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

FORM 8-K

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

Date of Report (Date of earliest event reported): December 17, 2024

VIREO GROWTH INC.

(Exact name of registrant as specified in its charter)

British Columbia
(State or other jurisdiction of Incorporation)

000-56225	**82-3835655**
(Commission File Number)	**(IRS Employer Identification No.)**
207 South 9th Street **Minneapolis, Minnesota**	**55402**
(Address of principal executive offices)	**(Zip Code)**

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

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

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

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

Emerging growth company ☒

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

Item 1.01. Entry into a Material Definitive Agreement

On December 18, 2024, Vireo Growth Inc. (the "Company"), entered into Merger Agreements (as defined herein) with respect to a business combination with each of (i) Deep Roots Holdings, Inc., a Nevada corporation ("Deep Roots") (the "Deep Roots Merger"); (ii) Proper Holdings Management, Inc. and NGH Investments, Inc., both Missouri corporations (together, "Proper") (the "Proper Mergers"); and (iii) WholesomeCo, Inc., a Delaware corporation ("Wholesome") (the "Wholesome Merger" and, collectively with the Deep Roots Merger and the Proper Mergers, the "Mergers"). As described in greater detail herein, each Merger is an all-share transaction whereby, at the closing of each applicable transaction, (i) a new wholly owned subsidiary of the Company would merge with and into Deep Roots, (ii) a new wholly owned subsidiary of the Company would merge with and into Wholesome, and (ii) the Proper entities would each merge with and into new wholly owned subsidiaries of the Company. None of the Deep Roots Merger, the Proper Mergers or the Wholesome Merger is contingent on the completion of any of the other Mergers.

The consideration to be paid to acquire each of Deep Roots, Proper and Wholesome is based, in each case, in part on an estimated multiple of a 2024 "Reference EBITDA", which is pro-forma for pending acquisitions as well as planned new retail openings and expansion projects, and a US$0.52 share reference price for the Company's subordinate voting shares.

Pursuant to the Merger Agreements, former stockholders of each of Deep Roots, Proper and Wholesome may qualify for earnout payments made with the Company's subordinate voting shares following December 31, 2026, based on each target's Adjusted EBITDA (as defined in the applicable Merger Agreement) growth compared to such target's Reference EBITDA (at a 4x multiple), adjusted for incremental debt and certain other matters, respectively, and paid out using a share price for the Company's subordinate voting shares of the higher of US$1.05 or the 20-day volume weighted average price of the Company's subordinate voting shares on the Canadian Securities Exchange, converted to United States Dollars based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during such 20-day period, as reported by Bloomberg Finance L.P. ("VWAP") as of December 31, 2026. Reference EBITDA for Deep Roots, Proper and Wholesome are US$31.0 million, US$31.0 million, and US$16.0 million, respectively. EBITDA growth is defined as the increase between Reference EBITDA and the higher of 2026 Adjusted EBITDA or trailing nine-month annualized Adjusted EBITDA as of December 31, 2026. In no event shall the number of earnout shares issued under each Merger Agreement exceed the number of shares issued as closing merger consideration in each Merger Agreement.

Each of the Merger Agreements provides for the clawback of up to 50% of the upfront merger consideration (excluding, in the case of Proper and Wholesome, the amounts attributable to Arches, as defined below) on December 31, 2026, if, in each case, (a) 2026 Adjusted EBITDA underperforms 96.5% of the Reference EBITDA, and (b) retail revenue market share or EBITDA margin for 2026 is less (or lower) than 2024 and (c) the 20-day VWAP as of December 31, 2026 is greater than US$1.05 per share. The amount of shares subject to a clawback would be equal to the Acquisition Multiple (as defined in each Merger Agreement) for each of Deep Roots, Proper and Wholesome, respectively, multiplied by the EBITDA shortfall, and subject to certain other adjustments set forth in the applicable Merger Agreement, divided by US$0.52 per share, not to exceed 50% of the upfront consideration.

In connection with the Wholesome Merger Agreement (as defined herein) and Proper Merger Agreement (as defined herein), the Company will include in the stock merger consideration calculation an amount equal to (i) US$11,860,800 for the stockholders of Wholesome and (ii) US$2,139,200 for the stockholders of Proper for all of the outstanding equity interests in Arches IP, Inc. ("Arches") owned by Wholesome and Proper, respectively. Subject to the terms and conditions of the Wholesome Merger Agreement and the Proper Merger Agreement, each of Wholesome, Proper and Arches option holders are collectively entitled to earnout payments based on performance of Arches, based on the greater of US$37.5 million or 5x certain revenue percentages of Arches, with such revenue percentage amounts measured at the higher of trailing-twelve-month or nine-month annualized amounts as of December 31, 2026, paid out using a share price for the Company's subordinate voting shares at the higher of US$1.05 or 20-day VWAP as of December 31, 2026.

In connection with each of the Merger Agreements, the Company will enter into an Investor Rights Agreement with the persons receiving the Company's subordinate voting shares in the Mergers. Each Investor Rights Agreement will require the Company in certain circumstances to prepare and file with the Securities and Exchange Commission (the "SEC") a registration statement covering the resale of the Company's subordinate voting shares issued pursuant to the Merger Agreements, in each case following the expiration of the initial 12 month lock-up period following the closing of the transactions under each Merger Agreement. Each Investor Rights Agreement will also provide such persons with certain piggyback registration rights in certain circumstances.

The closing of each of the Mergers is subject to the closing conditions described below and contained in the Merger Agreements. Pursuant to rules adopted by the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), a Schedule 14C information statement will be prepared by the Company and filed with the SEC and mailed to the stockholders of the Company relating to stockholder approval of the issuance of the Company's subordinate voting shares in the Mergers and any other approvals required under the rules of the Canadian Stock Exchange, which is expected to be obtained by written consent of the stockholders.

Deep Roots Merger Agreement

On December 18, 2024, the Company, Vireo DR Merger Sub Inc., a Nevada corporation ("DR Merger Sub"), Deep Roots and Shareholder Representative Services LLC, a Colorado limited liability company ("Shareholder Representative") entered into an Agreement and Plan of Merger (the "Deep Roots Merger Agreement"), pursuant to which, following the closing of the Deep Roots Merger, the Company will issue a number of subordinate voting shares in consideration for all of the issued and outstanding shares of Deep Roots equal to the amount of the Estimated Closing Merger Consideration (as defined in the Deep Roots Merger Agreement) divided by US$0.52, subject to a post-closing purchase price adjustment with respect to certain of the estimated items included in the Estimated Closing Merger Consideration. In general, the Estimated Closing Merger Consideration is based upon a multiple of the $31 million Reference EBITDA described above, adjusted for certain items as described in the definition of Closing Merger Consideration in the Deep Roots Merger Agreement, including cash, indebtedness, transaction expenses, working capital, and tax items. Subject to the terms and conditions of the Deep Roots Merger Agreement, at the closing, DR Merger Sub will merge with and into Deep Roots, with Deep Roots surviving as a wholly owned subsidiary of the Company.

The subordinate voting shares of the Company to be issued by the Company to the stockholders of Deep Roots pursuant to the Deep Roots Merger Agreement will be issued in reliance upon the exemptions from registration under the Securities Act of 1933, as amended (the "Securities Act"), provided by Section 4(a)(2) of the Securities Act as a transaction not involving a public offering and Rule 506 promulgated under the Securities Act.

The Deep Roots Merger Agreement contains customary representations, warranties and covenants, including covenants relating to the conduct of Deep Roots' businesses during the period between the execution of the Deep Roots Merger Agreement and the completion of the Deep Roots Merger, subject to certain exceptions.

The obligation of the parties to consummate the Deep Roots Merger is subject to a number of conditions, including but not limited to receipt of the approval of the Deep Roots Merger by holders of a majority of the outstanding shares of Deep Roots entitled to vote thereon, receipt of the approval of the Company's shareholders as required by the Canadian Stock Exchange by (i) in the case of a shareholder meeting, a majority of the votes cast at such meeting or (ii) in the case of action by written consent of shareholders, by a majority of the outstanding voting power of shares of the Company, the closing of an equity investment in the Company in an aggregate amount at least equal to US$75 million, the appointment by the Board of Directors of the Company (the "Board") of John Mazarakis as the Company's Chief Executive Officer and Co-Executive Chairman, delivery of certain documents and agreements, the accuracy of the representations and warranties of the parties (subject to the materiality standards contained in the Deep Roots Merger Agreement), the receipt of certain regulatory consents and approvals (including under the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") and approval of the Canadian Stock Exchange), delivery of investor rights agreements and lock-up agreements, Deep Roots having a minimum amount of cash as of the closing, the absence of Deep Roots stockholders exercising appraisal rights, and the absence of a Material Adverse Effect or Parent Material Adverse Effect (as each such term is defined in the Deep Roots Merger Agreement).

Pursuant to the Deep Roots Merger Agreement, the stockholders of Deep Roots will at or prior to the closing enter into lock-up agreements with the Company providing that each such person, for a period of up to 33 months, may not, subject to customary exceptions, offer, issue, sell, transfer or otherwise dispose of the Company's subordinate voting shares issued as closing merger consideration without the prior written consent of the Company. The lock-up agreements provide that the subordinate voting shares acquired by the stockholders of Deep Roots pursuant to the Deep Roots Merger Agreement as closing merger consideration are subject to a lock-up release schedule of 7.5% of shares 12-months post-closing of the Deep Roots Merger, 10% of shares 18-months and 21-months post-closing, 17.5% of shares 24-months post-closing, 15% of shares 27-months post-closing and 20% of shares 30-months and 33-months post-closing. In addition, all such subordinate voting shares of the Company then held by such persons are subject to lock-up during the 6-month period ending December 31, 2026. In addition, any of the Company's subordinate voting shares issued in connection with the earnout payments described above would be subject to lock-up periods following issuance of such earnout shares, with a 20% release per quarter ending at 15 months post-issuance.

The Deep Roots Merger Agreement also contains customary indemnification obligations of the Company and Deep Roots, other obligations of the parties and termination provisions, under which, subject to certain conditions and in certain instances of termination, would require the Company or Deep Roots to pay a termination fee equal to US$6,376,240. The Deep Roots Merger Agreement also provides the parties with certain remedies, including the right to specific performance, in the event of a breach of obligations under the Deep Roots Merger Agreement.

The foregoing description of the Deep Roots Merger Agreement is only a summary, does not purport to be complete and is qualified in its entirety by reference to the full text of the Deep Roots Merger Agreement, which is filed as Exhibit 2.1 to this Current Report on Form 8-K and is incorporated herein by reference. A copy of the Deep Roots Merger Agreement has been included to provide shareholders with information regarding its terms and conditions and is not intended to provide any factual information about the Company or Deep Roots. The representations, warranties and covenants contained in the Deep Roots Merger Agreement have been made solely for the benefit of the parties to the Deep Roots Merger Agreement, and are not intended as statements of fact to be relied upon by the Company's shareholders, but rather as a way of allocating the risk between the parties to the Deep Roots Merger Agreement in the event the statements therein prove to be inaccurate. Statements made in the Deep Roots Merger Agreement have been modified or qualified by certain confidential disclosures that were made between the parties in connection with the negotiation of the Deep Roots Merger Agreement, which disclosures are not reflected in the Deep Roots Merger Agreement attached hereto. Moreover, such statements may no longer be true as of a given date and may apply standards of materiality in a way that is different from what may be viewed as material by shareholders. Accordingly, shareholders should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the Company or Deep Roots. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Deep Roots Merger Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures. The Company acknowledges that, notwithstanding the inclusion of the foregoing cautionary statements, it is responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this Current Report on Form 8-K not misleading.

Proper Merger Agreement

On December 18, 2024, the Company, Vireo PR Merger Sub Inc., a Missouri corporation ("PR Merger Sub"), Vireo PR Merger Sub II Inc., a Missouri corporation ("PR Merger Sub II"), Proper Holdings, LLC ("Proper Parent"), Proper and Shareholder Representative entered into an Agreement and Plan of Merger (the "Proper Merger Agreement"), pursuant to which, following the closing of the Proper Mergers, the Company will issue a number of subordinate voting shares in consideration for all of the issued and outstanding shares of each of the Proper entities equal to the amount of the Estimated Closing Merger Consideration (as defined in the Proper Merger Agreement) divided by US$0.52, subject to a post-closing purchase price adjustment with respect to certain of the estimated items included in the Estimated Closing Merger Consideration. In general, the Estimated Closing Merger Consideration is based upon a multiple of the $31 million Reference EBITDA described above, adjusted for certain items as described in the definition of Closing Merger Consideration in the Proper Merger Agreement, including the amounts attributable to Arches as described above, cash, indebtedness, transaction expenses, working capital, and tax items. Subject to the terms and conditions of the Proper Merger Agreement, at the closing, NGH Investments, Inc. will merge with and into PR Merger Sub and Proper Holdings Management, Inc. will merge with and into PR Merger Sub II, with each of PR Merger Sub and PR Merger Sub II surviving as wholly owned subsidiaries of the Company.

