"), and on the Delayed Payment Date, there shall be paid or delivered to Employee or, if Employee has died, to Employee's estate, in a single payment or delivery (as applicable) all entitlements so delayed, and in the case of cash payments, in a single cash lump sum, an amount equal to aggregate amount of all payments delayed pursuant to the preceding sentence. Except for any tax amounts withheld by the Company from the payments or other consideration hereunder and any employment taxes required to be paid by the Company, Employee shall be responsible for payment of any and all taxes owed in connection with the consideration provided for in this Agreement; and

(f) the Parties agree that this Agreement may be amended, as may be necessary to fully comply with, or to be exempt from, Section 409A and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either Party.

9. Miscellaneous.

9.1 Integration. This Agreement and the Restrictive Covenants Agreement embody the entire agreement and understanding among the Parties relative to subject matter hereof and combined supersede all prior agreements and understandings relating to such subject matter, including but not limited to any earlier offers to Employee by the Company; provided, however, this Agreement and the Restrictive Covenants Agreement are not intended to supersede or otherwise affect the Equity Incentive Plan or any Award Agreement (as defined in the Equity Incentive Plan), each of which shall remain in effect in accordance with its terms.

9.2 Applicable Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement are governed by the laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule, whether of the State of Minnesota or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Minnesota.

9.3 Choice of Jurisdiction. Employee and the Company consent to jurisdiction of the courts of the State of Minnesota and/or the federal district courts, District of Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement or Employee's employment with the Company or the termination of such employment. Any action involving claims for interpretation, breach or enforcement of this Agreement or related to Employee's employment with the Company or the termination of such employment shall be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of Minnesota and hereby waives any defense of lack of personal jurisdiction or inconvenient forum.

9.4 Employee's Representations. Employee represents that Employee is not subject to any agreement or obligation that would prevent or limit Employee from entering into this Agreement or that would be breached upon performance of Employee's duties under this Agreement, including but not limited to any duties owed to any former employers not to compete. If Employee possesses any information that Employee knows or should know is considered by any third party, such as a former employer of Employee's, to be confidential, trade secret, or otherwise proprietary, Employee shall not disclose such information to the Company or use such information to benefit the Company in any way.

9.5 Counterparts. This Agreement may be executed in several counterparts and as so executed shall constitute one agreement binding on the Parties.

9.6 Assignment and Successors. The rights and obligations of the Company under this Agreement shall inure to the benefit of and will be binding upon the successors and assigns of the Company. Neither party may, without the written consent of the other party, assign or delegate any of its rights or obligations under this Agreement except that the Company may, without any further consent of Employee, assign or delegate any of its rights or obligations under this Agreement to any corporation or other business entity (a) with which the Company may merge or consolidate, (b) to which the Company may sell or transfer all or substantially all of its assets or capital stock or equity, or (c) any affiliate or subsidiary of the Company. After any such assignment or delegation by the Company, the Company will be discharged from all further liability hereunder and such assignee will thereafter be deemed to be the "Company" for purposes of all terms and conditions of this Agreement, including this Section 9.6. Employee may not assign this Agreement or any rights or obligations hereunder. Any purported or attempted assignment or transfer by Employee of this Agreement or any of Employee's duties, responsibilities, or obligations hereunder is void.

9.7 Modification. This Agreement shall not be modified or amended except by a written instrument signed by the Parties.

9.8 Severability. The invalidity or partial invalidity of any portion of this Agreement shall not invalidate the remainder thereof, and said remainder shall remain in fully force and effect.

9.9 Opportunity to Obtain Advice of Counsel. Employee acknowledges that Employee has been advised by the Company to obtain legal advice prior to executing this Agreement, and that Employee had sufficient opportunity to do so prior to signing this Agreement.

9.10 280G Limitations. In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Employee (a) constitute "parachute payments" within the meaning of Section 280G of the Code and (b) would be subject to the excise tax imposed by Code Section 4999, then such benefits shall be either be: (i) delivered in full, or (ii) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to excise tax under Code Section 4999, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Code Section 4999, results in the receipt by Employee, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be subject to excise tax under Code Section 4999. Any determination required under this Section 9.10 will be made in writing by an accounting firm selected by the Company or such other person or entity to which the parties mutually agree (the "Accountants"), whose determination will be conclusive and binding upon Employee and the Company for all purposes. For purposes of making the calculations required by this Section 9.10, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Code Sections 280G and 4999. The Company and the Employee shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 9.10. Any reduction in payments and/or benefits required by this Section 9.10 shall occur in the following order: (A) cash payments shall be reduced first and in reverse chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; (B) accelerated vesting of stock awards, if any, shall be cancelled/reduced next and in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first), with full-value awards reversed before any stock option or stock appreciation rights are reduced; and (C) deferred compensation amounts subject to Section 409A shall be reduced last.

[*Signature Page Follows*]

THIS EMPLOYMENT AGREEMENT was voluntarily and knowingly executed by the Parties effective as of the Effective Date first set forth above.

VIREO HEALTH, INC.

Date: January 19, 2021

/s/ Kyle Kingsley
By: Kyle Kingsley
Its: Chief Executive Officer

EMPLOYEE:

/s/ Christian Gonzales-Ocasio
Date: December 8, 2020
Christian Gonzalez-Ocasio

Exhibit A

to Employment Agreement
Confidential Information, Intellectual Property Rights, Non-Competition and
Non-Solicitation Agreement

Schedule 1.1

to Employment Agreement

Serving as a member of the Board of Esmeril Industries LLC, requiring approximately two hours per week on average plus an annual audit, which requires one day of my time.

CONFIDENTIAL INFORMATION, INTELLECTUAL PROPERTY RIGHTS,
NON-COMPETITION AND NON-SOLICITATION AGREEMENT

This Confidential Information, Intellectual Property Rights, Non-Competition and Non-Solicitation Agreement (the "Agreement") is made and entered into by and between Vireo Health, Inc., a Delaware corporation ("Company") and Christian Gonzalez-Ocasio ("Employee"), as of December 1, 2020 (the "Effective Date"). Each of Company and Employee hereinafter may be referred to individually as a "Party" or, collectively, as the "Parties." In consideration of Employee's employment with Company, the compensation Employee will earn in connection with such employment, Company entering into an Employment Agreement with Employee (the "Employment Agreement"), Company providing Employee with ongoing access to Confidential Information (as defined below), and other good and valuable consideration, the sufficiency and receipt of which Employee acknowledges, Employee agrees as follows:

1. Confidential Information

1.1 Confidential Information and Trade Secrets Defined. Employee hereby acknowledges and understands the term "Confidential Information" means any data, information, or material of Company or its owners or its Affiliates relating directly or indirectly to Company or its owners or Affiliates: clients and customers or potential clients and customers (collectively "Customer(s)"); competitors; vendors; advertisers; employees; contractors; suppliers; or business partners, that is discovered or developed by, or disclosed to, Employee through Employee's relationship with Company, that is not generally ascertainable from public information, whether it is expressly identified as "confidential" or "trade secret," that includes, but is not limited to: financial information; invoices; business plans; business and contract applications; contracts; forms; research; price lists; marketing materials; advertising materials and developments; sales materials and reports; copyrighted materials; Trade Secrets; the particular needs and requirements of Customers; identities of potential Customers; and all accompanying Customer data. Employee hereby acknowledges and understands the term "Trade Secret(s)" includes, but is not limited to, a confidential, proprietary, and/or sensitive: formula; software; methodology; model; architecture; pattern; compilation; program; device; method; technique; or process, that is discovered, developed in whole or part by Employee, or disclosed to Employee, through Employee's relationship with Company, including any information, data, or material concerning the Business (as defined in Subsection 3.2), and all other information related to Company and its owner and Affiliates businesses, that is not generally known and readily ascertainable by proper means by any other person and/or Employee. This includes, but is not limited to, all inventions or discoveries made by Employee and/or Company (or its owners or Affiliates) resulting in whole or part from Employee's relationship with Company. The term "Trade Secret(s)" also includes, but is not limited to, Customer lists, invoices and reports containing specifically developed information, such as the name, address, phone number, buying history and other traits of Customers, along with any other information that Company derives a competitive advantage from and that Company makes reasonable efforts to maintain as secret. For purposes of this Agreement, "Affiliates" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, or an unincorporated organization, that directly, or indirectly through one or more intermediaries, controls, or has been or is controlled by, or is under common control with, Company, including without limitation Vireo Health International, Inc.

1.2 Use & Restriction. Employee acknowledges that Employee has had and will continue to have access to and be provided with Confidential Information in connection with performing services for Company. Employee expressly recognizes that the efficacy and profitability of Company and its owners and Affiliates is dependent in part upon Employee's protection of the Confidential Information. Employee may use the Confidential Information solely in connection with performing services for Company and its owners and Affiliates. To ensure the continued confidentiality of the Confidential Information, Employee agrees to hold the Confidential Information in strict confidence. Employee shall not, either during Employee's relationship with Company, or for such period as such information remains Confidential Information after termination, disclose or use for Employee's own benefit or for the benefit of any other individual or third party, directly or indirectly, any of the Confidential Information, except as such disclosure or use is expressly authorized by Company in writing. Employee hereby agrees to adhere to the method and form of protection of Confidential Information required by Company, subject to change at Company's sole discretion. Employee shall not communicate any Confidential Information, even in furtherance of Company's business, to any individual or third party not privy to the Confidential Information, without express consent by Company and the individual or third party's agreement to be bound by confidentiality terms that adequately protect Company's Confidential Information.