The subordinate voting shares of the Company to be issued by the Company to Proper Parent as the stockholder of Proper pursuant to the Proper Merger Agreement will be issued in reliance upon the exemptions from registration under the Securities Act provided by Section 4(a)(2) of the Securities Act as a transaction not involving a public offering and Rule 506 promulgated under the Securities Act.

The Proper Merger Agreement contains customary representations, warranties and covenants, including covenants relating to the conduct of Proper's businesses during the period between the execution of the Proper Merger Agreement and the completion of the Proper Mergers, subject to certain exceptions.

The obligation of the parties to consummate the Proper Mergers is subject to a number of conditions, including but not limited to receipt of the approval of the Company's shareholders a required by the Canadian Stock Exchange by (i) in the case of a shareholder meeting, a majority of the votes cast at such meeting or (ii) in the case of action by written consent of shareholders, by a majority of the outstanding voting power of shares of the Company, the closing of an equity investment in the Company in an aggregate amount at least equal to US$75 million, the appointment by the Board of John Mazarakis as the Company's Chief Executive Officer and Co-Executive Chairman, the appointment by the Board of John Pennington as a director of the Company, the transfer of the CA Credit Agreement (as defined in the Proper Merger Agreement) to NGH Investments, Inc. and Proper Holdings Management, Inc., the completion of the Holdings Restructuring (as defined in the Proper Merger Agreement), delivery of certain documents and agreements, the accuracy of the representations and warranties of the parties (subject to the materiality standards contained in the Proper Merger Agreement), the receipt of certain regulatory consents and approvals (including under the HSR Act and approval of the Canadian Stock Exchange), delivery of an investor rights agreement and lock-up agreement, Proper having a minimum amount of cash as of the closing, and the absence of a Material Adverse Effect or Parent Material Adverse Effect (as each such term is defined in the Proper Merger Agreement).

Pursuant to the Proper Merger Agreement, Proper Parent will at or prior to the closing enter into a lock-up agreement with the Company (and each of the members or other transferees of Proper Parent who would ultimately receive any of the Company's subordinate voting shares from Proper Parent, prior to receipt of any such shares, would enter into a lock-up agreement with the Company) providing that each such person, for a period of up to 33 months, may not, subject to customary exceptions, offer, issue, sell, transfer or otherwise dispose of the Company's subordinate voting shares issued as closing merger consideration without the prior written consent of the Company. The lock-up agreements provide that the subordinate voting shares acquired by Proper Parent and/or the members of Proper Parent pursuant to the Proper Merger Agreement as closing merger consideration are subject to a lock-up release schedule of 7.5% of shares 12-months post-closing of the Proper Mergers, 10% of shares 18-months and 21-months post-closing, 17.5% of shares 24-months post-closing, 15% of shares 27-months post-closing and 20% of shares 30-months and 33-months post-closing. In addition, all such subordinate voting shares of the Company then held by such persons are subject to lock-up during the 6-month period ending December 31, 2026. In addition, any of the Company's subordinate voting shares issued in connection with the earnout payments described above would be subject to lock-up periods following issuance of such earnout shares, with a 20% release per quarter ending at 15 months post-issuance.

The Proper Merger Agreement also contains customary indemnification obligations of the Company or Proper, other obligations of the parties and termination provisions, under which, subject to certain conditions and in certain instances of termination, would require the Company or Proper to pay a termination fee equal to US$4,631,012. The Proper Merger Agreement also provides the parties with certain remedies, including the right to specific performance, in the event of a breach of obligations under the Proper Merger Agreement.

The foregoing description of the Proper Merger Agreement is only a summary, does not purport to be complete and is qualified in its entirety by reference to the full text of the Proper Merger Agreement, which is filed as Exhibit 2.2 to this Current Report on Form 8-K and is incorporated herein by reference. A copy of the Proper Merger Agreement has been included to provide shareholders with information regarding its terms and conditions, and is not intended to provide any factual information about the Company or Proper. The representations, warranties and covenants contained in the Proper Merger Agreement have been made solely for the benefit of the parties to the Proper Merger Agreement, and are not intended as statements of fact to be relied upon by the Company's shareholders, but rather as a way of allocating the risk between the parties to the Proper Merger Agreement in the event the statements therein prove to be inaccurate. Statements made in the Proper Merger Agreement have been modified or qualified by certain confidential disclosures that were made between the parties in connection with the negotiation of the Proper Merger Agreement, which disclosures are not reflected in the Proper Merger Agreement attached hereto. Moreover, such statements may no longer be true as of a given date and may apply standards of materiality in a way that is different from what may be viewed as material by shareholders. Accordingly, shareholders should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the Company or Proper. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Proper Merger Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures. The Company acknowledges that, notwithstanding the inclusion of the foregoing cautionary statements, it is responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this Current Report on Form 8-K not misleading.

Wholesome Merger Agreement

On December 18, 2024, the Company, Vireo WH Merger Sub Inc., a Delaware corporation ("WH Merger Sub"), Wholesome and Shareholder Representative entered into an Agreement and Plan of Merger (the "Wholesome Merger Agreement" and, together with the Deep Roots Merger Agreement and the Proper Merger Agreement, the "Merger Agreements"), pursuant to which, following the closing of the Wholesome Merger, the Company will issue a number of subordinate voting shares in consideration for all of the issued and outstanding shares of Wholesome equal to the amount of the Estimated Closing Merger Consideration (as defined in the Wholesome Merger Agreement) divided by US$0.52, subject to a post-closing purchase price adjustment with respect to certain of the estimated items included in the Estimated Closing Merger Consideration. In general, the Estimated Closing Merger Consideration is based upon a multiple of the $16 million Reference EBITDA described above, adjusted for certain items as described in the definition of Closing Merger Consideration in the Wholesome Merger Agreement, including the amounts attributable to Arches as described above, cash, indebtedness, transaction expenses, working capital, and tax items. Subject to the terms and conditions of the Wholesome Merger Agreement, at the closing, WH Merger Sub will merge with and into Wholesome, with Wholesome surviving as a wholly owned subsidiary of the Company.

The subordinate voting shares of the Company to be issued by the Company to the stockholders of Wholesome pursuant to the Wholesome Merger Agreement will be issued in reliance upon the exemptions from registration under the Securities Act provided by Section 4(a)(2) of the Securities Act as a transaction not involving a public offering and Rule 506 promulgated under the Securities Act.

The Wholesome Merger Agreement contains customary representations, warranties and covenants, including covenants relating to the conduct of Wholesome's businesses during the period between the execution of the Wholesome Merger Agreement and the completion of the Wholesome Merger, subject to certain exceptions.

The obligation of the parties to consummate the Wholesome Merger is subject to a number of conditions, including but not limited to receipt of the approval of the Wholesome Merger by holders of a majority of the outstanding shares of Wholesome entitled to vote thereon, receipt of that approval of the Company's shareholders as required by the Canadian Stock Exchange by (i) in the case of a shareholder meeting, a majority of the votes cast at such meeting or (ii) in the case of action by written consent of shareholders, by a majority of the outstanding voting power of shares of the Company, the closing of an equity investment in the Company in an aggregate amount at least equal to US$75 million, the appointment by the Board of John Mazarakis as the Company's Chief Executive Officer and Co-Executive Chairman, delivery of certain documents and agreements, the accuracy of the representations and warranties of the parties (subject to the materiality standards contained in the Wholesome Merger Agreement), the receipt of certain regulatory consents and approvals (including under the HSR Act and approval of the Canadian Stock Exchange), delivery of investor rights agreements and lock-up agreements, Wholesome having a minimum amount of cash as of the closing, the absence of Wholesome stockholders exercising appraisal rights, and the absence of a Material Adverse Effect or Parent Material Adverse Effect (as each such term is defined in the Wholesome Merger Agreement).

Pursuant to the Wholesome Merger Agreement, the stockholders of Wholesome will at or prior to the closing enter into lock-up agreements with the Company providing that each such person, for a period of up to 33 months, may not, subject to customary exceptions, offer, issue, sell, transfer or otherwise dispose of the Company's subordinate voting shares issued as closing merger consideration without the prior written consent of the Company. The lock-up agreements provide that the subordinate voting shares acquired by the stockholders of Wholesome pursuant to the Wholesome Merger Agreement as closing merger consideration are subject to a lock-up release schedule of 7.5% of shares 12-months post-closing of the Wholesome Merger, 10% of shares 18-months and 21-months post-closing, 17.5% of shares 24-months post-closing, 15% of shares 27-months post-closing and 20% of shares 30-months and 33-months post-closing. In addition, all such subordinate voting shares of the Company then held by such persons are subject to lock-up during the 6-month period ending December 31, 2026. In addition, any of the Company's subordinate voting shares issued in connection with the earnout payments described above would be subject to lock-up periods following issuance of such earnout shares, with a 20% release per quarter ending at 15 months post-issuance.

The Wholesome Merger Agreement also contains customary indemnification obligations of the Company or Wholesome, other obligations of the parties and termination provisions, under which, subject to certain conditions and in certain instances of termination, would require the Company or Wholesome to pay a termination fee equal to US$3,394,217. The Wholesome Merger Agreement also provides the parties with certain remedies, including the right to specific performance, in the event of a breach of obligations under the Wholesome Merger Agreement.

The foregoing description of the Wholesome Merger Agreement is only a summary, does not purport to be complete and is qualified in its entirety by reference to the full text of the Wholesome Merger Agreement, which is filed as Exhibit 2.3 to this Current Report on Form 8-K and is incorporated herein by reference. A copy of the Wholesome Merger Agreement has been included to provide shareholders with information regarding its terms and conditions, and is not intended to provide any factual information about the Company or Wholesome. The representations, warranties and covenants contained in the Wholesome Merger Agreement have been made solely for the benefit of the parties to the Wholesome Merger Agreement, and are not intended as statements of fact to be relied upon by the Company's shareholders, but rather as a way of allocating the risk between the parties to the Wholesome Merger Agreement in the event the statements therein prove to be inaccurate. Statements made in the Wholesome Merger Agreement have been modified or qualified by certain confidential disclosures that were made between the parties in connection with the negotiation of the Wholesome Merger Agreement, which disclosures are not reflected in the Wholesome Merger Agreement attached hereto. Moreover, such statements may no longer be true as of a given date and may apply standards of materiality in a way that is different from what may be viewed as material by shareholders. Accordingly, shareholders should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the Company or Wholesome. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Wholesome Merger Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures. The Company acknowledges that, notwithstanding the inclusion of the foregoing cautionary statements, it is responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this Current Report on Form 8-K not misleading.

Memorandum of Understanding with Bill's Nursery, Inc.

Effective as of December 18, 2024, the Company and Bill's Nursery, Inc. ("Bill's") entered into a binding Memorandum of Understanding (the "MOU"). Subject to the terms and conditions of the MOU, the Company intends to negotiate and enter into an Agreement and Plan of Merger with Bill's (the "Bill's Merger Agreement"), pursuant to which a newly incorporated subsidiary of the Company would merge with and into Bill's, with Bill's surviving as a wholly owned subsidiary of the Company (the "Proposed Transaction"). The principal terms of the MOU are as follows:

- the Company would issue 210,000,000 subordinate voting shares of the Company at a per-share value of US$0.52 per share in consideration of all of the issued and outstanding shares of Bill's;
- the Bill's Merger Agreement would be expected to provide (i) stockholders of Bill's with an earn-out payment to be reasonably agreed upon between the Company and Bill's, (ii) a clawback of up to 95,000,000 subordinate voting shares of the Company, subject to Bill's performance during the fiscal year 2026 and (iii) customary covenants with respect to the operation of Bill's and the Company from and after the closing of the Proposed Transaction;

- Bill's and the Company will each be responsible for their respective costs, expenses and fees incurred in connection with the negotiation, preparation and execution of the Bill's Merger Agreement and the completion of the Proposed Transaction;

- during the period commencing upon the full execution of the MOU and ending at 5:00 p.m., Eastern Standard Time, on January 24, 2025 (the "Exclusivity Period"), neither Bill's nor its subsidiaries nor anyone acting on their respective behalf will engage in any efforts to, and will not knowingly, directly or indirectly, through any officer, employee, director, representative, parent, affiliate, broker, advisor or otherwise: (a) solicit, initiate or entertain the submission of inquiries, proposals or offers from any corporation, partnership, person or other entity, person or group relating to, directly or indirectly, (i) any acquisition or purchase of, or any debt, convertible debt, equity or profit sharing interest, voting rights or control rights in (A) Bill's, (B) any of the Bill's subsidiaries or controlled affiliates or (C) any operating company that has a management services agreement with Bill's or any of its subsidiaries or controlled affiliates, or (ii) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, of any of the assets of Bill's, its subsidiaries or controlled affiliates (other than sales of inventory on commercial terms in the ordinary course of business) (each an "Acquisition Proposal"); or (b) participate or engage in, in each case directly or indirectly, any negotiations or other discussions relating to any Acquisition Proposal; and

- on December 20, 2024, the Company paid to Bill's an amount in cash equal to US$1 million and, in the event that the parties do not execute and deliver the Bill's Merger Agreement by the end of the Exclusivity Period, Bill's will pay to the Company an amount in cash equal to US$1.25 million within two business days of the end of such period. If the parties execute and deliver the Bill's Merger Agreement, the US$1 million paid by the Company will be repaid by Bill's in connection with the closing of the Proposed Transaction.

The foregoing description of the MOU is only a summary, does not purport to be complete and is qualified in its entirety by reference to the full text of the MOU, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Subscription Agreement

On December 17, 2024, the Company entered into definitive subscription agreements (the "Subscription Agreements") with certain investors to sell 120,000,000 subordinate voting shares of the Company at a cash price of US$0.625 per subordinate voting share for total proceeds to the Company of US$75,000,000, with closing subject only to applicable Canadian Stock Exchange notice periods (the "Equity Raise"). The securities are being sold in reliance upon the exemptions from registration under the Securities Act provided by Section 4(a)(2) of the Securities Act as a transaction not involving a public offering and Rule 506 promulgated under the Securities Act.

The Subscription Agreements contain customary representations and warranties and agreements of the Company and each investor and customary indemnification rights and obligations of the parties. The representations and warranties of each party set forth in the Subscription Agreements have been made solely for the benefit of the other parties to the subscription agreements, and such representations and warranties should not be relied on by any other person. Additionally, the Subscription Agreement provides for a six-month lock-up period on the subordinate voting shares sold to each investor starting from the Closing Date of the Equity Raise during which time the subordinate voting shares will not be transferable by the investor without the prior written consent of the Company.

The information provided herein shall not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company.

A form of the Subscription Agreement is attached as Exhibit 10.2 hereto. The description of the terms of the Subscription Agreements is not intended to be complete and is qualified in its entirety by reference to such exhibit, and which exhibit is incorporated herein by reference.

Item 3.01 Unregistered Sales of Equity Securities

The information set forth under Item 1.01 of this Current Report on Form 8-K related to the subordinate voting shares to be issued in connection with the Mergers and issued in connection with the Subscription Agreements is incorporated herein by reference, to the extent required herein. The securities are being sold in reliance upon the exemptions from registration under the Securities Act provided by Section 4(a)(2) of the Securities Act as a transaction not involving a public offering and Rule 506 promulgated under the Securities Act.

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

John Mazarakis Appointment

On December 17, 2024, the Board appointed John Mazarakis, age 48, as Chief Executive Officer and a director of the Company. He was also appointed Co-Executive Chairman of the Board. Mr. Mazarakis was also selected to serve on the Board because of his significant entrepreneurial, operational and managerial expertise and extensive experience in operating, advising and investing in retail industries.

Mr. Mazarakis has served as partner of Chicago Atlantic Group, LP and its affiliates since April 2019. He has served as Executive Chairman of Chicago Atlantic Real Estate Finance, Inc. since December 2021, as a director of Chicago Atlantic BDC, Inc. since October 2024, and as director of Cansortium, Inc. from July 2023 to December 2024.

Mr. Mazarakis has no family relationships with any other director, executive officer or person nominated or chosen by the Company to become a director or executive officer.

In connection with his appointment, the Company entered into an Employment Agreement with Mr. Mazarakis (the "Mazarakis Employment Agreement"). Under the Mazarakis Employment Agreement, the Company agreed to pay Mr. Mazarakis a base salary of $1.00 per annum. On the Effective Date (as defined in the Mazarakis Employment Agreement) and on each anniversary of the Effective Date, the Company shall issue to Mr. Mazarakis 3,200,000 subordinate voting shares of the Company, which will be fully vested when issued. Within 30 days following the Effective Date, the Company shall issue to Mr. Mazarakis 19,000,000 Restricted Stock Units settled in subordinate voting shares of the Company (the "Time-Vested RSU's"). The Time-Vested RSU's shall become 50% vested upon the first anniversary of the Effective Date and the balance shall continue to vest at the rate of 12.5% every three months thereafter until fully vested provided that Mr. Mazarakis remains employed by the Company or an affiliate as of each applicable vesting date. Vesting will accelerate and the Time-Vested RSUs will be 100% vested in the event that Mr. Mazarakis is terminated by the Company for any reason other than for Cause (as defined in the Mazarakis Employment Agreement), upon a resignation by Mr. Mazarakis for Good Reason (as defined in the Mazarakis Employment Agreement), upon Mr. Mazarakis' death or Disability (as defined in the Mazarakis Employment Agreement) or upon the consummation of a transaction constituting a Change in Control (as defined in the Mazarakis Employment Agreement). Within 30 days following the Effective Date, the Company shall issue to Mr. Mazarakis 19,000,000 Restricted Stock Units settled in subordinate voting shares of the Company (the "Performance-Vested RSU's"). The Performance-Vested RSU's shall become vested during the Term (as defined below) as follows: 1/3 of the Performance-Vested RSU's shall become vested when the 30-day VWAP of the Company shares exceeds US$0.85, an additional 1/3 shall become vested when the 30-day VWAP exceeds US$1.05 and the final 1/3 shall become vested when the 30-day VWAP exceeds US$1.25. Vesting will accelerate and the Performance-Vested RSU's will become 100% vested in the event that Mr. Mazarakis is terminated by the Company for any reason other than for Cause, upon a resignation by Mr. Mazarakis for Good Reason, upon Mr. Mazarakis' death or Disability or upon the consummation of a transaction constituting a Change in Control.

Under the Mazarakis Employment Agreement, Mr. Mazarakis is also entitled to certain bonus payments, subject to certain conditions, in the event of (i) the refinancing of any outstanding debt of the Company not less than $80,000,000 at an effective interest rate of not more than 9.75%, (ii) the acquisition or merger with any entity where the total enterprise value of such other entity is $100,000,000 or greater, (iii) a Change of Control transaction, and (iv) the consummation of a transaction raising additional capital at a price per share greater than US$1.50.

Unless terminated at an earlier date in accordance with the Mazarakis Employment Agreement, the term of Mr. Mazarakis' employment with the Company 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 the terms and conditions of the Mazarakis Employment Agreement. The Term shall cease as of the date of Mr. Mazarakis' termination of employment.

Mr. Mazarakis will be eligible to participate in any employee benefits generally available to other employees.

If Mr. Mazarakis' employment with the Company is terminated during the Term by the Company without Cause or by Mr. Mazarakis for Good Reason, then the Company will, in addition to paying Mr. Mazarakis' base salary and other compensation earned through the termination date, (a) pay an amount equal to one hundred percent (100%) of his annualized base salary as of the termination date, less all legally required and authorized deductions and withholdings, (b) accelerate the vesting of any equity incentive awards issued to Mr. Mazarakis that remain subject to any time or performance vesting criteria as of the termination date such that the, (c) pay any other incentive compensation, including, without limitation, any bonus payments earned but unpaid as of the termination date, (d) reimburse Mr. Mazarakis for the cost of continuation of health coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), through the earliest of: (i) the twelve month anniversary of the termination date, (ii) the date Mr. Mazarakis becomes eligible for group health insurance coverage from any other employer, or (iii) the date Mr. Mazarakis is no longer eligible to continue his group health insurance coverage under applicable law, and (e) pay up to US$10,000 for outplacement services by an outplacement services provider selected by Mr. Mazarakis.

The foregoing severance benefits are conditioned upon Mr. Mazarakis signing and not revoking a release of claims following his termination date.

This summary of the Mazarakis Agreement is qualified in its entirety by reference to the full text of the Mazarakis Employment Agreement, which is attached as Exhibit 10.3 to this Current Report on Form 8-K and is incorporated herein by reference. Other than as disclosed in this Form 8-K, there are no arrangements or understandings between Mr. Mazarakis and any other person pursuant to which he was selected for the positions to which he was appointed.

Chicago Atlantic Group, LP, of which Mr. Mazarakis serves as partner, is an affiliate of Chicago Atlantic Admin, LLC (the "Agent"), the Company's administrative agent under the Company's Credit Facility. Given his ownership interest in the Agent and its affiliates, Mr. Mazarakis has an approximate 29% interest in the Company's transactions with the Agent. As detailed in prior filings by the Company, on March 31, 2023, the Company executed a fifth amendment to its Credit Facility with the Agent. The amended credit facility extended the maturity date on the Company's Delayed Draw Loans to April 30, 2024, through the issuance of 15,000,000 subordinate voting shares in lieu of a cash extension fee. These 15,000,000 shares were valued at $1,407,903 and considered a deferred financing cost.

On April 28, 2023, the Company closed on a convertible debt facility with the Agent, which enabled the Company to access up to $10,000,000 in aggregate principal amount of convertible notes (the "Convertible Notes"). The convertible facility had a term of three years, with an annual interest rate of 12.0%, 6.0% cash and 6.0% paid-in-kind. The Company ultimately drew down the full $10,000,000. For each tranche advanced, the principal amount of Convertible Notes outstanding, plus all paid-in-kind interest and all other accrued but unpaid interest thereunder, was convertible into Subordinate Voting Shares of the Company at the option of the holders at any time by written notice to the Company. If the notes were not converted, the outstanding principal amount and unpaid paid-in-kind interest is due on April 30, 2026.

In connection with the Convertible Notes, the Company issued 6,250,000 warrants to purchase subordinate voting shares of the Company to the lenders. These warrants have a five-year term, a strike price of $0.145, and were valued at $497,055.

On April 30, 2024, the Company entered into a Seventh Amendment to the Credit Agreement with the Agent, which extended the maturity date of the Credit Facility to June 14, 2024. On June 14, 2024, the Company entered into an Eighth Amendment to the Credit Facility to extend the maturity date on the Company's Credit Facility to July 31, 2024.

On July 31, 2024, the Company entered into a Waiver and Ninth Amendment to the Credit Facility pursuant to which the Agent and the lenders party thereto waived the event of default under the Credit Agreement resulting from the Company's failure to complete the disposition of its New York operations on or prior to January 1, 2024, extended the maturity date on the Company's loans under the Credit Agreement to January 29, 2027, adjusted and extended the deadline with respect to the Company's ongoing disposition of its New York operations through July 31, 2025, and amended certain financial measure definitions and covenants within the Credit Agreement.

On July 31, 2024 and in connection with entry into the Ninth Amendment, the Company issued 12,500,000 subordinate voting shares to the lenders party to the Credit Agreement in consideration for the lenders' entry into the Ninth Amendment.

On July 31, 2024, certain converting security holders of the Convertible Notes notified the Company of their intent to voluntarily convert all of the outstanding Convertible Notes. The Notes had an outstanding balance of approximately US$10.5 million, carried an interest rate of 12.0% per annum, and were convertible into subordinate vote shares of the Company at an exercise price of $0.145. As a result of the conversion, the Company issued approximately 73,000,000 subordinate voting shares to such converting noteholders.

On November 1, 2024, the Company entered into a Joinder and Tenth Amendment to the Credit Agreement which provided a convertible note facility (the "2024 Convertible Notes") with a maximum principal amount of US$10 million. The 2024 Convertible Notes mature November 1, 2027, have a cash interest rate of 12.0 percent per year, are convertible into that number of the Company's subordinate voting shares determined by dividing the outstanding principal amount plus all accrued but unpaid interest on the 2024 Convertible Notes on the date of such conversion by a conversion price of US$0.625.