1.3 Exceptions. The confidentiality and restriction on the use of Confidential Information under this Agreement shall not apply to Confidential Information to the extent that such Confidential Information: is now, or hereafter becomes, through no breach of this Agreement by Employee, generally known or available to the public; was known to Employee without an obligation to hold it in confidence prior to the time such Confidential Information was disclosed to Employee by Company; is disclosed or used, as applicable, with the prior written consent of Company and in accordance with any limitations or conditions on such disclosure or use that may be imposed in such written consent; or was or is independently developed by Employee without any use of or reference to the Confidential Information. In addition, notwithstanding any other language in this Agreement to the contrary, Employee understands that Employee may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (a) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney if such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law or for pursuing an anti-retaliation lawsuit; or (b) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and Employee does not disclose the trade secret except pursuant to a court order.

1.4 Required Disclosure. The confidentiality obligations under this Agreement shall not apply to Confidential Information to the extent that such Confidential Information is required to be disclosed pursuant to the order or requirement of a court, administrative agency, or other authority, or otherwise by operation of applicable law. In the event of such order or requirement, Employee, if and to the extent permitted by law, shall give Company written notice thereof and of the Confidential Information to be disclosed as soon as practicable prior to disclosure of such Confidential Information and shall provide such reasonable assistance as Company may request, at Company's sole expense, in seeking a protective order or other appropriate relief in order to protect the confidentiality of the Confidential Information.

1.5 Other Nondisclosure Agreements. In the event that Company is subject to the terms of any confidentiality or nondisclosure agreement relating to some or all of the Confidential Information that imposes greater restrictions on the disclosure and/or use of such Confidential Information, then Employee shall comply with such greater restrictions to the extent that Employee is made aware of them.

1.6 Property of Company. Employee specifically acknowledges and understands that all Confidential Information and all of Company's and its owners and its Affiliates strategies and files, including, but not limited to, computer data, reports, materials, records, documents, notes, memoranda, and other items, and any originals or copies thereof, related to the business of Company or its owners or its Affiliates, which Employee either is provided, prepares, uses, or simply acquires during the term of this Agreement, are and shall remain the sole and exclusive property of Company and, to the extent applicable, shall not be removed from Company's premises without the prior consent of Company.

1.7 Return or Destroy Confidential Information. Employee agrees, immediately upon the termination of the relationship between Employee and Company for any reason or upon earlier request by Company to make a diligent search for any and all documents, computer discs, electronic files, software, tapes, computer printouts, or any other material constituting Confidential Information described in this Section 1, and shall: cease using the Confidential Information; promptly return to Company or destroy all Confidential Information and any copies thereof; and certify in writing that Employee has complied with the obligations of this Subsection 1.7.

1.8 Return of Company Property. Employee agrees, immediately upon the termination of the relationship between Employee and Company for any reason or upon earlier request by Company to promptly deliver to Company all Company property not covered by Subsection 1.7.

2. Intellectual Property

2.1 Prior Inventions. Any intellectual property, including, but not limited to, any ideas, inventions, patents, trademarks, service marks, copyrights, creations, know how, work product, and other developments or improvements, if any, patented or unpatented, that Employee, alone or with others, conceived, created, invented, developed, reduced to practice, or caused to be conceived and or caused to be reduced to practice prior to the earlier of (a) commencement of Employee's employment with Company or (b) when Employee first provided services to Company, is listed on Schedule 1 attached hereto ("Prior Inventions").

2.2 Ownership. Except with respect to Prior Inventions, all right, title, and interest of every kind and nature, whether now known or unknown, in and to any and all intellectual property, including, but not limited to, any ideas, inventions, patents, trademarks, service marks, copyrights, creations, know how, work product, properties and other developments or improvements, patented or unpatented, conceived, created, invented, written, developed, furnished, produced, disclosed, reduced to practice, or caused to be conceived and or caused to be reduced to practice in whole or in part, alone or with others, whether or not during working hours, by Employee during the term of Employee's employment with Company and for six (6) months thereafter, that are within the scope of Company's business operations or that relate to any of Company's work or projects, will, as and between Company and Employee, be and remain the sole and exclusive property of Company for any and all purposes and uses, and Employee hereby agrees to assign and assigns all rights thereto to Company. Intellectual property may be in any form including, but not limited to, written, oral, electronic, digital, or other form.

2.2 Work Made for Hire. Any work of Employee for which a copyright could be claimed developed in the course of employment with the Company will be deemed "work made for hire" under federal copyright law and all ownership rights to such work belong exclusively to Company. To the extent any invention does not qualify as a work for hire under applicable law, and to the extent any invention is subject to copyright, patent, trade secret, or other proprietary right protection, Employee hereby assigns, and agrees to assign, all rights therein to Company.

2.3 Pre-Existing Work. If, in the course of Employee's relationship with Company, Employee has used or uses, has relied upon or relies upon, has provided or provides, or has incorporated or incorporates any Prior Invention or any other intellectual property Employee owns, or in which Employee has had or has an interest, into any idea, invention, patent, trademark, service mark, copyright,creation, know how, work product, and other development or improvement conceived, created, invented, written, developed, furnished, produced, or disclosed in whole or in part, alone or with others, whether or not during working hours, by Employee during the term of Employee's employment with Company, Employee hereby grants Company, under all of Employee's intellectual property and proprietary rights, the following worldwide, non-exclusive, perpetual, irrevocable, royalty free, fully paid up rights: (a) to make, use, copy, modify, and create derivative works of such intellectual property; (b) to publicly perform or display, import, broadcast, transmit, distribute, license, offer to sell, and sell, rent, lease or lend copies of the intellectual property, and derivative works of the intellectual property; and (c) to sublicense the rights in this Subsection 2.3 to third parties.

2.4 Required Undertakings. Employee agrees, both while an employee of Company and thereafter, to assist Company and its owners and Affiliates, at Company's expense, in any and all attempts to obtain patents, copyrights, and/or trademarks or other intellectual property protection on any work Employee participated in developing and agrees to execute all documents necessary to obtain such rights in the name of or to transfer such rights to Company. If, because of Employee's mental or physical incapacity or for any other reason whatsoever, Company is unable to secure Employee's signature to apply for or pursue any patents, copyrights, or other protection for any invention assigned to Company under this Agreement or otherwise, Employee irrevocably designates and appoints Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact to act for Employee and on Employee's behalf and stead to file any applications and to do all other lawfully-permitted acts to further the prosecution and issuance of any patents, copyrights, or other protections with the same legal force and effect as if executed by Employee.

2.5 Limited Exclusion. This Section 2 does not apply to any inventions or intellectual property for which no equipment, supplies, facility or Confidential Information of Company was used, and which was developed entirely on Employee's own time, and (a) which does not relate (i) directly or indirectly to the business of Company or (ii) to Company's actual or demonstrably anticipated research or development, or (b) which does not result from any work performed by Employee for Company.

3. Non-competition and Non-solicitation

3.1 No Existing Restrictions. Employee represents and warrants that Employee is not a party to any confidentiality agreement, non-competition agreement, non-solicitation agreement, intellectual property rights agreement, or any other agreement with any former employer or other entity that in any way prohibits or inhibits Employee's ability to (a) be employed by Company; (b) perform services for Company; (c) enter into this Agreement; or (d) comply with Employee's obligations under this Agreement.

3.2 Non-competition and Non-solicitation. Employee acknowledges that Company is engaged in the business of the promotion, manufacture, cultivation, marketing or distribution of cannabis (the "Business"). Employee agrees that during the term of Employee's employment with Company and for twelve (12) consecutive months from the date of the termination of such employment (the "Restricted Period"), regardless of the reason for such termination and whether such termination is at the initiative of Employee or Company, Employee will not, directly or indirectly, individually or in connection with other individuals or entities, without the prior written consent of Company:

(a) Other than on behalf of Company, anywhere within a Market Area (as defined herein) in which Company or any of its Affiliates is then operating or doing business or in which the Company has then or within the prior six (6) months identified an intention of doing business (as confirmed by reasonable written support including, but not limited to, having begun the application or certification process to enable such Company or an Affiliate to do business in such Market Area) (the "Restricted Area"), control, manage, operate, be employed or engaged by, or otherwise participate, assist, or engage in business as, or own an interest in or provide financial or other assistance to, or permit Employee's name to be used in connection with, any individual proprietorship, partnership, corporation, joint venture, trust or any other form of business entity, if such entity is engaged, in whole or in part, in business or operations that compete with or that is the same as or substantially similar to the Business or that compete with or that is the same as or substantially similar to any other business then engaged in by Company or Company's owners or Affiliates, in in the Restricted Area; provided, however, this Section 3.2(a) does not prohibit or restrict Employee from holding a passive investment of not more than one percent (1%) of the outstanding shares of the capital stock of any publicly held corporation. For purposes of this Agreement, "Market Area" shall mean an imaginary circle with a fifty-mile radius centered on a cultivation, manufacturing, or retail facility operated by the Company or its Affiliate, or such smaller area as may be finally determined by a court of competent jurisdiction to be a reasonable area from which to exclude Employee from engaging in a competitive activity;

(b) Other than on behalf of Company, solicit any person who is then an employee, contractor, or consultant of Company, or Company's owners or Affiliates, or who was an employee, contractor, or consultant of Company, or Company's owners or Affiliates, within the prior six (6) months, to perform services, as an employee, contractor, consultant or otherwise, or take any actions which are intended to persuade any such employee, contractor, or consultant of Company, or Company's owners or Affiliates, to terminate his or her association with Company or Company's owners or Affiliates; or

(c) Other than on behalf of Company, solicit any then-current customer, potential customer, affiliate, or strategic partner of, or investor in, Company, for business that is the same as or substantially similar to, or otherwise competes with, the Business or with any other business then engaged in by Company or Company's owners or Affiliates in the Restricted Area, or otherwise interfere with the relationships of Company, or Company's owners or Affiliates, with any then-current customer, potential customer, affiliate, or strategic partner of, or investor in, Company, or Company's owners or Affiliates, or otherwise seek to cause a change in any such relationships.