As of November 30, 2024, US$72,317,391 in aggregate principal amount was outstanding under the various tranches provided by the Credit Facility pursuant to the Credit Agreement with Agent, which tranches accrue interest at varying rates as set forth in the Credit Agreement including (i) a senior secured delayed draw term loan of up to US$55,000,000 that accrues interest at the U.S. prime rate plus 10.375%, payable monthly in cash and 2.75% per annum paid in kind interest payable monthly, (ii) a loan for US$4,200,000 that accrues interest at a cash interest rate of 15% per annum and 2.00% per annum paid in kind interest payable monthly and (iii) a $1,200,000 term loan which accrues interest a rate of 12.0%. From January 1, 2023 to November 30, 2024, the Company paid a total of US$72,000 in principal and US$21,901,263 in interest under the various tranches of the credit facility. There were no amounts outstanding under the Convertible Notes as all of the outstanding Convertible Notes were converted into approximately 73,000,000 subordinate voting shares on July 31, 2024. From January 1, 2023 to November 30, 2024, the Company paid an aggregate amount of US$587,329 in interest on the Convertible Notes, which accrued interest at an annual interest rate of 12.0%, including 6.0% cash and 6.0% paid-in-kind. As of November 30, 2024, US$10,000,000 remained outstanding under the 2024 Convertible Notes and, from November 1, 2024 to November 30, 2024, the Company paid an aggregate amount of US$72,329 in interest on the 2024 Convertible Notes, which accrues interest at an annual interest rate of 12.0 percent per year.

On December 17, 2024, CA PIPE SPV, LLC entered into a Subscription Agreement in connection with the Equity Raise and committed to purchase approximately US$20,000,000 of subordinate voting shares. As a partner of Chicago Atlantic Manager, LLC, the manager of CA PIPE SPV, LLC, Mr. Mazarakis has a direct material interest in the Equity Raise. The value of Mr. Mazarakis' interest in the Equity Raise is approximately US$5,800,000.

According to the Form 4 filed on August 2, 2024 by Chicago Atlantic Credit Opportunities, LLC and its affiliates, Chicago Atlantic Credit Opportunities, LLC and its affiliates beneficially own 93,968,268 subordinate voting shares of the Company.

Tyson Macdonald Appointment

On December 17, 2024, the Board appointed Tyson Macdonald, age 50, as Chief Financial Officer of the Company. From May 2022 until November 2024, Mr. Macdonald served as Chief Executive Officer of Nova Net Lease REIT. From August 2017 to March 2020, he served as Executive Vice President of Corporate Development of Acreage Holdings. From April 2020 to present, he has served as Managing Director of TrueRise Capital. Mr. Macdonald has served as a director of Avant Brands since March 2024.

In connection with his appointment, the Company entered into an Employment Agreement with Mr. Macdonald (the "Macdonald Employment Agreement"). Under the Macdonald Employment Agreement, the Company agreed to pay Mr. Macdonald an annualized base salary of $500,000, which will be earned by Mr. Macdonald on a pro rata basis as Mr. Macdonald performs services for the Company. For each of the Company's fiscal years during the Term (as defined below), the Board will conduct a review and establish Mr. Macdonald's base salary in an amount not less than the base salary in effect for the prior year.

Under the Macdonald Employment Agreement, on the Effective Date (as defined in the Macdonald Employment Agreement) and on each anniversary of the Effective Date, the Company shall issue to Mr. Macdonald a number of subordinate voting shares of the Company determined by dividing US$800,000 by the 10-day VWAP immediately preceding the date of issuance, which will be fully vested when issued. Within 30 days following the Effective Date, the Company shall issue to Mr. Macdonald 9,500,000 Restricted Stock Units settled in subordinate voting shares of the Company (the "Time-Vested RSU's"). The Time-Vested RSU's shall become 50% vested upon the first anniversary of the Effective Date and the balance shall continue to vest at the rate of 12.5% every three months thereafter until fully vested provided that Mr. Macdonald remains employed by the Company or an affiliate as of each applicable vesting date. Vesting will accelerate and the Time-Vested RSUs will be 100% vested in the event that the Mr. Macdonald is terminated by the Company for any reason other than for Cause (as defined in the Macdonald Employment Agreement), upon a resignation by Mr. Macdonald for Good Reason (as defined in the Macdonald Employment Agreement), upon Mr. Macdonald's death or Disability (as defined in the Macdonald Employment Agreement) or upon the consummation of a transaction constituting a Change in Control (as defined in the Macdonald Employment Agreement). Within 30 days following the Effective Date, the Company shall issue to Mr. Macdonald 9,500,000 Restricted Stock Units settled in subordinate voting shares of the Company (the "Performance-Vested RSU's"). The Performance-Vested RSU's shall become vested during the Term (as defined below) as follows: 1/3 of the Performance-Vested RSU's shall become vested when the 30-day VWAP of the Company shares exceeds US$0.85, an additional 1/3 shall become vested when the 30-day VWAP exceeds US$1.05 and the final 1/3 shall become vested when the 30-day VWAP exceeds US$1.25. Vesting will accelerate and the Performance-Vested RSU's will become 100% vested in the event that Mr. Macdonald is terminated by the Company for any reason other than for Cause, upon a resignation by Mr. Macdonald for Good Reason, upon Mr. Macdonald's death or Disability or upon the consummation of a transaction constituting a Change in Control.

Under the Macdonald Employment Agreement, Mr. Macdonald is also entitled to certain bonus payments, subject to certain conditions, in the event of (i) the refinancing of any outstanding debt of the Company not less than $80,000,000 at an effective interest rate of not more than 9.75%, (ii) the acquisition or merger with any entity where the total enterprise value of such other entity is $100,000,000 or greater, (iii) a Change of Control transaction, and (iv) the consummation of a transaction raising additional capital at a price per share greater than US$1.50.

Unless terminated at an earlier date in accordance with the Macdonald Employment Agreement, the term of Mr. Macdonald's employment with the Company 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 the terms and conditions of the Macdonald Employment Agreement. The Term shall cease as of the date of Mr. Macdonald's termination of employment.

Mr. Macdonald will be eligible to participate in any employee benefits generally available to other employees.

If Mr. Macdonald's employment with the Company is terminated during the Term by the Company without Cause or by Mr. Macdonald for Good Reason, then the Company will, in addition to paying Mr. Macdonald's base salary and other compensation earned through the termination date, (a) pay an amount equal to one hundred percent (100%) of his annualized base salary as of the termination date, less all legally required and authorized deductions and withholdings, (b) accelerate the vesting of any equity incentive awards issued to Mr. Macdonald that remain subject to any time or performance vesting criteria as of the termination date such that the, (c) pay any other incentive compensation, including, without limitation, any bonus payments earned but unpaid as of the termination date, (d) reimburse Mr. Macdonald for the cost of continuation of health coverage pursuant to the COBRA, through the earliest of: (i) the twelve month anniversary of the termination date, (ii) the date Mr. Macdonald becomes eligible for group health insurance coverage from any other employer, or (iii) the date Mr. Macdonald is no longer eligible to continue his group health insurance coverage under applicable law, and (e) pay up to US$10,000 for outplacement services by an outplacement services provider selected by Mr. Macdonald.

The foregoing severance benefits are conditioned upon Mr. Macdonald signing and not revoking a release of claims following his termination date.

This summary of the Macdonald Employment Agreement is qualified in its entirety by reference to the full text of the Macdonald Employment Agreement, which is attached as Exhibit 10.4 to this Current Report on Form 8-K and is incorporated herein by reference. Other than the Macdonald Employment Agreement, there are no arrangements or understandings between Mr. Macdonald and any other person pursuant to which he was selected for the positions to which he was appointed.

Mr. Macdonald has no family relationships with any other director, executive officer or person nominated or chosen by the Company to become a director or executive officer.

Mr. Macdonald represented Deep Roots in the Deep Roots Merger in his role as Managing Partner for TrueRise Capital, which provided strategic financial advisory services to Deep Roots in connection with the Deep Roots Merger. Mr. Macdonald owns 60% of the equity interests of TrueRise Capital. As of the filing of this Form 8-K, Deep Roots has $260,000 of fees outstanding to TrueRise Capital in connection with certain financial advisory services provided by TrueRise Capital to Deep Roots, including in connection with the Deep Roots Merger. TrueRise Capital is also entitled to a fee equal to 1.5% of the merger consideration to be paid in the Deep Roots Merger, which may be adjusted to a cash fee of US$1,500,000 at closing of the Deep Roots Merger.

Joseph Duxbury Appointment

On December 17, 2024, Joseph Duxbury resigned from his role as Interim Chief Financial Officer of the Company. He will assume the role of Chief Accounting Officer of the Company.

Biographical information for Mr. Duxbury is set forth in the Company's Current Report on Form 8-K, filed with the SEC on October 15, 2024, and such biographical information is incorporated herein by reference. Mr. Duxbury has no family relationships with any other director, executive officer or person nominated or chosen by the Company to become a director or executive officer. There are no arrangements or understandings between Mr. Duxbury and any other person pursuant to which he was selected for the position to which he was appointed.

Amber Shimpa Resignation

On December 17, 2024, Amber Shimpa resigned from her role as Chief Executive Officer of the Company. She will continue to serve as President of the Company.

Item 7.01 Regulation FD Disclosure

On December 18, 2024, the Company issued a press release announcing the matters disclosed in this Current Report on Form 8-K, which is attached as Exhibit 99.1 hereto and is incorporated herein solely for purposes of this Item 7.01 disclosure.

On December 18, 2024, the Company held a conference call regarding the matters disclosed in this Current Report on Form 8-K. A copy of the presentation materials used during the conference call is attached as Exhibit 99.2 hereto and is incorporated herein solely for purposes of this Item 7.01 disclosure.

Pursuant to the rules and regulations of the SEC, the information in this Item 7.01 disclosure, including Exhibits 99.1 and 99.2, and information set forth therein, is deemed to have been furnished and shall not be deemed to be "filed" under the Exchange Act.

Additional Information

This Current Report on Form 8-K and the exhibits hereto include certain "non-GAAP financial measures" as defined in Regulation G under the Exchange Act, including EBITDA, Adjusted EBITDA, Reference EBITDA, net debt and net leverage. These non-GAAP financial measures are included in this Current Report on Form 8-K as the management of the Company believes such measures are useful to investors in evaluating the companies' operating performance and the potential benefits of the Mergers. In addition, these measures are included because certain elements of consideration payable or potentially payable to stockholders in the Mergers (or subject to clawback) are based in whole or in part on certain of these metrics. These non-GAAP financial measures are not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP by the Company in its filings with the SEC. The non-GAAP financial measures also may not be comparable to similar measures disclosed by other companies because of differing methods used by other companies in calculating similar non-GAAP measures. As it relates to the Merger Agreements, the Company defines these non-GAAP financial measures in each of the Merger Agreements. As it otherwise relates to Exhibits 99.1 and 99.2, the Company defines EBITDA as operating income plus depreciation, amortization, and depreciation included in costs of goods sold; net debt as total debt less cash and cash equivalents; and net leverage as net debt divided by EBITDA.