3.3 Notice. Employee agrees that during the Restricted Period Employee will notify Company, in writing, of any opportunities that may involve a competitive activity or opportunity as set forth in Subsection 3.2(a) prior to accepting an offer to perform such services.

3.4 Affirmative Disclosure Obligation. Employee agrees that during the Restricted Period Employee will disclose the existence and terms of this Agreement to any prospective third party or other contracting party for whom Employee is considering providing services that constitute a competitive activity as set forth in Subsection 3.2.

3.5 Reasonableness. Employee agrees that the covenants contained in this Section 3 are necessary to protect Company's legitimate and protectable business interests and are reasonable with respect to their duration and scope. If, at the time of enforcement of this Section 3, a court holds that any restriction identified herein is unreasonable under the circumstances then existing, Company and Employee agree that such restriction shall be modified by the court such that the maximum period or scope legally permissible under such circumstances will be substituted for the period or scope identified herein.

3.6 Tolling. In the event that Employee violates any provision of this Section 3 to which there is a specific time period during which Employee is prohibited from taking certain actions or from engaging in certain activities as set forth herein, a violation of this Section 3 will toll the running of that time period from the date the violation commences until the date of its cessation. The period of time will also be tolled during any time period required for litigation during which Company seeks to enforce this Section 3.

Non-disparagement

Subject to Section 6, Employee agrees that during and after Employee's period of employment with Company Employee will not, publicly or privately, disparage or defame Company or its Affiliates, or any of Company's or its Affiliates' employees, officers, governors, members or agents.

Injunctive Relief

In the event of a breach or threatened breach of any covenant in Sections 1, 2, 3 or 4, Employee agrees that Company will be irreparably harmed, that money damages alone cannot adequately compensate Company, and that Company shall be entitled to temporary and injunctive relief as well as all applicable remedies at law or in equity available to Company against Employee including, but not limited to, reasonable attorneys' fees and costs incurred in bringing any action against Employee or otherwise enforcing the terms of this Agreement. Employee further agrees that in any such action, Company shall be entitled to relief without posting any bond or security.

No Unlawful Restriction

Employee understands and agrees that nothing in this Agreement is intended to or will prevent or interfere with Employee's ability or right to (a) provide truthful testimony if under subpoena to do so, (b) file any charge with or participate in any investigation or proceeding before the U.S. Equal Employment Opportunity Commission or any other federal, state or local governmental agency, (c) engage in any conduct protected under the National Labor Relations Act, or (d) respond to a subpoena, court order or as otherwise provided by law.

Miscellaneous

7.1 At Will Employment. Employee's employment with Company is "at will," which means it may be terminated at any time, with or without notice and for any or no reason, at the option of either Employee or Company.

7.2 Assignment. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, executors, administrators, legal representatives, successors and assigns of the Parties, except that the duties and responsibilities of Employee under this Agreement are of a personal nature and shall not be assignable or delegable in whole or in part by Employee.

7.3 Severability. Subject to Subsection 3.5, if any provision of this Agreement or application thereof to anyone or under any circumstances is adjudicated to be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect any other provision or application of this Agreement which can be given effect without the invalid or unenforceable provision or application and shall not invalidate or render unenforceable such provision or application in any other jurisdiction. If any provision is held void, invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

7.4 Entire Agreement. This Agreement and the Employment Agreement embody the entire agreement and understanding among the Parties relative to subject matter hereof and combined supersede all prior agreements and understandings relating to such subject matter, including but not limited to any earlier offers to Employee by Company; provided, however, this Agreement and the Employment Agreement are not intended to supersede or otherwise affect the Equity Incentive Plan (as defined in the Employment Agreement) or any Award Agreement (as defined in the Equity Incentive Plan), each of which shall remain in effect in accordance with its terms.

7.5 Applicable Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement are governed by the laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule, whether of the State of Minnesota or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Minnesota.

7.6 Choice of Jurisdiction. Employee and Company consent to jurisdiction of the courts of the State of Minnesota and/or the federal district courts, District of Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims for interpretation, breach or enforcement of this Agreement shall be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of Minnesota and hereby waives any defense of lack of personal jurisdiction or inconvenient forum.

7.7 Attorneys' Fees. In the event of any litigation or other proceeding concerning any controversy, claim or dispute between the parties hereto, arising out of or relating to this Agreement, the breach hereof or the interpretation hereof, the prevailing party will be entitled to recover from the other party reasonable expenses, attorneys' fees, and costs incurred therein or in the enforcement or collection of any judgment or award rendered therein. The "prevailing party" means the party determined by the court to have most nearly prevailed, even if such party did not prevail in all matters, not necessarily the party in whose favor a judgment is rendered. Further, in the event of any breach by Employee under this Agreement, Employee shall pay all the expenses and attorneys' fees incurred by Company in connection with such breach, whether or not any litigation is commenced.

7.8 Counterparts. This Agreement may be executed in any number of counterparts (including facsimile counterparts or counterparts delivered by electronic transmission (e.g., .PDF attachment)), each of which shall be an original, but all of which together shall constitute one instrument.

* * * * *

[signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date first above written.

Vireo Health, Inc.

By:/s/ Kyle Kingsley
Kyle Kingsley
Chief Executive Officer

EMPLOYEE

/s/ Christian Gonzalez-Ocasio
Christian Gonzalez-Ocasio

SCHEDULE 1

PRIOR INVENTIONS

TO: Vireo Health, Inc.

FROM: _____

DATE: _____

SUBJECT: PRIOR INVENTIONS

1. Except as listed in Section 2 below, the following is a complete and accurate list of all intellectual property, including, but not limited to, any ideas, inventions, patents, trademarks, service marks, copyrights, creations, know how, work product, and other developments or improvements, if any, patented or unpatented, which I, alone or with others, conceived, created, invented, developed, reduced to practice, or caused to be conceived and or caused to be reduced to practice prior to the commencement of my employment or other relationship with Vireo Health, Inc.:

_____ I have no Prior Inventions to disclose

_____ Please see below:

_____ Additional Sheets Attached

2. Due to a prior confidentiality agreement, I cannot complete the disclosure under Section 1 above with respect to Prior Inventions generally listed below, the proprietary rights and duty of confidentiality with respect to which I owe to the following Party (ies):

	Prior Invention	Party(ies)	Relationship
1.			
2.			
3.			

_____ Additional Sheet Attached

Exhibit 10.27

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into on December 1, 2020 ("Effective Date") by and between Vireo Health, Inc., a Delaware corporation (the "Company"), and John Heller, an individual residing in the State of Minnesota ("Employee") (collectively "Parties" or individually "Party").

RECITALS

WHEREAS, the Company desires to employ Employee pursuant to the terms of this Agreement and Employee desires to accept such employment pursuant to the terms of this Agreement;

WHEREAS, the Company is a wholly-owned subsidiary of Vireo Health International, Inc., a British Columbia (Canada) corporation ("Parent"); and

WHEREAS, during Employee's employment with the Company, Employee will become acquainted with technical and nontechnical information which the Company has developed, acquired and uses, or which the Company will develop, acquire or use, and which is commercially valuable to the Company and which the Company desires to protect, and Employee may contribute to such information through inventions, discoveries, improvements or otherwise.

NOW, THEREFORE, in consideration of the employment of Employee by the Company, and further in consideration of the salary, wages or other compensation and benefits to be provided by the Company to Employee, and for additional mutual covenants and conditions, the receipt and sufficiency of which are hereby acknowledged, the Company and Employee, intending legally to be bound, hereby agree as follows:

AGREEMENT

In consideration of the above recitals and the mutual promises set forth in this Agreement, the Parties agree as follows:

1. Nature and Capacity of Employment.

1.1 Title and Duties. Effective as of Effective Date, the Company will employ Employee as its Chief Financial Officer, or such other title as may be assigned to Employee by the Company's Chief Executive Officer or his or her designee from time to time, pursuant to the terms and conditions set forth in this Agreement. Employee will perform such duties and responsibilities for the Company as the Company's Chief Executive Officer or his or her designee may assign to Employee from time to time consistent with Employee's position. The Employee hereby agrees to act in that capacity under the terms and conditions set forth in this Agreement. Employee shall serve the Company faithfully and to the best of Employee's ability and shall at all times act in accordance with the law. Employee shall devote Employee's full working time, attention and efforts to performing Employee's duties and responsibilities under this Agreement and advancing the Company's business interests. Employee shall follow applicable policies and procedures adopted by the Company from time to time, including without limitation the Company's Code of Conduct, Employee Handbook and other Company policies, including those relating to business ethics, conflict of interest, non-discrimination and non-harassment. Employee shall not, without the prior written consent of the Parent's Board of Directors (the "Board"), accept other employment or engage in other business activities during Employee's employment with the Company that may prevent Employee from fulfilling the duties or responsibilities as set forth in or contemplated by this Agreement. Employee may participate in civic, religious and charitable activities and personal investment activities to a reasonable extent, so long as such activities do not interfere with the performance of Employee's duties and responsibilities hereunder.

1.2 No Restrictions. Employee hereby represents and confirms that Employee is under no contractual or legal commitments that would prevent Employee from fulfilling Employee's duties and responsibilities as set forth in this Agreement.

1.3 Location. Employee's employment will be based at the Company's corporate headquarters. Employee acknowledges and agrees that Employee's position, duties and responsibilities will require regular travel, both in the U.S. and internationally.

2. Term. Unless terminated at an earlier date in accordance with Section 5, the term of Employee's employment with the Company under the terms and conditions of this Agreement will be for the period commencing on the Effective Date and ending on the two (2) year anniversary of the Effective Date (the "Initial Term"). On the two (2) year anniversary of the Effective Date, and on each succeeding one (1) year anniversary of the Effective Date (each an "Anniversary Date"), the Term shall be automatically extended until the next Anniversary Date (each a "Renewal Term"), subject to termination on an earlier date in accordance with Section 5 or unless either Party gives written notice of non-renewal to the other Party at least one hundred eighty (180) days prior to the Anniversary Date on which this Agreement would otherwise be automatically extended that the Party providing such notice elects not to extend the Term; provided, however, that if a Change in Control (as defined in Section 6.5) occurs during the Initial Term or during any Renewal Term then the Term will expire on the one (1) year anniversary of the date of the Change in Control. The Initial Term together with any Renewal Terms is the "Term." If Employee remains employed by the Company after the Term ends for any reason, then such continued employment shall be according to the terms and conditions established by the Company from time to time (provided that any provisions of this Agreement and the Restrictive Covenants Agreement (as defined in Section 3) that by their terms survive the termination of the Term shall remain in full force and effect).

3. Restrictive Covenants Agreement. On the Effective Date, Employee is executing a Confidential Information, Intellectual Property Rights, Non-Competition and Non-Solicitation Agreement, in the form of Exhibit A attached hereto and made a part hereof (the "Restrictive Covenants Agreement"). Employee acknowledges and agrees that the Company's execution of this Agreement and agreement to employ Employee are conditioned upon Employee executing the Restrictive Covenants Agreement. Nothing in this Agreement is intended to modify, amend, cancel or supersede the Restrictive Covenants Agreement in any manner.

4. Compensation, Benefits and Business Expenses.

4.1 Base Salary. As of the Effective Date, the Company agrees to pay Employee an annualized base salary of $300,000.00 (the "Base Salary"), which Base Salary will be earned by Employee on a pro rata basis as Employee performs services and which shall be paid according to the Company's normal payroll practices. For each of the Company's fiscal years during the Term, the Company's Chief Executive Officer will conduct a periodic review of Employee and, based on that review and the Chief Executive Officer's discretion, establish Employee's Base Salary in an amount not less than the Base Salary in effect for the prior year, unless Employee's Base Salary is reduced as part of a general reduction in the base salaries for all officers of the Company and in substantially the same proportion as the reduction in the base salaries for all officers of the Company. The review contemplated by this Section 4.1 need not be formal, nor need it be conducted on or before a specific date.

4.2 Annual Incentive Compensation. For each of the Company's fiscal years during the Term, Employee may be eligible to earn an annualized cash bonus if and in an amount determined by the Company's Chief Executive Officer in his or her discretion and subject to the terms of any written document addressing such annual cash bonus as the Company's Chief Executive Officer may adopt in his or her sole discretion. Unless specified otherwise a written annual cash bonus document applicable to Employee, Employee must be employed on the date any annual cash bonus is paid in order to earn and receive each such bonus.

4.3 [Reserved.]

4.4 Employee Benefits. While Employee is employed by the Company during the Term, Employee shall be entitled to participate in the retirement plans, health plans, and all other employee benefits made available by the Company, and as they may be changed from time to time. Employee acknowledges and agrees that Employee will be subject to all eligibility requirements and all other provisions of these benefits plans, and that the Company is under no obligation to Employee to establish and maintain any employee benefit plan in which Employee may participate. The terms and provisions of any employee benefit plan of the Company are matters within the exclusive province of the Board, subject to applicable law.

4.5 Paid Time Off. While Employee is employed by the Company during the Term, Employee shall have available unlimited personal time off in accordance with the Company's policies then in effect. Paid time off may be used for illness or other personal business, or as vacation time off at such times so as not to materially disrupt the operations of the Company. Paid time off is intended to be used, not stored, and these days shall in no event be converted to cash, nor shall any unused days be paid to Employee upon termination of his employment under this Agreement.

4.6 Business Expenses. While Employee is employed by the Company during the Term, the Company shall reimburse Employee for all reasonable and necessary out-of-pocket business, travel and entertainment expenses incurred by Employee in the performance of Employee's duties and responsibilities hereunder, subject to the Company's normal policies and procedures for expense verification and documentation.

5. Termination of Employment.

5.1 Termination of Employment Events. Employee's employment with the Company is at-will. Employee's employment with the Company will terminate immediately upon:

(a) The date of Employee's receipt of written notice from the Company of the termination of Employee's employment (or any later date specified in such written notice from the Company);

(b) Employee's abandonment of Employee's employment or the effective date of Employee's resignation for Good Reason (as defined below) or any other reason (as specified in written notice from Employee);

(c) Employee's Disability (as defined below); or

(d) Employee's death.

5.2 Termination Date. The date upon which Employee's termination of employment with the Company is effective is the "Termination Date." For purposes of Sections 6.1 or 6.2 only, with respect to the timing of the Pre-CIC Severance Payments or the Post-CIC Severance Payment (as applicable), the Pre-CIC Benefits Continuation Payments or the Post-CIC Benefits Continuation Payments (as applicable), the Outplacement Payments, the Termination Date means the date on which a "separation from service" has occurred for purposes of Section 409A of the Internal Revenue Code, as amended, and the regulations and guidance thereunder (the "Code").

5.3 Resignation From Positions. Unless otherwise requested by the Board in writing, upon Employee's termination of employment with the Company for any reason Employee shall automatically resign as of the Termination Date from all titles, positions and appointments Employee then holds with the Company, whether as an officer, director, trustee or employee (without any claim for compensation related thereto), and Employee hereby agrees to take all actions necessary to effectuate such resignations.

6. Payments Upon Termination of Employment.

6.1 Termination of Employment Without Cause or for Good Reason During the Term and Before the First Change in Control. If Employee's employment with the Company is terminated during the Term by the Company for any reason other than for Cause (as defined in Section 6.4), or by Employee for Good Reason (as defined in Section 6.6), and the Termination Date occurs before the first Change in Control to occur during the Term, then the Company shall, in addition to paying Employee's Base Salary and other compensation earned through the Termination Date, and subject to Section 6.9,

(a) pay to Employee as severance pay an amount equal to fifty percent (50%) of Employee's annualized Base Salary as of the Termination Date, less all legally required and authorized deductions and withholdings, payable in substantially equal installments in accordance with the Company's regular payroll cycle during the twelve (12) month period immediately following the Termination Date, provided, however, that any installments that otherwise would be payable on the Company's regular payroll dates between the Termination Date and the 45th calendar day after the Termination Date will be delayed until the Company's first regular payroll date that is more than forty-five (45) days after the Termination Date and included with the installment payable on such payroll date (the "Pre-CIC Severance Payments"); and

(b) if Employee is eligible for and takes all steps necessary to continue Employee's group health insurance coverage with the Company following the Termination Date (including completing and returning the forms necessary to elect COBRA coverage), pay for the portion of the premium costs for such coverage that the Company would pay if Employee remained employed by the Company, at the same level of coverage that was in effect as of the Termination Date, through the earliest of: (i) the six (6) month anniversary of the Termination Date, (ii) the date Employee becomes eligible for group health insurance coverage from any other employer, or (iii) the date Employee is no longer eligible to continue Employee's group health insurance coverage with the Company under applicable law ("Pre-CIC Benefits Continuation Payments").

6.2 Termination of Employment Without Cause or for Good Reason During the Term and Within Twelve (12) Months After the First Change in Control. If Employee's employment with the Company is terminated during the Term by the Company for any reason other than for Cause, or by Employee for Good Reason, and the Termination Date occurs on the date of the first Change in Control to occur during the Term or before the twelve (12) month anniversary of such Change in Control, then the Company shall, in addition to paying Employee's Base Salary and other compensation earned through the Termination Date, and subject to Section 6.9,

(a) pay to Employee as severance pay an amount equal to one hundred percent (100%) of Employee's annualized Base Salary as of the Termination Date, less all legally required and authorized deductions and withholdings, payable in a lump sum on the Company's first regular payroll date that is after the expiration of all rescission periods identified in the Release (as defined in Section 6.9) but in no event later than seventy-five (75) days after the Termination Date (the "Post-CIC Severance Payment"); provided, however, if the Post-CIC Severance Payment could be made in two different calendar years based on the date on which Employee signs the Release and all rescission periods identified in the Release expire, then the Post-CIC Severance Payment shall be paid in a lump sum in the second calendar year but no later than March 15 of such calendar year;

(b) if Employee is eligible for and takes all steps necessary to continue Employee's group health insurance coverage with the Company following the Termination Date (including completing and returning the forms necessary to elect COBRA coverage), pay for the portion of the premium costs for such coverage that the Company would pay if Employee remained employed by the Company, at the same level of coverage that was in effect as of the Termination Date, through the earliest of: (i) the twelve (12) month anniversary of the Termination Date, (ii) the date Employee becomes eligible for group health insurance coverage from any other employer, or (iii) the date Employee is no longer eligible to continue Employee's group health insurance coverage with the Company under applicable law ("Post-CIC Benefits Continuation Payments"); and

(c) pay up to $10,000.00 for outplacement services by an outplacement services provider selected by Employee, with any such amount payable by the Company directly to the outplacement services provider or reimbursed to Employee, in either case subject to Employee's submission of appropriate receipts before the twelve (12) month anniversary of the Termination Date (the "Outplacement Payments").