Forward-Looking Statement Disclosure

This Current Report on Form 8-K and the exhibits hereto contain "forward-looking information" within the meaning of applicable United States and Canadian securities legislation. To the extent any forward-looking information in this Current Report on Form 8-K constitutes "financial outlooks" within the meaning of applicable securities laws, this information is being provided as preliminary expected financial results based on management estimates and information provided by Deep Roots, Proper or Wholesome, as applicable; the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such financial outlooks. Forward-looking information contained in this Current Report on Form 8-K may be identified by the use of words such as "should," "believe," "estimate," "would," "looking forward," "may," "continue," "expect," "expected," "will," "likely," "subject to," "transformation," and "pending," variations of such words and phrases, or any statements or clauses containing verbs in any future tense and includes, but may not be limited to, completion of the Mergers; the estimated 2024 proforma revenue and EBITDA of Deep Roots, Proper and Wholesome; the purchase price for the Mergers; the terms of the Mergers, including the consideration to be paid for each of Deep Roots, Proper and Wholesome; the timeline for the closing of the Mergers; shareholder approval related to the Mergers; the regulatory approvals required for the Mergers; and whether any definitive merger agreement with respect to the Proposed Transactions with Bill's would be negotiated and entered into. These statements should not be read as guarantees of future performance or results. Forward-looking information includes both known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company or its subsidiaries to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements or information contained in this Current Report on Form 8-K. Financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to various risks as set out herein and in our Annual Report on Form 10-K filed with the SEC, including consistency of financial results for each of Deep Roots, Proper and Wholesome based on information provided by such companies and information included or referenced in the Merger Agreements, and assuming closing of the Mergers upon satisfaction or waiver of applicable closing conditions. Our actual financial position and results of operations may differ materially from management's current expectations and, as a result, our revenue, EBITDA, and cash on hand may differ materially from the values provided in this press release. Forward-looking information is based upon a number of estimates and assumptions of management, believed but not certain to be reasonable, in light of management's experience and perception of trends, current conditions, and expected developments, as well as other factors relevant in the circumstances, including assumptions in respect of current and future market conditions, the current and future regulatory environment, and the availability of licenses, approvals and permits.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, the reader should not place undue reliance on the forward-looking information because the Company can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking information is subject to a variety of risks and uncertainties that could cause actual events or results to differ materially from those projected in the forward-looking information. Such risks and uncertainties include, but are not limited to: risks related to the shareholder approval of the Mergers; risks related to regulatory approval of the Mergers; risks related to the accuracy of the financial projections related to the Mergers; and risk factors set out in the Company's Form 10-K for the year ended December 31, 2023, which is available on EDGAR with the SEC and filed with the Canadian securities regulators and available under the Company's profile on SEDAR at www.sedar.com.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of December 18, 2024, by and among Vireo DR Merger Sub Inc., Vireo Growth Inc., Deep Roots Holdings, Inc. and Shareholder Representative Services LLC**
2.2	Agreement and Plan of Merger, dated as of December 18, 2024, by and among Vireo PR Merger Sub Inc., Vireo PR Merger Sub II Inc., Vireo Growth Inc., NGH Investments, Inc., Proper Holdings Management, Inc., Proper Holdings, LLC and Shareholder Representative Services LLC**
2.3	Agreement and Plan of Merger, dated as of December 18, 2024, by and among Vireo WH Merger Sub Inc., Vireo Growth Inc., WholesomeCo, Inc. and Shareholder Representative Services LLC**
10.1	Memorandum of Understanding, dated as of December 17, 2024, by and between Vireo Growth Inc. and Bill's Nursery, Inc.
10.2	Form of Subscription Agreement
10.3	Employment Agreement, dated as of December 17, 2024, by and between Vireo Growth Inc. and John Mazarakis
10.4	Employment Agreement, dated as of December 17, 2024, by and between Vireo Growth Inc. and Tyson Macdonald
99.1	Press Release, dated as of December 18, 2024*
99.2	Investor Presentation*
104	Cover Page Interactive Data File (embedded within Inline XBRL document)

*Furnished herewith
** Schedules omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish a supplemental copy of any omitted schedule to the SEC upon request.

SIGNATURES

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

VIREO GROWTH INC.
(Registrant)

By: */s/ Tyson Macdonald*
Tyson Macdonald
Chief Financial Officer

Date: December 23, 2024

Exhibit 2.1

EXECUTION VERSION

AGREEMENT AND PLAN OF MERGER

by and among

VIREO DR MERGER SUB INC.,

VIREO GROWTH INC.,

DEEP ROOTS HOLDINGS, INC.,

and

THE STOCKHOLDER REPRESENTATIVE

Dated as of December 18, 2024

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DISCLOSURE SCHEDULES

THIS AGREEMENT IS SUBJECT TO STRICT REQUIREMENTS FOR ONGOING REGULATORY COMPLIANCE BY THE PARTIES HERETO, INCLUDING, WITHOUT LIMITATION, REQUIREMENTS THAT THE PARTIES TAKE NO ACTION IN VIOLATION OF EITHER ANY STATE CANNABIS LAWS (TOGETHER WITH ALL RELATED RULES AND REGULATIONS THEREUNDER, AND ANY AMENDMENT OR REPLACEMENT ACT, RULES OR REGULATIONS, THE "ACT"); THE GUIDANCE OR INSTRUCTION OF ANY APPLICABLE STATE, PROVINCIAL OR OTHER GOVERNING REGULATORY BODY (TOGETHER WITH ANY SUCCESSOR OR REGULATOR WITH OVERLAPPING JURISDICTION, THE "REGULATOR"); OR THE POLICIES OR INSTRUCTION OF ANY APPLICABLE STOCK EXCHANGE. SECTION 11.15 OF THIS AGREEMENT CONTAINS SPECIFIC REQUIREMENTS AND COMMITMENTS BY THE PARTIES TO MAINTAIN FULLY THEIR RESPECTIVE COMPLIANCE WITH THE ACT AND THE REGULATOR. THE PARTIES HAVE READ AND FULLY UNDERSTAND THE REQUIREMENTS OF SECTION 11.15.

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (this "**Agreement**"), dated as of December 18, 2024, is entered into by and among Vireo DR Merger Sub Inc., a Nevada corporation ("**Merger Sub**"), Vireo Growth Inc., a British Columbia corporation ("**Parent**"), Deep Roots Holdings, Inc., a Nevada corporation (the "**Company**"), and Shareholder Representative Services LLC, a Colorado limited liability company, solely in its capacity as representative, agent and attorney-in-fact of the Stockholders (the "**Stockholder Representative**").

RECITALS

WHEREAS, Merger Sub is a direct wholly owned subsidiary of Parent that was formed for the sole purpose of effectuating the Merger (as defined below);

WHEREAS, upon the terms and subject to the conditions of this Agreement and in accordance with Chapter 92A of the Nevada Revised Statutes (the "**Nevada Act**"), Parent, the Company and Merger Sub will enter into a business combination transaction pursuant to which Merger Sub will merge with and into the Company (the "**Merger**"), with the Company surviving the Merger as a wholly owned subsidiary of Parent;

WHEREAS, the parties intend that, for U.S. federal income tax purposes, (a) the Merger shall qualify as a "reorganization" within the meaning of Section 368(a) of the Code and (b) this Agreement shall constitute, and is adopted as, a "plan of reorganization" within the meaning of Section 368(a) of the Code and Treasury Regulations Sections 1.368-2(g) and 1.368-3;

WHEREAS, the board of directors of the Company (the "**Company Board**") has unanimously (a) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to, and in the best interests of, the Company and its Stockholders, (b) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger, and (c) resolved to recommend adoption of this Agreement by the Stockholders;

WHEREAS, the board of directors of Parent has unanimously (a) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to, and in the best interests of, Parent and its shareholders, (b) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger, and (c) resolved to recommend adoption of this Agreement by the shareholders of Parent; and

WHEREAS, the board of directors of Merger Sub has unanimously (a) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to, and in the best interests of, Merger Sub and its sole stockholder and (b) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger.

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

ARTICLE I
DEFINITIONS

The following terms have the meanings specified or referred to in this Article I:

"**280E**" has the meaning set forth in Section 6.09.

"**280E Liability**" means the amount of the aggregate outstanding consolidated accrued liability of the Company arising under 280E as of Closing, as determined in accordance with the Accounting Principles.

"**280E Pre-Closing Tax Refund**" has the meaning set forth in Section 6.12.

"**280E Tax Reserve**" means a tax reserve account, established by the Company Entities in accordance with the Accounting Principles, and funded in Cash for the purpose of paying any outstanding liabilities arising in connection with any 280E Liability.

"**280E Tax Reserve Shortfall**" means the amount, if any, by which the 280E Liability exceeds the amount of the 280E Tax Reserve.

"**Accounting Principles**" means (i) the specific terms and definitions in this Agreement and the specific policies, terms and matters set forth on **Exhibit K**, (ii) to the extent not inconsistent with the foregoing clause (i), the accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies of the Company Entities that were used in the preparation of the Financial Statements for the year of 2023, and (iii) to the extent not addressed in the foregoing clauses (i) or (ii), GAAP as of the Closing Date. For the avoidance of doubt, clause (i) shall take precedence over clauses (ii) and (iii), and clause (ii) shall take precedence over clause (iii).

"**Acquisition Multiple**" means the quotient of (a) the sum of (i) 245,240,000 multiplied by the Closing Share Price, plus (ii) $20,000,000 (imputed for Assumed Indebtedness plus Closing Indebtedness), less (iii) $3,000,000 (imputed for Closing Cash), less (iv) $2,000,000 (imputed for the Adjusted 280E Reserve), less (v) $13,100,000 (imputed for the Existing Investments), plus (vi) $0 (imputed for Pre-Closing Taxes net of 280E Tax Reserve Shortfall) divided by (b) the sum of (i) Closing EBITDA plus (ii) New Retail EBITDA. **Exhibit A** sets forth an illustrative calculation of the Acquisition Multiple based upon assumptions with respect to each of the foregoing values as of the date hereof (the "**Acquisition Multiple Worksheet**").

"**Acquisition Proposal**" has the meaning set forth in Section 5.04(a).

"**Act**" has the meaning set forth in Section 11.15.

"**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.

"**Actual Closing Merger Consideration**" means the amount of the Closing Merger Consideration as calculated and finally determined in accordance with Sections 2.17(b) and (c).

"**Adjusted 280E Reserve**" means an amount equal to the lesser of (x) $2,000,000 and (y) the 280E Tax Reserve, if any, plus any other tax reserve account established by the Company Entities in accordance with the Accounting Principles, and funded in Cash, for the purpose of paying any outstanding liabilities in respect of Taxes arising during any Pre-Closing Tax Period (other than 280E Liability).

"**Adjusted EBITDA**" means (a) the consolidated net income (or loss) from operations of the Company (or the Surviving Corporation as applicable), plus (b) if and to the extent deducted in the calculation of consolidated net income (or loss) for such period, (i) interest expense, (ii) income tax expense, (iii) depreciation and amortization expense, (iv) any intercompany costs and expenses, corporate overhead allocations and similar items between the Company Entities and Parent and its Affiliates (other than the Company Entities) (other than Arches Platform Fees and Delivery Fees and the Delivery Costs) in excess of, in a particular fiscal year, the lower of (A) $1,000,000, and (B) 1% of the Company Entities' revenues, (v) losses and expenses related to dispositions of assets not in the Ordinary Course of Business, (vi) non-cash write-downs of assets, (vii) any and all costs, fees or expenses that a Company Entity incurs with respect to the lease, acquisition or maintenance of delivery vehicles, whether a capital or ordinary expense, and the hiring and payment of delivery drivers in connection with mobile deliveries related to its use of the Arches Platform (the "**Delivery Costs**"), (viii) decrease in work-in-process (WIP) inventory, and (ix) decrease in finished goods inventory for non-third party products, less (c) any cash payments including interest expenses for rent and/or leases not otherwise expensed in operating expenses, and less (d) if and to the extent included in the calculation of consolidated net income (or loss) for such period, (i) any interest income, (ii) gain relating to any disposed of assets not in the Ordinary Course of Business, (iii) non-cash write-ups of assets, (iv) increase in work-in-process (WIP) inventory, and (v) increase in finished goods inventory for non-third party products; in the case of each of the foregoing in clauses (a) through (d), for such period and as determined in accordance with the Earn-Out Accounting Principles. **Exhibit B**, which is included solely for illustrative purposes, sets forth an illustrative calculation of Adjusted EBITDA (the "**Adjusted EBITDA Worksheet**").

"**Adjusted EBITDA Worksheet**" has the meaning set forth in definition of "Adjusted EBITDA."

"**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.

"**Agreement**" has the meaning set forth in the preamble.

"**Ancillary Documents**" means: (a) the Lock-Up Letters, (b) the Escrow Agreement, (c) the Letters of Transmittal, (d) the Investor Rights Agreement, (e) the Written Consent and (f) each other agreement, instrument or document entered into or required to be delivered in connection with the transactions contemplated hereby and thereby.

"**Arches**" means Arches IP, Inc., a Delaware corporation (or any successor thereto).

"**Arches Platform**" means the intellectual property, technology, employees, noncompetition agreements, present and future contracts and other assets collectively comprising the Arches operating platform, in each case, used in connection with demand and delivery operations.

"**Arches Platform Fees and Delivery Fees**" means fees charged to the Company Entities for their use of the Arches Platform, including, without limitation, 1% of walk-in revenues, 2.5% of pick-up revenues and 5% of delivery revenues.

"**Articles of Merger**" has the meaning set forth in Section 2.04.

"**Assumed Indebtedness**" means the outstanding principal and interest owing by any Company Entity to Chicago Atlantic under the terms of Loan and Security Agreement, dated April 15, 2024.

"**Balance Sheet**" has the meaning set forth in Section 3.06.