6.3 Other Termination of Employment Events. If Employee's employment with the Company is terminated by the Company or Employee for any reason upon or following the expiration of the Term, or if Employee's employment with the Company is terminated during the Term by reason of:

(a) Employee's abandonment of Employee's employment or Employee's resignation for any reason other than Good Reason;

(b) termination of Employee's employment by the Company for Cause; or

(c) Employee's death or Disability,

then the Company shall pay to Employee or Employee's beneficiary or Employee's estate, as the case may be, Employee's Base Salary and other compensation earned through the Termination Date and Employee shall not be eligible or entitled to receive any severance pay or benefits from the Company.

6.4 Cause Defined. "Cause" hereunder means:

(a) Employee's material failure to perform his job duties competently as reasonably determined by the Board;

(b) gross misconduct by Employee which the Board reasonably determines is (or will be if continued) demonstrably and materially damaging to the Company;

(c) fraud, misappropriation, or embezzlement by Employee;

(d) an act or acts of dishonesty by Employee and intended to result in gain or personal enrichment of Employee at the expense of the Company;

(e) Employee's conviction of or plea of nolo contendere to a felony regardless of whether involving the Company and whether or not committed during the course of Employee's employment, other than with respect to any criminal penalties related to the illegality of possessing or using Marijuana under the Controlled Substance Act, 21 U.S.C. Section 812(b);

(f) Employee's violation of the Company's Code of Conduct, Employee Handbook or other material written policy, as reasonably determined by the Board; or

(g) the material breach of this Agreement of the Restrictive Covenants Agreement by Employee.

With respect to Section 6.4(a) and Section 6.4(f), the Company shall first provide Employee with written notice and an opportunity to cure such breach, if curable, in the reasonable discretion of the Board, and identify with specificity the action needed to cure within fifteen (15) days of Employee's receipt of written notice from the Company. If the Company terminates Employee's employment for Cause pursuant to this Section 6.4, then Employee shall not be eligible or entitled to receive any severance pay or benefits from the Company.

6.5 Change in Control Defined. "Change in Control" hereunder has the same meaning such term has in the Vireo Health International Inc. 2019 Equity Incentive Plan, as amended from time to time (the "Equity Incentive Plan").

6.6 Good Reason Defined. "Good Reason" hereunder means the initial occurrence of any of the following events without Employee's consent:

(a) a material diminution in the Employee's responsibilities, authority or duties or a change in his title;

(b) a material diminution in the Employee's salary, other than a general reduction in base salaries that affects all similarly situated Company employees in substantially the same proportions;

(c) a relocation of the Employee's principal place of employment to a location more than fifty (50) miles from his principal place of employment on the Effective Date; or

(d) the material breach of this Agreement by the Company.

provided, however, that "Good Reason" shall not exist unless Employee has first provided written notice to the Company of the initial occurrence of one or more of the conditions under clauses (a) through (d) above within thirty (30) days of the condition's occurrence, such condition is not fully remedied by the Company within thirty (30) days after the Company's receipt of written notice from Employee, and the Termination Date as a result of such event occurs within ninety (90) days after the initial occurrence of such event.

6.7 Disability Defined. "Disability" hereunder has the same meaning such term has in the Equity Incentive Plan.

6.8 The Company's Sole Obligation. In the event of termination of Employee's employment, the sole obligation of the Company to provide Employee with severance pay or benefits shall be its obligation to make the payments called for by Section 6.1 or Section 6.2, as the case may be, and the Company shall have no other severance-related obligation to Employee or to Employee's beneficiary or Employee's estate. For avoidance of doubt, nothing in this Section 6.8 affects Employee's right to receive any amounts due under the terms of any employee benefit plans or programs (other than any severance-related plan or program) then maintained by the Company in which Employee participates.

6.9 Conditions To Receive Payments. Notwithstanding the foregoing provisions of this Section 6, the Company will not be obligated to make the Pre-CIC Severance Payments or Pre-CIC Benefits Continuation Payments under Section 6.1, or the Post-CIC Severance Payment, Post-CIC Benefits Continuation Payments or Outplacement Payments under Section 6.2, to or on behalf of Employee unless (a) Employee signs a release of claims in favor of the Company in a form to be prescribed by the Company (the "Release"), (b) all applicable consideration periods and rescission periods provided by law with respect to the Release have expired without Employee rescinding the Release, and (c) Employee is in strict compliance with the terms of this Agreement and the Restrictive Covenants Agreement and any other written agreement between Employee and the Company.

7. Anticipatory Termination without Cause. If Employee's employment with the Company is terminated during the Term by the Company for any reason other than for Cause or by Employee for Good Reason, and a Change in Control occurs (i) within six (6) months after Employee's Termination Date or (ii) within one year after Employee's Termination Date, pursuant to an agreement executed within sixty (60) days after Employee's Termination Date, then Employee shall receive an additional cash payment equal to fifty percent (50%) of Employee's annualized Base Salary as of the Termination Date, less all legally required and authorized deductions and withholdings, payable in a single lump sum no later than ten (10) days after the date of such Change in Control.

8. Section 409A and Taxes Generally.

8.1 Taxes. The Company is entitled to withhold on and report the making of such payments as may be required by law as determined in the reasonable discretion of the Company. Except for any tax amounts withheld by the Company from any compensation that Employee may receive in connection with Employee's employment with the Company and any employer taxes required to be paid by the Company under applicable laws or regulations, Employee is solely responsible for payment of any and all taxes owed in connection with any compensation, benefits, reimbursement amounts or other payments Employee receives from the Company under this Agreement or otherwise in connection with Employee's employment with the Company. The Company does not guarantee any particular tax consequence or result with respect to any payment made by the Company.

8.2 Section 409A. This Agreement is intended to provide for payments that satisfy, or are exempt from, the requirements of Section 409A, including Sections 409A(a)(2), (3) and (4) of the Code and current and future guidance and regulations interpreting such provisions, and should be interpreted accordingly. In furtherance of the foregoing, the provisions set forth below shall apply notwithstanding any other provision in this Agreement:

(a) all payments to be made to Employee hereunder, to the extent they constitute a deferral of compensation subject to the requirements of Section 409A (after taking into account all exclusions applicable to such payments under Section 409A), shall be made no later, and shall not be made any earlier, than at the time or times specified in this Agreement or in any applicable plan for such payments to be made, except as otherwise permitted or required under Section 409A;

(b) the date of Employee's "separation from service", as defined in Section 409A (and as determined by applying the default presumptions in Treas. Reg. §1.409A-1(h)(1)(ii)), shall be treated as the date of Employee's termination of employment for purposes of determining the time of payment of any amount that becomes payable to Employee related to Employee's termination of employment under Sections 10(a), 10(b) or 10(c), and any reference to Employee's "Termination Date" or "termination" of Employee's employment in Section 6.1 or Section 6.2 shall mean the date of Employee's "separation from service", as defined in Section 409A (and as determined by applying the default presumptions in Treas. Reg. §1.409A-1(h)(1)(ii));

(c) in the case of any amounts payable to Employee under this Agreement that may be treated as payable in the form of "a series of installment payments", as defined in Treas. Reg. §1.409A-2(b)(2)(iii), Employee's right to receive such payments shall be treated as a right to receive a series of separate payments for purposes of Treas. Reg. §1.409A-2(b)(2)(iii);

(d) to the extent that the reimbursement of any expenses eligible for reimbursement or the provision of any in-kind benefits under any provision of this Agreement would be considered deferred compensation under Section 409A (after taking into account all exclusions applicable to such reimbursements and benefits under Section 409A): (i) reimbursement of any such expense shall be made by the Company as soon as practicable after such expense has been incurred, but in any event no later than December 31st of the year following the year in which Employee incurs such expense; (ii) the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided, during any calendar year shall not affect the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided, in any calendar year; and (iii) Employee's right to receive such reimbursements or in-kind benefits shall not be subject to liquidation or exchange for another benefit;

(e) to the extent any payment or delivery otherwise required to be made to Employee hereunder on account of Employee's separation from service is properly treated as a deferral of compensation subject to Section 409A after taking into account all exclusions applicable to such payment and delivery under Section 409A, and if Employee is a "specified employee" under Section 409A at the time of Employee's separation from service, then such payment and delivery shall not be made prior to the first business day after the earlier of (i) the expiration of six months from the date of Employee's separation from service, or (ii) the date of Employee's death (such first business day, the "Delayed Payment Date"), and on the Delayed Payment Date, there shall be paid or delivered to Employee or, if Employee has died, to Employee's estate, in a single payment or delivery (as applicable) all entitlements so delayed, and in the case of cash payments, in a single cash lump sum, an amount equal to aggregate amount of all payments delayed pursuant to the preceding sentence. Except for any tax amounts withheld by the Company from the payments or other consideration hereunder and any employment taxes required to be paid by the Company, Employee shall be responsible for payment of any and all taxes owed in connection with the consideration provided for in this Agreement; and

(f) the Parties agree that this Agreement may be amended, as may be necessary to fully comply with, or to be exempt from, Section 409A and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either Party.

9. Miscellaneous.

9.1 Integration. This Agreement and the Restrictive Covenants Agreement embody the entire agreement and understanding among the Parties relative to subject matter hereof and combined supersede all prior agreements and understandings relating to such subject matter, including but not limited to any earlier offers to Employee by the Company; provided, however, this Agreement and the Restrictive Covenants Agreement are not intended to supersede or otherwise affect the Equity Incentive Plan or any Award Agreement (as defined in the Equity Incentive Plan), each of which shall remain in effect in accordance with its terms.

9.2 Applicable Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement are governed by the laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule, whether of the State of Minnesota or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Minnesota.

9.3 Choice of Jurisdiction. Employee and the Company consent to jurisdiction of the courts of the State of Minnesota and/or the federal district courts, District of Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement or Employee's employment with the Company or the termination of such employment. Any action involving claims for interpretation, breach or enforcement of this Agreement or related to Employee's employment with the Company or the termination of such employment shall be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of Minnesota and hereby waives any defense of lack of personal jurisdiction or inconvenient forum.

9.4 Employee's Representations. Employee represents that Employee is not subject to any agreement or obligation that would prevent or limit Employee from entering into this Agreement or that would be breached upon performance of Employee's duties under this Agreement, including but not limited to any duties owed to any former employers not to compete. If Employee possesses any information that Employee knows or should know is considered by any third party, such as a former employer of Employee's, to be confidential, trade secret, or otherwise proprietary, Employee shall not disclose such information to the Company or use such information to benefit the Company in any way.

9.5 Counterparts. This Agreement may be executed in several counterparts and as so executed shall constitute one agreement binding on the Parties.

9.6 Assignment and Successors. The rights and obligations of the Company under this Agreement shall inure to the benefit of and will be binding upon the successors and assigns of the Company. Neither party may, without the written consent of the other party, assign or delegate any of its rights or obligations under this Agreement except that the Company may, without any further consent of Employee, assign or delegate any of its rights or obligations under this Agreement to any corporation or other business entity (a) with which the Company may merge or consolidate, (b) to which the Company may sell or transfer all or substantially all of its assets or capital stock or equity, or (c) any affiliate or subsidiary of the Company. After any such assignment or delegation by the Company, the Company will be discharged from all further liability hereunder and such assignee will thereafter be deemed to be the "Company" for purposes of all terms and conditions of this Agreement, including this Section 9.6. Employee may not assign this Agreement or any rights or obligations hereunder. Any purported or attempted assignment or transfer by Employee of this Agreement or any of Employee's duties, responsibilities, or obligations hereunder is void.

9.7 Modification. This Agreement shall not be modified or amended except by a written instrument signed by the Parties.

9.8 Severability. The invalidity or partial invalidity of any portion of this Agreement shall not invalidate the remainder thereof, and said remainder shall remain in fully force and effect.

9.9 Opportunity to Obtain Advice of Counsel. Employee acknowledges that Employee has been advised by the Company to obtain legal advice prior to executing this Agreement, and that Employee had sufficient opportunity to do so prior to signing this Agreement.

9.10 280G Limitations. In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Employee (a) constitute "parachute payments" within the meaning of Section 280G of the Code and (b) would be subject to the excise tax imposed by Code Section 4999, then such benefits shall be either be: (i) delivered in full, or (ii) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to excise tax under Code Section 4999, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Code Section 4999, results in the receipt by Employee, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be subject to excise tax under Code Section 4999. Any determination required under this Section 9.10 will be made in writing by an accounting firm selected by the Company or such other person or entity to which the parties mutually agree (the "Accountants"), whose determination will be conclusive and binding upon Employee and the Company for all purposes. For purposes of making the calculations required by this Section 9.10, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Code Sections 280G and 4999. The Company and the Employee shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 9.10. Any reduction in payments and/or benefits required by this Section 9.10 shall occur in the following order: (A) cash payments shall be reduced first and in reverse chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; (B) accelerated vesting of stock awards, if any, shall be cancelled/reduced next and in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first), with full-value awards reversed before any stock option or stock appreciation rights are reduced; and (C) deferred compensation amounts subject to Section 409A shall be reduced last.

THIS EMPLOYMENT AGREEMENT was voluntarily and knowingly executed by the Parties effective as of the Effective Date first set forth above.

VIREO HEALTH, INC.

Date: December 8, 2020

/s/ Kyle Kingsley
By: Kyle Kingsley
Its: Chief Executive Officer

EMPLOYEE:

Date: December 8, 2020

/s/ John Heller
John Heller

Exhibit A
to Employment Agreement

Confidential Information, Intellectual Property Rights, Non-Competition and
Non-Solicitation Agreement

**CONFIDENTIAL INFORMATION, INTELLECTUAL PROPERTY RIGHTS,
NON-COMPETITION AND NON-SOLICITATION AGREEMENT**

This Confidential Information, Intellectual Property Rights, Non-Competition and Non-Solicitation Agreement (the "Agreement") is made and entered into by and between Vireo Health, Inc., a Delaware corporation ("Company") and John Heller ("Employee"), as of December 1, 2020 (the "Effective Date"). Each of Company and Employee hereinafter may be referred to individually as a "Party" or, collectively, as the "Parties." In consideration of Employee's employment with Company, the compensation Employee will earn in connection with such employment, Company entering into an Employment Agreement with Employee (the "Employment Agreement"), Company providing Employee with ongoing access to Confidential Information (as defined below), and other good and valuable consideration, the sufficiency and receipt of which Employee acknowledges, Employee agrees as follows:

1. Confidential Information

1.1 Confidential Information and Trade Secrets Defined. Employee hereby acknowledges and understands the term "Confidential Information" means any data, information, or material of Company or its owners or its Affiliates relating directly or indirectly to Company or its owners or Affiliates: clients and customers or potential clients and customers (collectively "Customer(s)"); competitors; vendors; advertisers; employees; contractors; suppliers; or business partners, that is discovered or developed by, or disclosed to, Employee through Employee's relationship with Company, that is not generally ascertainable from public information, whether it is expressly identified as "confidential" or "trade secret," that includes, but is not limited to: financial information; invoices; business plans; business and contract applications; contracts; forms; research; price lists; marketing materials; advertising materials and developments; sales materials and reports; copyrighted materials; Trade Secrets; the particular needs and requirements of Customers; identities of potential Customers; and all accompanying Customer data. Employee hereby acknowledges and understands the term "Trade Secret(s)" includes, but is not limited to, a confidential, proprietary, and/or sensitive: formula; software; methodology; model; architecture; pattern; compilation; program; device; method; technique; or process, that is discovered, developed in whole or part by Employee, or disclosed to Employee, through Employee's relationship with Company, including any information, data, or material concerning the Business (as defined in Subsection 3.2), and all other information related to Company and its owner and Affiliates businesses, that is not generally known and readily ascertainable by proper means by any other person and/or Employee. This includes, but is not limited to, all inventions or discoveries made by Employee and/or Company (or its owners or Affiliates) resulting in whole or part from Employee's relationship with Company. The term "Trade Secret(s)" also includes, but is not limited to, Customer lists, invoices and reports containing specifically developed information, such as the name, address, phone number, buying history and other traits of Customers, along with any other information that Company derives a competitive advantage from and that Company makes reasonable efforts to maintain as secret. For purposes of this Agreement, "Affiliates" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, or an unincorporated organization, that directly, or indirectly through one or more intermediaries, controls, or has been or is controlled by, or is under common control with, Company, including without limitation Vireo Health International, Inc.

1.2 Use & Restriction. Employee acknowledges that Employee has had and will continue to have access to and be provided with Confidential Information in connection with performing services for Company. Employee expressly recognizes that the efficacy and profitability of Company and its owners and Affiliates is dependent in part upon Employee's protection of the Confidential Information. Employee may use the Confidential Information solely in connection with performing services for Company and its owners and Affiliates. To ensure the continued confidentiality of the Confidential Information, Employee agrees to hold the Confidential Information in strict confidence. Employee shall not, either during Employee's relationship with Company, or for such period as such information remains Confidential Information after termination, disclose or use for Employee's own benefit or for the benefit of any other individual or third party, directly or indirectly, any of the Confidential Information, except as such disclosure or use is expressly authorized by Company in writing. Employee hereby agrees to adhere to the method and form of protection of Confidential Information required by Company, subject to change at Company's sole discretion. Employee shall not communicate any Confidential Information, even in furtherance of Company's business, to any individual or third party not privy to the Confidential Information, without express consent by Company and the individual or third party's agreement to be bound by confidentiality terms that adequately protect Company's Confidential Information.