"**Balance Sheet Date**" has the meaning set forth in Section 3.06.

"**Benefit Plan**" has the meaning set forth in Section 3.20(a).

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in New York, New York are authorized or required by Law to be closed for business.

"**Canadian Securities Regulators**" means the applicable securities commission or securities regulatory authority in each of the provinces and territories of Canada.

"**Cannabis Consents**" means any and all consents, approvals, clearances, orders or authorizations of, or registrations, declarations or filings with, notices to, or other requirements of any Governmental Authority or under any Permit held by the Company Entities in connection with the business of the Company Entities in the cannabis industry.

"**Cannabis Licenses**" means any and all Permits required to be obtained from any Governmental Authority pursuant to Title 56 of the Nevada Revised Statutes, and any corresponding county, municipal and other local Laws, for the operation of any cannabis establishment, including, without limitation: a cannabis cultivation facility, a cannabis retail store, a cannabis production facility, a cannabis distributor, or a cannabis consumption lounge.

"**Cap**" has the meaning set forth in Section 9.04(a).

"**Capital Event**" means (a) the liquidation, dissolution, shut down, cessation of business, whether voluntary or involuntary, or other winding up of the Existing Investment, (b) a sale or other transfer of all or substantially all of the assets of the Existing Investment, (c) a reorganization, merger or consolidation of the Existing Investment with or into any other Person, or an acquisition of the Existing Investment, in which transaction the holders of the equity securities of the Existing Investment immediately prior to such transaction own immediately after such transaction less than fifty percent (50%) of the equity securities of the Existing Investment or the surviving person or entity (or its parent) of such transaction, (d) a public offering of equity securities of the Existing Investment pursuant to an effective registration statement, or (e) any sale of voting control or other transaction similar to those described in clause (b) above following which the holders of the equity securities of the Existing Investment immediately prior to such transaction no longer hold effective control of the Existing Investment following such transaction, whether through voting power, ownership, ability to elect directors or managers, or otherwise.

"**Cash**" means cash and cash equivalents (including marketable securities and short-term investments convertible to cash in no more than ten (10) calendar days) calculated in accordance with the Accounting Principles.

"**CCB**" has the meaning set forth in Section 5.12.

"**CCB Consent**" has the meaning set forth in Section 5.12.

"**CERCLA**" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.

"**Certificate**" has the meaning set forth in Section 2.11(b).

"**Closing**" has the meaning set forth in Section 2.02.

"**Closing Cash**" means (a) an amount, if any, by which the unrestricted Cash held by the Company Entities as of the Closing exceeds the Adjusted 280E Reserve, up to an amount equal to $3,000,000, plus (b) such amount of excess unrestricted Cash reserves held by the Company Entities as of January 1, 2025, which amounts, or any portion thereof, may be contributed by the Company, at the Company's option, as additional Cash at Closing and which amounts would be as set forth on a "Closing Cash Schedule" delivered by Company to Parent at least three (3) days prior to Closing.

"**Closing Certificate**" means a certificate executed by the Chief Financial Officer of each of the Company Entities certifying on behalf of each of the Company Entities, as of the Closing Date, (a) an itemized list of all outstanding Closing Indebtedness and the Person to whom such outstanding Closing Indebtedness is owed and an aggregate total of such outstanding Closing Indebtedness, (b) the amount of Transaction Expenses remaining unpaid as of the Closing (including an itemized list of each such unpaid Transaction Expense with a description of the nature of such expense and the Person to whom such expense is owed), (c) the Estimated Closing Statement, and that the Estimated Closing Statement was prepared in all material respects in accordance with the Accounting Principles, (d) the Inventory Statement, and that the Inventory Statement was prepared in all material respects in accordance with Section 2.17(a)(ii) and (e) the Consideration Spreadsheet.

"**Closing Date**" has the meaning set forth in Section 2.02.

"**Closing EBITDA**" means $30,000,000.

"**Closing Indebtedness**" means, subject to the limitations set forth in the definition of "Indebtedness," the aggregate amount of any unpaid Indebtedness of the Company Entities remaining as of the Closing (other than, and without duplication of, the Assumed Indebtedness, Payoff Indebtedness and amounts included in Current Liabilities that are taken into account in the calculation of the Closing Working Capital).

"**Closing Merger Consideration**" means the sum of:

(a) the EBITDA Consideration, plus

(b) the Closing Cash, plus

(c) the product of the Acquisition Multiple multiplied by the New Retail EBITDA (provided, that if Closing occurs after April 1, 2025, and in the event any New Retail Location the estimated EBITDA for which is included in New Retail EBITDA is not Operational as of April 1, 2025, then the amount attributable to this clause (c) shall be adjusted to deduct the New Retail EBITDA Shortfall Amount), plus

(d) provided that the 280E Tax Reserve is not less than the 280E Liability, an amount equal to the Adjusted 280E Reserve, plus

(e) $13,100,000, in respect of the Existing Investments, less

(f) the amount of Assumed Indebtedness, less

(g) the amount of Closing Indebtedness, less

(h) the amount of the 280E Tax Reserve Shortfall, if any, less

(i) the amount of any Pre-Closing Taxes, less

(j) the amount of any unpaid Transaction Expenses, plus

(k) the amount by which Closing Working Capital exceeds the Target Working Capital or minus the amount by which Closing Working Capital is less than the Target Working Capital.

"**Closing Merger Consideration Worksheet**" means the illustrative calculation of the Closing Merger Consideration set forth on **Exhibit C**, which is included solely for illustrative purposes.

"**Closing Share Price**" means $0.52.

"**Closing Share Payment**" means a number of Parent Shares equal to (a) the quotient of (i) the Estimated Closing Merger Consideration, *divided by* (ii) the Closing Share Price, *less* (b) the Escrow Shares.

"**Closing Working Capital**" means: (a) the consolidated Current Assets of the Company Entities, less (b) the consolidated Current Liabilities of the Company Entities, determined as of the Closing.

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

"**Company**" has the meaning set forth in the preamble.

"**Company Auditor**" means Hill, Barth & King LLC dba HBK CPAs & Consultants.

"**Company Board**" has the meaning set forth in the recitals.

"**Company Board Recommendation**" has the meaning set forth in Section 3.02(b).

"**Company Charter Documents**" has the meaning set forth in Section 3.03.

"**Company Common Stock**" means the common stock, par value $0.001 per share, of the Company.

"**Company Entities**" means, collectively, the Company (or, after the Closing, the Surviving Corporation), Deep Roots Operating Inc., a Nevada corporation, Deep Roots Properties, LLC a Nevada limited liability company, Deep Roots Harvest, Inc., a Nevada corporation, and Deep Roots Aria Acqco, Inc., a Nevada corporation.

"**Company Incentive Plan**" has the meaning set forth in Section 5.13.

"**Company Intellectual Property**" means all Intellectual Property that is owned or held for use by any Company Entity.

"**Company IP Agreements**" means all licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, waivers, releases, permissions and other Contracts, whether written or oral, relating to Intellectual Property to which any Company Entity is a party, beneficiary or otherwise bound, excluding so-called "**off-the-shelf**" products and "**shrink wrap**" software licensed to any Company Entity in the Ordinary Course of Business.

"**Company IP Registrations**" means all Company Intellectual Property, which is registered or for which an application for registration has been filed by any Company Entity, to or with any Governmental Authority or authorized private registrar in any jurisdiction, including issued patents, registered trademarks, domain names and copyrights, and pending applications for any of the foregoing.

"**Company IT Systems**" means all software, computer hardware, servers, networks, platforms, peripherals, and similar or related items of automated, computerized, or other information technology (IT) networks and systems (including telecommunications networks and systems for voice, data, and video) owned, leased, licensed, or used (including through cloud-based or other third-party service providers) by the Company Entities.

"**Company Preferred Stock**" means the preferred stock, par value $0.001 per share, of the Company.

"**Company Stock**" means, collectively, the Company Common Stock and Company Preferred Stock.

"**Company Update**" has the meaning set forth in Section 5.17(a).

"**Consideration Spreadsheet**" has the meaning set forth in Section 2.18(a).

"**Contracts**" means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

"**Counsel**" has the meaning set forth in Section 11.16(a).

"**Current Assets**" means, on a consolidated basis, accounts receivable, Inventory, prepaid expenses and other current assets of the Company Entities, but excluding (a) Cash (including restricted cash), (b) the portion of any prepaid expense of which the Company Entities will not receive the benefit following the Closing, (c) Tax assets and deferred Tax assets, (d) the current portion of any intercompany receivables, and (e) the current portion of any lease assets and rights of use, each determined in accordance with the Accounting Principles. For purposes of this definition, Inventory shall be determined in accordance with the definition of "Inventory" in this Agreement and shall, to the extent conflicting with the Inventory Accounting Principles, supersede the Inventory Accounting Principles. For the avoidance of doubt, for purposes of this definition, Inventory shall include only final packaged products that are no more than 90 days old from the date of production and packaging completion, and from the date of purchase from third-party suppliers.

"**Current Liabilities**" means, on a consolidated basis, accounts payable, accrued expenses (excluding accrued expenses in the Ordinary Course of Business) and other current liabilities of the Company Entities, but excluding (a) Tax liabilities and deferred Tax liabilities, (b) the current portion of any lease liabilities, (c) the current portion of any intercompany payables, (d) Transaction Expenses, and (e) the current portion of any other Indebtedness of the Company Entities, including, without limitation, the Assumed Indebtedness and Closing Indebtedness, each determined in accordance with the Accounting Principles.

"**D&O Indemnified Party**" has the meaning set forth in Section 5.09(a).

"**D&O Tail Policy**" has the meaning set forth in Section 5.09(c).

"**Deductible**" has the meaning set forth in Section 9.04(a).

"**Delivery Costs**" has the meaning set forth in definition of "Adjusted EBITDA."

"**Direct Claim**" has the meaning set forth in Section 9.05(c).

"**Disclosure Schedules**" means the Disclosure Schedules delivered by the Company and Parent concurrently with the execution and delivery of this Agreement.

"**Disputed Amounts**" has the meaning set forth in Section 2.17(c)(iii).

"**Dissenting Shareholder(s)**" has the meaning set forth in Section 2.10.

"**Dissenting Shares**" has the meaning set forth in Section 2.10.

"**Dollars**" or "**$**" means the lawful currency of the United States; unless otherwise expressly set forth in this Agreement, any amounts referred to herein, or for any calculations hereunder, that rely upon or reference amounts in Canadian dollars shall be converted to United States Dollars for the purposes hereof, based on the exchange rate posted by the Bank of Canada on the trading day preceding the applicable date of such amount or calculation, to ensure that such amounts or calculations are determined or calculated on a consistent basis hereunder.

"**Downward Adjustment Amount**" has the meaning set forth in Section 2.17(d)(ii).

"**Earn-Out Accounting Principles**" means (i) the specific terms and definitions (including, without limitation, Adjusted EBITDA) in this Agreement, and (ii) to the extent not inconsistent with the foregoing clause (i), GAAP. In applying GAAP, the Parent intends to consistently take a view to align Adjusted EBITDA as closely as possible to operating cash flow and minimize balance sheet related adjustments.

"**Earn-Out Amount**" means the sum of the following, to the extent a positive amount, calculated in accordance with the Earn-Out Accounting Principles:

(a) the product of four (4) multiplied by the following (which may be a positive or negative number):

(i) the greater of (A) the trailing twelve (12) month Adjusted EBITDA for the twelve full calendar months ending December 31, 2026 and (B) the trailing nine (9) month Adjusted EBITDA for the last nine (9) months of calendar year 2026, such amount annualized to reflect a full 12-month period, excluding, for purposes of this clause (i) any Existing Investment Gains or Existing Investment Losses,

minus

(ii) the sum of (A) the Closing EBITDA plus (B) New Retail EBITDA, in each case as calculated and finally determined in connection with the Actual Closing Merger Consideration pursuant to Sections 2.17(b) and (c), minus (C) if applicable and to the extent not included as an adjustment to the Closing Merger Consideration, the New Retail EBITDA Shortfall Amount,

plus and minus (as applicable)

(b)

(i) plus, seventy-five percent (75%) of the aggregate amount, if any, of any Existing Investment Gains during the Earn-Out Period, and

(ii) minus, seventy-five percent (75%) of the aggregate amount, if any, of any Existing Investment Losses during the Earn-Out Period,

minus

(c) subject to Section 2.19(d), the aggregate amount of any Post-Closing Debt,

plus

(d) the amount of any Cash remaining in the Stockholder Representative Expense Fund

plus

(e) any Net Pre-Closing Tax Refund which is required to be applied to this calculation pursuant to Section 6.12 at the time of calculation.