1.3 Exceptions. The confidentiality and restriction on the use of Confidential Information under this Agreement shall not apply to Confidential Information to the extent that such Confidential Information: is now, or hereafter becomes, through no breach of this Agreement by Employee, generally known or available to the public; was known to Employee without an obligation to hold it in confidence prior to the time such Confidential Information was disclosed to Employee by Company; is disclosed or used, as applicable, with the prior written consent of Company and in accordance with any limitations or conditions on such disclosure or use that may be imposed in such written consent; or was or is independently developed by Employee without any use of or reference to the Confidential Information. In addition, notwithstanding any other language in this Agreement to the contrary, Employee understands that Employee may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (a) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney if such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law or for pursuing an anti-retaliation lawsuit; or (b) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and Employee does not disclose the trade secret except pursuant to a court order.

1.4 Required Disclosure. The confidentiality obligations under this Agreement shall not apply to Confidential Information to the extent that such Confidential Information is required to be disclosed pursuant to the order or requirement of a court, administrative agency, or other authority, or otherwise by operation of applicable law. In the event of such order or requirement, Employee, if and to the extent permitted by law, shall give Company written notice thereof and of the Confidential Information to be disclosed as soon as practicable prior to disclosure of such Confidential Information and shall provide such reasonable assistance as Company may request, at Company's sole expense, in seeking a protective order or other appropriate relief in order to protect the confidentiality of the Confidential Information.

1.5 Other Nondisclosure Agreements. In the event that Company is subject to the terms of any confidentiality or nondisclosure agreement relating to some or all of the Confidential Information that imposes greater restrictions on the disclosure and/or use of such Confidential Information, then Employee shall comply with such greater restrictions to the extent that Employee is made aware of them.

1.6 Property of Company. Employee specifically acknowledges and understands that all Confidential Information and all of Company's and its owners and its Affiliates strategies and files, including, but not limited to, computer data, reports, materials, records, documents, notes, memoranda, and other items, and any originals or copies thereof, related to the business of Company or its owners or its Affiliates, which Employee either is provided, prepares, uses, or simply acquires during the term of this Agreement, are and shall remain the sole and exclusive property of Company and, to the extent applicable, shall not be removed from Company's premises without the prior consent of Company.

1.7 Return or Destroy Confidential Information. Employee agrees, immediately upon the termination of the relationship between Employee and Company for any reason or upon earlier request by Company to make a diligent search for any and all documents, computer discs, electronic files, software, tapes, computer printouts, or any other material constituting Confidential Information described in this Section 1, and shall: cease using the Confidential Information; promptly return to Company or destroy all Confidential Information and any copies thereof; and certify in writing that Employee has complied with the obligations of this Subsection 1.7.

1.8 Return of Company Property. Employee agrees, immediately upon the termination of the relationship between Employee and Company for any reason or upon earlier request by Company to promptly deliver to Company all Company property not covered by Subsection 1.7.

2. Intellectual Property

2.1 Prior Inventions. Any intellectual property, including, but not limited to, any ideas, inventions, patents, trademarks, service marks, copyrights, creations, know how, work product, and other developments or improvements, if any, patented or unpatented, that Employee, alone or with others, conceived, created, invented, developed, reduced to practice, or caused to be conceived and or caused to be reduced to practice prior to the earlier of (a) commencement of Employee's employment with Company or (b) when Employee first provided services to Company, is listed on Schedule 1 attached hereto ("Prior Inventions").

2.2 Ownership. Except with respect to Prior Inventions, all right, title, and interest of every kind and nature, whether now known or unknown, in and to any and all intellectual property, including, but not limited to, any ideas, inventions, patents, trademarks, service marks, copyrights, creations, know how, work product, properties and other developments or improvements, patented or unpatented, conceived, created, invented, written, developed, furnished, produced, disclosed, reduced to practice, or caused to be conceived and or caused to be reduced to practice in whole or in part, alone or with others, whether or not during working hours, by Employee during the term of Employee's employment with Company and for six (6) months thereafter, that are within the scope of Company's business operations or that relate to any of Company's work or projects, will, as and between Company and Employee, be and remain the sole and exclusive property of Company for any and all purposes and uses, and Employee hereby agrees to assign and assigns all rights thereto to Company. Intellectual property may be in any form including, but not limited to, written, oral, electronic, digital, or other form.

2.2 Work Made for Hire. Any work of Employee for which a copyright could be claimed developed in the course of employment with the Company will be deemed "work made for hire" under federal copyright law and all ownership rights to such work belong exclusively to Company. To the extent any invention does not qualify as a work for hire under applicable law, and to the extent any invention is subject to copyright, patent, trade secret, or other proprietary right protection, Employee hereby assigns, and agrees to assign, all rights therein to Company.

2.3 Pre-Existing Work. If, in the course of Employee's relationship with Company, Employee has used or uses, has relied upon or relies upon, has provided or provides, or has incorporated or incorporates any Prior Invention or any other intellectual property Employee owns, or in which Employee has had or has an interest, into any idea, invention, patent, trademark, service mark, copyright, creation, know how, work product, and other development or improvement conceived, created, invented, written, developed, furnished, produced, or disclosed in whole or in part, alone or with others, whether or not during working hours, by Employee during the term of Employee's employment with Company, Employee hereby grants Company, under all of Employee's intellectual property and proprietary rights, the following worldwide, non-exclusive, perpetual, irrevocable, royalty free, fully paid up rights: (a) to make, use, copy, modify, and create derivative works of such intellectual property; (b) to publicly perform or display, import, broadcast, transmit, distribute, license, offer to sell, and sell, rent, lease or lend copies of the intellectual property, and derivative works of the intellectual property; and (c) to sublicense the rights in this Subsection 2.3 to third parties.

2.4 Required Undertakings. Employee agrees, both while an employee of Company and thereafter, to assist Company and its owners and Affiliates, at Company's expense, in any and all attempts to obtain patents, copyrights, and/or trademarks or other intellectual property protection on any work Employee participated in developing and agrees to execute all documents necessary to obtain such rights in the name of or to transfer such rights to Company. If, because of Employee's mental or physical incapacity or for any other reason whatsoever, Company is unable to secure Employee's signature to apply for or pursue any patents, copyrights, or other protection for any invention assigned to Company under this Agreement or otherwise, Employee irrevocably designates and appoints Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact to act for Employee and on Employee's behalf and stead to file any applications and to do all other lawfully-permitted acts to further the prosecution and issuance of any patents, copyrights, or other protections with the same legal force and effect as if executed by Employee.

2.5 Limited Exclusion. This Section 2 does not apply to any inventions or intellectual property for which no equipment, supplies, facility or Confidential Information of Company was used, and which was developed entirely on Employee's own time, and (a) which does not relate (i) directly or indirectly to the business of Company or (ii) to Company's actual or demonstrably anticipated research or development, or (b) which does not result from any work performed by Employee for Company.

3. Non-competition and Non-solicitation

3.1 No Existing Restrictions. Employee represents and warrants that Employee is not a party to any confidentiality agreement, non-competition agreement, non-solicitation agreement, intellectual property rights agreement, or any other agreement with any former employer or other entity that in any way prohibits or inhibits Employee's ability to (a) be employed by Company; (b) perform services for Company; (c) enter into this Agreement; or (d) comply with Employee's obligations under this Agreement.

3.2 Non-competition and Non-solicitation. Employee acknowledges that Company is engaged in the business of the promotion, manufacture, cultivation, marketing or distribution of cannabis (the "Business"). Employee agrees that during the term of Employee's employment with Company and for twelve (12) consecutive months from the date of the termination of such employment (the "Restricted Period"), regardless of the reason for such termination and whether such termination is at the initiative of Employee or Company, Employee will not, directly or indirectly, individually or in connection with other individuals or entities, without the prior written consent of Company:

(a) Other than on behalf of Company, anywhere within a Market Area (as defined herein) in which Company or any of its Affiliates is then operating or doing business or in which the Company has then or within the prior six (6) months identified an intention of doing business (as confirmed by reasonable written support including, but not limited to, having begun the application or certification process to enable such Company or an Affiliate to do business in such Market Area) (the "Restricted Area"), control, manage, operate, be employed or engaged by, or otherwise participate, assist, or engage in business as, or own an interest in or provide financial or other assistance to, or permit Employee's name to be used in connection with, any individual proprietorship, partnership, corporation, joint venture, trust or any other form of business entity, if such entity is engaged, in whole or in part, in business or operations that compete with or that is the same as or substantially similar to the Business or that compete with or that is the same as or substantially similar to any other business then engaged in by Company or Company's owners or Affiliates, in in the Restricted Area; provided, however, this Section 3.2(a) does not prohibit or restrict Employee from holding a passive investment of not more than one percent (1%) of the outstanding shares of the capital stock of any publicly held corporation. For purposes of this Agreement, "Market Area" shall mean an imaginary circle with a fifty-mile radius centered on a cultivation, manufacturing, or retail facility operated by the Company or its Affiliate, or such smaller area as may be finally determined by a court of competent jurisdiction to be a reasonable area from which to exclude Employee from engaging in a competitive activity;

(b) Other than on behalf of Company, solicit any person who is then an employee, contractor, or consultant of Company, or Company's owners or Affiliates, or who was an employee, contractor, or consultant of Company, or Company's owners or Affiliates, within the prior six (6) months, to perform services, as an employee, contractor, consultant or otherwise, or take any actions which are intended to persuade any such employee, contractor, or consultant of Company, or Company's owners or Affiliates, to terminate his or her association with Company or Company's owners or Affiliates; or

(c) Other than on behalf of Company, solicit any then-current customer, potential customer, affiliate, or strategic partner of, or investor in, Company, for business that is the same as or substantially similar to, or otherwise competes with, the Business or with any other business then engaged in by Company or Company's owners or Affiliates in the Restricted Area, or otherwise interfere with the relationships of Company, or Company's owners or Affiliates, with any then-current customer, potential customer, affiliate, or strategic partner of, or investor in, Company, or Company's owners or Affiliates, or otherwise seek to cause a change in any such relationships.