"**Earn-Out Period**" shall have the meaning set forth in Section 2.19(d).

"**Earn-Out Period Financial Statements**" shall have the meaning set forth in Section 2.19(b)(i).

"**Earn-Out Share Price**" means the greater of (a) $1.05 (as adjusted for stock splits, reverse stock splits and similar matters) and (b) the 20-day volume weighted average price of the Parent Shares on the Exchange (converted to United States Dollars based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during such 20-day period), as reported by Bloomberg Finance L.P. over the twenty (20) consecutive trading day period ending immediately prior to the end of the Earn-Out Period.

"**Earn-Out Shares**" shall have the meaning set forth in Section 2.19(c).

"**Earn-Out Statement**" shall have the meaning set forth in Section 2.19(b)(i).

"**EBITDA Consideration**" means the product of the Acquisition Multiple multiplied by the Closing EBITDA.

"**EBITDA Deficiency**" shall have the meaning set forth in Section 2.19(g).

"**EBITDA Margin**" means, (a) for the year ending December 31, 2026, the quotient, expressed as a percentage, of (i) Adjusted EBITDA for such period, divided by (ii) gross revenue from sales, less the cost of sales returns and discounts, for such period and (b) for the year ending December 31, 2024, the quotient, expressed as a percentage, of (i) Closing EBITDA, divided by (ii) gross revenue from sales, less the cost of sales returns and discounts, for the year ending December 31, 2024 (excluding any such amounts attributable to the New Retail Location).

"**Effective Time**" has the meaning set forth in Section 2.04.

"**Encumbrance**" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, assignment, option, preemptive purchase right, 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.

"**Environmental Attributes**" means any emissions and renewable energy credits, energy conservation credits, benefits, offsets and allowances, emission reduction credits or words of similar import or regulatory effect (including emissions reduction credits or allowances under all applicable emission trading, compliance or budget programs, or any other federal, state or regional emission, renewable energy or energy conservation trading or budget program) that have been held, allocated to or acquired for the development, construction, ownership, lease, operation, use or maintenance of any Company Entity as of: (a) the date of this Agreement; and (b) future years for which allocations have been established and are in effect as of the date of this Agreement.

"**Environmental Claim**" means any Action, Governmental Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

"**Environmental Law**" means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (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 (including ambient air, soil, surface water or groundwater, or subsurface strata); 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. The term "**Environmental Law**" includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

"**Environmental Notice**" means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit.

"**Environmental Permit**" means any Permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

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

"**ERISA Affiliate**" means all employers (whether or not incorporated) that would be treated together with any Company Entity or any of its Affiliates as a "single employer" within the meaning of Section 414 of the Code.

"**Escrow Agent**" means Odyssey Transfer and Trust Company (or another escrow agent reasonably agreed upon by Parent and the Company).

"**Escrow Agreement**" means an Escrow Agreement, to be dated as of the Closing Date, among Parent, Stockholder Representative and the Escrow Agent, in the form reasonably acceptable to such parties, but which, in any event, shall contemplate an escrow term for the Escrow Shares of twenty-four (24) months following Closing (subject to any pending claims).

"**Escrow Shares**" means 10% of the aggregate number of Parent Shares issued as part of the Estimated Closing Merger Consideration in connection with Closing.

"**Estimated Closing Merger Consideration**" has the meaning set forth in Section 2.17(a)(i). "**Estimated Closing Statement**" has the meaning set forth in Section 2.17(a)(i).

"**Exchange**" means the Canadian Securities Exchange (provided, that references herein to trading prices on the Exchange shall, if applicable, be deemed to refer to any successor primary exchange on which Parent chooses to list its Parent Shares, and to the extent such successor exchange is a U.S. exchange, any corresponding references to conversions between Canadian dollars and US dollars will be accordingly ignored for purposes of this Agreement).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended. "**Exchange Agent**" has the meaning set forth in Section 2.11(a).

"**Exchange Approval**" means the approval by the Exchange of the transactions contemplated by this Agreement.

"**Excluded Taxes**" means any Taxes (a) treated as a liability or otherwise taken into account in the calculation of the Total Merger Consideration, or (b) for which the Company Entities have established a cash reserve specifically designated as being a reserve solely for unpaid Taxes (including, solely for Taxes attributable to 280E, the 280E Tax Reserve).

"**Existing Investment Gains**" means, without duplication, (a) any dividends or distributions, whether in Cash or other property the value of which can be readily established, in each case actually received by Parent, Surviving Corporation or any of their Affiliates from an Existing Investment, and (b) the amount of any Cash proceeds or the fair market value of other property as determined by the parties in good faith, in each case actually received or realized by Parent, Surviving Corporation, or any of their Affiliates, from a Capital Event arising from an Existing Investment, in an amount in excess of the Company's adjusted basis for Tax purposes in such Existing Investment (for the avoidance of doubt, with respect to an Existing Investment that constitutes an equity interest in an entity classified as a partnership, the Company's outside Tax basis in such equity interest) as of the Closing, less (c) the collective amount of any further investments in cash or the fair market value of other contributed property as determined by the parties in good faith, in each case made or contributed by Parent, Surviving Corporation or any of their Affiliates to an Existing Investment after the Closing.

"**Existing Investment Losses**" means the amount, if any, that (a) the Company's adjusted basis for Tax purposes in an Existing Investment (for the avoidance of doubt, with respect to an Existing Investment that constitutes an equity interest in an entity classified as a partnership, the Company's outside Tax basis in such equity interest) as of the Closing exceeds (b) the collective amount of any Cash proceeds or the fair market value of other property as determined by the parties in good faith, in each case actually realized or received by Parent, Surviving Corporation or any of their Affiliates, from a Capital Event arising from such Existing Investment, less the collective amount of any further investments in cash or the fair market value of other contributed property as determined by the parties in good faith, in each case made or contributed by Parent, Surviving Corporation or any of their Affiliates to an Existing Investment after the Closing.

"**Existing Investments**" means (a) 1,758,335 Series B Preferred Units in Journey Enterprise Holdings LP (commonly referred to as Embarc), acquired by the Company for (and with an outside basis equal to) the amount of $5,000,000, (b) the Amended and Restated Secured Promissory Note, dated October 17, 2024, in the principal amount of $5,705,822, made by Battle Green Holdings, LLC, Battle Green Real Estate, LLC, and Battle Green Equipment LLC, in favor of the Company, with an original principal amount of (and with an outside basis equal to) $5,000,000, (c) 5,384,615 Class A Units in Battle Green Holdings, LLC, acquired by the Company for the amount of (and with an outside basis equal to) $2,100,000, and (d) 1,000,000 Investor Units in Bluebird Real Estate Holdings, LLC, acquired by the Company for the amount of (and with an outside basis equal to) $1,000,000.

"**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 the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statue 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.

"**Final Closing Statement**" has the meaning set forth in Section 2.17(b).

"**Financial Statements**" has the meaning set forth in Section 3.06.

"**Forfeiture Amount**" means, calculated in accordance with the Earn-Out Accounting Principles, the sum of (a) the product of the Acquisition Multiple multiplied by the EBITDA Deficiency, minus (b) the product of (i) 0.75 multiplied by (ii) any Existing Investment Gains, plus (c) the product of (i) 0.75 multiplied by (ii) any Existing Investment Losses, plus (d) subject to Section 2.19(d), the aggregate amount of any Post-Closing Debt, minus (e) the amount of any Cash remaining in the Stockholder Representative Expense Fund, and minus (f) any Net Pre-Closing Tax Refund which is required to be applied to this calculation pursuant to Section 6.12 at the time of calculation. **Exhibit L**, which is included solely for illustrative purposes, sets forth an illustrative calculation of the Forfeiture Amount (the "**Forfeiture Amount Worksheet**").

"**Forfeiture Amount Worksheet**" has the meaning set forth in the definition of "Forfeiture Amount."

"**Fraud**" means actual and intentional common law fraud under Delaware law, and does not include equitable fraud, constructive fraud, promissory fraud, unfair dealings fraud, unjust enrichment, or any torts (including fraud) or other claim based on gross negligence, negligence or recklessness (including based on constructive knowledge or negligent misrepresentation) or any other equitable claim**.**

"**Fundamental Representations**" has the meaning set forth in Section 9.01.

"**GAAP**" means the generally accepted accounting standards in the United States.

"**Governmental Authority**" means any federal, state, commonwealth, provincial, municipal, local or foreign government or 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, including, for greater certainty the Exchange.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Hazardous Materials**" means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or manmade, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (b) 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 and per- and poly fluoroalkyl substances.

"**Historical Accounting Principles**" means (a) with respect to the 2023 Unaudited Financial Statements and the Interim Financial Statements, GAAP, in all material respects, applied on a consistent basis throughout the periods involved, subject, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments (the effect of which will not be materially adverse) and the absence of notes, and except for the consistently applied deviations from GAAP described on **Exhibit H**, and (b) with respect to the 2021 and 2022 Unaudited Financial Statements, IFRS, in all material respects, applied on a consistent basis throughout the periods involved, subject to the absence of notes, and except for the consistently applied deviations from IFRS described on **Exhibit H**.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"**IFRS**" means International Financial Reporting Standards.

"**Indebtedness**" means, without duplication for any obligations which are already reflected in the Transaction Expenses or Current Liabilities, with respect to any Person (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 accounts payable to suppliers and similar accrued liabilities incurred in the ordinary course of the Person's business and paid in a manner consistent with industry practice and other than any such obligations for services to be rendered in the future), (d) except for purposes of the determination of Closing Indebtedness or Closing Merger Consideration, 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 lien or security interest on property owned or acquired by such Person whether or not the obligations secured thereby have been assumed, (e) except for purposes of the determination of Closing Indebtedness or Closing Merger Consideration and Section 9.02(g), all capitalized lease obligations of such Person, and any obligations under leases that would be required to be capitalized 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 (but, for purposes of the determination of Closing Indebtedness or Closing Merger Consideration, only to the extent drawn), (g) except as included in the Assumed Indebtedness, 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) any off balance sheet financing (but excluding all leases that would be recorded under GAAP as operating leases), (i) any earnout or other such similar contingent payment liabilities (but, for purposes of the determination of Closing Indebtedness or Closing Merger Consideration, only to the extent no longer contingent or to the extent then due and payable), (j) any liabilities or obligations to current or former holders of equity securities in respect of dividends or other distributions, and (k) obligations in the nature of guarantees of obligations of the type described in clauses (a) through (j) above of any other Person (but, for purposes of the determination of Closing Indebtedness or Closing Merger Consideration, only to the extent any such guarantee has been drawn or funded).

"**Indemnified Party**" has the meaning set forth in Section 9.05.

"**Indemnified Taxes**" has the meaning set forth in Section 6.03.

"**Indemnifying Party**" has the meaning set forth in Section 9.05.

"**Independent Accountant**" has the meaning set forth in Section 2.17(c)(iii).

"**Insurance Policies**" has the meaning set forth in Section 3.16.

"**Intellectual Property**" means any and all rights in, arising out of, or associated with any of the following in any jurisdiction throughout the world: (a) issued patents and patent applications (whether provisional or non-provisional), including divisionals, continuations, continuations-in-part, substitutions, reissues, reexaminations, extensions, or restorations of any of the foregoing, and other Governmental Authority-issued indicia of invention ownership (including certificates of invention, petty patents, and patent utility models) ("**Patents**"); (b) trademarks, service marks, brands, certification marks, logos, trade dress, trade names, and other similar indicia of source or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications for registration, and renewals of, any of the foregoing ("**Trademarks**"); (c) copyrights and works of authorship, whether or not copyrightable, and all registrations, applications for registration, and renewals of any of the foregoing ("**Copyrights**"); (d) internet domain names and social media account or user names (including "handles"), whether or not Trademarks, all associated web addresses, URLs, websites and web pages, social media sites and pages, and all content and data thereon or relating thereto, whether or not Copyrights; (e) mask works, and all registrations, applications for registration, and renewals thereof; (f) industrial designs, and all Patents, registrations, applications for registration, and renewals thereof; (g) trade secrets, know-how, inventions (whether or not patentable), discoveries, improvements, technology, business and technical information, databases, data compilations and collections, tools, methods, processes, techniques, and other confidential and proprietary information and all rights therein ("**Trade Secrets**"); (h) computer programs, operating systems, applications, firmware, and other code, including all source code, object code, application programming interfaces, data files, databases, protocols, specifications, and other documentation thereof; (i) rights of publicity; and (j) all other intellectual or industrial property and proprietary rights.