3.3 Notice. Employee agrees that during the Restricted Period Employee will notify Company, in writing, of any opportunities that may involve a competitive activity or opportunity as set forth in Subsection 3.2(a) prior to accepting an offer to perform such services.

3.4 Affirmative Disclosure Obligation. Employee agrees that during the Restricted Period Employee will disclose the existence and terms of this Agreement to any prospective third party or other contracting party for whom Employee is considering providing services that constitute a competitive activity as set forth in Subsection 3.2.

3.5 Reasonableness. Employee agrees that the covenants contained in this Section 3 are necessary to protect Company's legitimate and protectable business interests and are reasonable with respect to their duration and scope. If, at the time of enforcement of this Section 3, a court holds that any restriction identified herein is unreasonable under the circumstances then existing, Company and Employee agree that such restriction shall be modified by the court such that the maximum period or scope legally permissible under such circumstances will be substituted for the period or scope identified herein.

3.6 Tolling. In the event that Employee violates any provision of this Section 3 to which there is a specific time period during which Employee is prohibited from taking certain actions or from engaging in certain activities as set forth herein, a violation of this Section 3 will toll the running of that time period from the date the violation commences until the date of its cessation. The period of time will also be tolled during any time period required for litigation during which Company seeks to enforce this Section 3.

4. Non-disparagement

Subject to Section 6, Employee agrees that during and after Employee's period of employment with Company Employee will not, publicly or privately, disparage or defame Company or its Affiliates, or any of Company's or its Affiliates' employees, officers, governors, members or agents.

5. Injunctive Relief

In the event of a breach or threatened breach of any covenant in Sections 1, 2, 3 or 4, Employee agrees that Company will be irreparably harmed, that money damages alone cannot adequately compensate Company, and that Company shall be entitled to temporary and injunctive relief as well as all applicable remedies at law or in equity available to Company against Employee including, but not limited to, reasonable attorneys' fees and costs incurred in bringing any action against Employee or otherwise enforcing the terms of this Agreement. Employee further agrees that in any such action, Company shall be entitled to relief without posting any bond or security.

6. No Unlawful Restriction

Employee understands and agrees that nothing in this Agreement is intended to or will prevent or interfere with Employee's ability or right to (a) provide truthful testimony if under subpoena to do so, (b) file any charge with or participate in any investigation or proceeding before the U.S. Equal Employment Opportunity Commission or any other federal, state or local governmental agency, (c) engage in any conduct protected under the National Labor Relations Act, or (d) respond to a subpoena, court order or as otherwise provided by law.

7. Miscellaneous

7.1 At Will Employment. Employee's employment with Company is "at will," which means it may be terminated at any time, with or without notice and for any or no reason, at the option of either Employee or Company.

7.2 Assignment. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, executors, administrators, legal representatives, successors and assigns of the Parties, except that the duties and responsibilities of Employee under this Agreement are of a personal nature and shall not be assignable or delegable in whole or in part by Employee.

7.3 Severability. Subject to Subsection 3.5, if any provision of this Agreement or application thereof to anyone or under any circumstances is adjudicated to be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect any other provision or application of this Agreement which can be given effect without the invalid or unenforceable provision or application and shall not invalidate or render unenforceable such provision or application in any other jurisdiction. If any provision is held void, invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

7.4 Entire Agreement. This Agreement and the Employment Agreement embody the entire agreement and understanding among the Parties relative to subject matter hereof and combined supersede all prior agreements and understandings relating to such subject matter, including but not limited to any earlier offers to Employee by Company; provided, however, this Agreement and the Employment Agreement are not intended to supersede or otherwise affect the Equity Incentive Plan (as defined in the Employment Agreement) or any Award Agreement (as defined in the Equity Incentive Plan), each of which shall remain in effect in accordance with its terms.

7.5 Applicable Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement are governed by the laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule, whether of the State of Minnesota or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Minnesota.

7.6 Choice of Jurisdiction. Employee and Company consent to jurisdiction of the courts of the State of Minnesota and/or the federal district courts, District of Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims for interpretation, breach or enforcement of this Agreement shall be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of Minnesota and hereby waives any defense of lack of personal jurisdiction or inconvenient forum.

7.7 Attorneys' Fees. In the event of any litigation or other proceeding concerning any controversy, claim or dispute between the parties hereto, arising out of or relating to this Agreement, the breach hereof or the interpretation hereof, the prevailing party will be entitled to recover from the other party reasonable expenses, attorneys' fees, and costs incurred therein or in the enforcement or collection of any judgment or award rendered therein. The "prevailing party" means the party determined by the court to have most nearly prevailed, even if such party did not prevail in all matters, not necessarily the party in whose favor a judgment is rendered. Further, in the event of any breach by Employee under this Agreement, Employee shall pay all the expenses and attorneys' fees incurred by Company in connection with such breach, whether or not any litigation is commenced.

7.8 Counterparts. This Agreement may be executed in any number of counterparts (including facsimile counterparts or counterparts delivered by electronic transmission (e.g., .PDF attachment)), each of which shall be an original, but all of which together shall constitute one instrument.

* * * * *

[signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date first above written.

Vireo Health, Inc.

By: /s/ Kyle Kingsley
Kyle Kingsley
Chief Executive Officer

EMPLOYEE

/s/ John Heller
John Heller

SCHEDULE 1

PRIOR INVENTIONS

TO: Vireo Health, Inc.

FROM: John Heller

DATE: December 8, 2020

SUBJECT: PRIOR INVENTIONS

1. Except as listed in Section 2 below, the following is a complete and accurate list of all intellectual property, including, but not limited to, any ideas, inventions, patents, trademarks, service marks, copyrights, creations, know how, work product, and other developments or improvements, if any, patented or unpatented, which I, alone or with others, conceived, created, invented, developed, reduced to practice, or caused to be conceived and or caused to be reduced to practice prior to the commencement of my employment or other relationship with Vireo Health, Inc.:

_____ I have no Prior Inventions to disclose

_____ Please see below:

_____ Additional Sheets Attached

2. Due to a prior confidentiality agreement, I cannot complete the disclosure under Section 1 above with respect to Prior Inventions generally listed below, the proprietary rights and duty of confidentiality with respect to which I owe to the following Party(ies):

	Prior Invention	Party(ies)	Relationship
1.	None	Not applicable	Not applicable
2.			
3.			

_____ Additional Sheet Attached

EXHIBIT 21.1

LIST OF SUBSIDIARIES[1]

Subsidiary	Formation Date	State of Organization
Vireo Health of Minnesota, LLC (*fka Minnesota Medical Solutions LLC*)	11/02/2012	Minnesota
Vireo Health of New York LLC *(fka Empire State Health Solutions LLC)*	02/13/2015	New York
Vireo Vaporizer Company LLC	04/23/2015	New York
MaryMed, LLC	08/18/2015	Maryland
Resurgent Biosciences, Inc. (*fka Resurgent Pharmaceuticals, Inc.*)	09/09/2016	Delaware
Vireo Health of New Jersey, LLC *(fka Vireo Health of North Dakota, LLC)*	08/07/2017	Delaware
1776 Hemp, LLC	11/06/2017	Delaware
Vireo Health of Puerto Rico, LLC	06/26/2018	Delaware
Vireo Health de Puerto Rico LLC	10/24/2018	Puerto Rico
Xaas Agro, Inc.	06/14/2016	Puerto Rico
Vireo Health of Nevada I, LLC	10/11/2018	Nevada
MJ Distributing C201, LLC	10/17/2018	Nevada
MJ Distributing P132, LLC	10/17/2018	Nevada
Vireo Health of Arizona, LLC	11/16/2018	Delaware
Elephant Head Farm, LLC	05/11/2016	Arizona
Retail Management Associates, LLC	12/15/2015	Arizona
844 East Tallmadge LLC	11/22/2018	Ohio
Vireo Health of Massachusetts, LLC	01/29/2019	Delaware
Verdant Grove, LLC	Initial formation on 03/21/2019 (DE), later converted to MA on 03/21/2020	Delaware, but converted to Massachusetts on 3/21/2020
Mayflower Botanicals Inc.	Initial formation on 07/27/2015 (MA), later converted to For Profit 11/16/2018	Massachusetts, but converted to For Profit 11/16/2018
Vireo Health of New Mexico, LLC	02/04/2019	Delaware
Vireo Health of Missouri, LLC	06/27/2019	Delaware

[1] In addition, Vireo is affiliated with the following entities: Arizona Natural Remedies, Inc. (Non-Profit Affiliate Managed by Retail Management Associates, LLC); Ohio Medical Solutions, Inc. (Affiliate); Dorchester Management, LLC (Affiliate); Red Barn Growers (Non-Profit Affiliate Managed by Vireo Health of New Mexico, LLC); New York CannaCare Corporation (Non-Profit Affiliate Managed by Vireo Health of New York, LLC)