"**Intended Tax Treatment**" has the meaning set forth in Section 2.21.

"**Interim Balance Sheet**" has the meaning set forth in Section 3.06.

"**Interim Balance Sheet Date**" has the meaning set forth in Section 3.06.

"**Interim Financial Statements**" has the meaning set forth in Section 3.06.

"**Inventory**" means all inventory, using the First-in-First-Out method of inventory valuation; provided, that for purposes of the determination of Current Assets, the Estimated Closing Merger Consideration and the Actual Closing Merger Consideration, "Inventory" shall be calculated as follows: inventory, excluding raw materials, flower, trim, "fresh frozen," seeds, plant genetics (including mother plants), strains, work-in process, and supply and packaging inventory, but including finished goods in final packaged form and no more than 90 days old from the date of production and/or purchase from third-party suppliers; provided, that any items that are nonconforming or defective (except items that may be remediated or qualified for extraction by a Company Entity), damaged, or obsolete shall be excluded from the definition of Inventory. For the avoidance of doubt, any inventory shall be quantified on a dollar basis, based on the lower of fair value (on an arms-length transaction basis) and cost of production or purchase from third-party products.

"**Inventory Accounting Principles**" has the meaning set forth in Section 2.17(a)(ii).

"**Inventory Statement**" has the meaning set forth in Section 2.17(a)(ii).

"**Investor Rights Agreement**" has the meaning set forth in Section 2.03(a)(xiii).

"**Knowledge**" means, when used with respect to (a) the Company or Company Entities, the actual knowledge of Keith Capurro, Dennis Smith, Jon Marshall, Ryan Breeden and Brenda Snell, after reasonable inquiry, and without imposing any personal liability on such Person, and (b) Parent, the actual knowledge of Amber Shimpa and Joe Duxbury, after reasonable inquiry, and without imposing any personal liability on such Person.

"**Law(s)**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"**Letter of Transmittal**" has the meaning set forth in Section 2.11(b).

"**Liabilities**" has the meaning set forth in Section 3.07.

"**Licensed Intellectual Property**" means all Intellectual Property in which the Company Entities hold any rights or interests granted by other Persons, including any of their Affiliates.

"**Lock-Up Letter**" has the meaning set forth in Section 2.03(a)(vii).

"**Losses**" means losses, Taxes, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; provided, however, that "**Losses**" shall not include (a) any special, exemplary or punitive damages, except to the extent actually awarded to a Governmental Authority or other third party, (b) any consequential, indirect, remote or speculative damages, any diminution in value of assets, lost profits or opportunity, or any such items calculated based upon a multiple of earnings, book value or similar approach, except to the extent actually awarded to a Governmental Authority or other third party, or (c) any such items to the extent duplicative, contingent or otherwise (in the case of a third party claim) unasserted; provided that attorney's or other professional's fees and expenses incurred in connection with the discovery or actual or potential defense of a contingent or otherwise unasserted claim shall not be excluded under this clause (c).

"**Majority Holders**" has the meaning set forth in Section 11.01(b).

"**Market Share**" means

(a) As of December 31, 2024, the quotient of (i) (A) the Company Entities' consolidated revenue from retail sales (other than any revenue from discontinued operations during such calendar year) in the State of Nevada for the calendar year ending December 31, 2024, plus (B) without duplication, the pro forma consolidated retail revenue from sales related to the Nevada assets of The Source Holding LLC and its Affiliates acquired by the Company for the calendar year ending December 31, 2024 (as if such assets were acquired as of January 1, 2024), divided by (ii) the aggregate "Taxable Sales Reported by Adult-Use Retail Stores and Medical Dispensaries" in the State of Nevada as reported by the State of Nevada, Department of Taxation, on its periodic publication of Cannabis Statistics and Reports – Cannabis Tax Revenue, for the calendar year ending December 31, 2024.

(b) As of December 31, 2026, the quotient of (i) the consolidated revenue from retail sales of the Parent, Surviving Corporation, other Company Entities, and any of their Affiliates in the State of Nevada for the calendar year ending December 31, 2026, divided by (ii) the aggregate "Taxable Sales Reported by Adult-Use Retail Stores and Medical Dispensaries" in the State of Nevada as reported by the State of Nevada, Department of Taxation, on its periodic publication of Cannabis Statistics and Reports – Cannabis Tax Revenue, for the calendar year ending December 31, 2026.

"**Material Adverse Effect**" means any effect, event, development, occurrence, fact, condition or change that has a material adverse effect, individually or in the aggregate, (a) on the business, results of operations, condition (financial or otherwise), Liabilities or assets of the Company Entities, taken as a whole, or (b) on the ability of the Company to perform its obligations under this Agreement or to consummate the Merger, or on the consummation of (whether by prevention or material delay) the Merger and the other transactions contemplated hereby; provided, however, that "Material Adverse Effect" shall not include any effect, event, development, occurrence, fact, condition or change, directly arising out of or attributable to: (a) changes in general business, economic or political conditions; (b) changes in conditions generally affecting the industries in which the Company Entities operate; (c) any changes in financial or securities markets in general; (d) any national or international political, regulatory or social conditions, including acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof, pandemics, epidemics or states of emergency, whether declared or undeclared; (e) any "act of God," including, but not limited to, weather, natural disasters and earthquakes; (f) any changes in applicable Laws or accounting rules, including GAAP; (g) any action required or permitted by this Agreement; (h) the public announcement or pendency of the transactions contemplated by this Agreement; or (i) any failure (in and of itself) by the Company Entities to meet, with respect to any period or periods, any projections or forecasts, estimates of earnings or revenues or business plan (provided, that any effect, event, development, occurrence, fact, condition or change giving rise to or contributing to such failure may be deemed to constitute, or be taken into account in determining whether there has been a Material Adverse Effect)); provided further, however, that any event, occurrence, fact, condition or change referred to in clauses (a) through (f) immediately above shall be taken into account in determining whether a Material Adverse Effect 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 Company Entities compared to other participants in the industries in which the Company Entities conduct their businesses.

"**Material Contracts**" has the meaning set forth in Section 3.09(a).

"**Material Customers**" has the meaning set forth in Section 3.15(a).

"**Material Suppliers**" has the meaning set forth in Section 3.15(b).

"**Merger**" has the meaning set forth in the recitals.

"**Merger Sub**" has the meaning set forth in the preamble.

"**Merger Sub Common Stock**" means the common stock, par value $0.0001 per share, of Merger Sub.

"**Minimum Cash Amount**" means, as of the Closing, Cash in an amount equal to the sum of (a) $3,000,000 (exclusive of any 280E Tax Reserve), and (b) the amount of the Company Entities' net cash flow from operating activities, on an after Tax basis, during the period from January 1, 2025, through the Closing as determined in accordance with the Accounting Principles. For the avoidance of doubt, the Stockholder Representative Expense Fund shall not be a deduction from the calculation of net cash flow from operating activities.

"**Multiemployer Plan**" has the meaning set forth in Section 3.20(c).

"**NCCR**" has the meaning set forth in Section 5.12.

"**Net Pre-Closing Tax Refund**" has the meaning set forth in Section 6.12.

"**Nevada Act**" has the meaning set forth in the recitals.

"**Nevada Cannabis Laws**" has the meaning set forth in Section 5.12.

"**New Retail EBITDA**" means $1,000,000 in annual estimated steady-state Adjusted EBITDA attributable to the New Retail Location located at 580 Parkson Road, Henderson, Nevada 89011.

"**New Retail EBITDA Shortfall Amount**" means all New Retail EBITDA attributable to any New Retail Location that is not Operational as of April 1, 2025.

"**New Retail Location**" means a retail location at which the business and operations of the Company Entities are to be conducted, which is not Operational as of the date of this Agreement, but which the Company Entities anticipate, in good faith, will be Operational by April 1, 2025.

"**Non-Privileged Deal Communications**" has the meaning set forth in Section 11.16(c).

"**Operational**" means that a retail location at which the business and operations of the Company Entities are to be conducted, has been issued a certificate of occupancy by the applicable Governmental Authority, and has received all Permits necessary for the operation of such location by the applicable Company Entity.

"**Ordinary Course of Business**" means the ordinary course of business, consistent with past practice, including with regard to nature, frequency and magnitude.

"**Outside Closing Date**" has the meaning set forth in Section 10.01(b)(ii).

"**Parent**" has the meaning set forth in the preamble.

"**Parent Board**" means the board of directors of Parent.

"**Parent Board Recommendation**" has the meaning set forth in Section 4.02.

"**Parent Cannabis Laws**" means the laws of the States of Minnesota, Maryland, and New York governing the cultivation, manufacture, production, distribution and/or retail sale of medical and adult-use cannabis, including any applicable ordinances, rules or regulations promulgated thereunder.

"**Parent Financial Statements**" has the meaning set forth in Section 4.08.

"**Parent Indemnitees**" has the meaning set forth in Section 9.02.

"**Parent Material Adverse Effect**" means any effect, event, development, occurrence, fact, condition or change that has a material adverse effect, individually or in the aggregate, (a) on the business, results of operations, condition (financial or otherwise), Liabilities or assets of Parent or its Affiliates, taken as a whole, or (b) on the ability of Parent or Merger Sub to perform its obligations under this Agreement or to consummate the Merger, or on the consummation of (whether by prevention or material delay) the Merger and the other transactions contemplated hereby; provided, however, that "Parent Material Adverse Effect" shall not include any effect, event, development, occurrence, fact, condition or change, directly arising out of or attributable to: (a) changes in general business, economic or political conditions; (b) changes in conditions generally affecting the industries in which Parent or its Affiliates operate; (c) any changes in financial or securities markets in general; (d) any national or international political, regulatory or social conditions, including acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof, pandemics, epidemics or states of emergency, whether declared or undeclared; (e) any "act of God," including, but not limited to, weather, natural disasters and earthquakes; (f) any changes in applicable Laws or accounting rules; (g) any action required or permitted by this Agreement; (h) the public announcement or pendency of the transactions contemplated by this Agreement; or (i) any failure (in and of itself) by Parent or its Affiliates to meet, with respect to any period or periods, any projections or forecasts, estimates of earnings or revenues or business plan (provided, that any effect, event, development, occurrence, fact, condition or change giving rise to or contributing to such failure may be deemed to constitute, or be taken into account in determining whether there has been a Parent Material Adverse Effect)); provided further, however, that any event, occurrence, fact, condition or change referred to in clauses (a) through (f) immediately above shall be taken into account in determining whether a Parent Material Adverse Effect 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 Parent or its Affiliates compared to other participants in the industries in which Parent or its Affiliates conduct their businesses.

"**Parent Multiple Voting Shares**" means the multiple voting shares in the authorized share structure of Parent.

"**Parent Resolution**" means an ordinary resolution approving the business combination transaction with the Company contemplated by this Agreement and/or related change of control of the Parent, as applicable, pursuant to applicable policies of the Canadian Securities Exchange.

"**Parent Shareholder Approval**" means the approval and adoption of the Parent Resolution (i) in the case of a meeting of shareholders, by at least 50% of the votes cast at a special meeting of shareholders of Parent by the holders of the Parent Shares and the Parent Multiple Voting Shares represented in person or by proxy and entitled to vote at such meeting or (ii) in the case of action by written consent of the shareholders of Parent by at least 50% of the outstanding voting power.

"**Parent Shareholder Meeting**" has the meaning set forth in Section 5.14(f).

"**Parent Shares**" means the subordinate voting shares in the authorized share structure of Parent, or any subsequent securities which Parent Shares are converted into or exchanged for in connection with any reorganization, recapitalization, reclassification, consolidation, merger or other transaction involving Parent.

"**Parent Update**" has the meaning set forth in Section 5.17(b).

"**Payoff Indebtedness**" means all Closing Indebtedness set forth or described on **Exhibit J.**

"**Payoff Letters**" mean payoff letters from all holders of any Payoff Indebtedness of the Company Entities, in form and substance reasonably acceptable to Parent.

"**Permits**" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

"**Permitted Encumbrances**" has the meaning set forth in Section 3.10(a).

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"**Platform Agreements**" has the meaning set forth in Section 3.12(h).

"**Post-Closing Debt**" means any principal, interest, other fee payments on, and (without duplication) any accrued amounts (including interest and fees) of, indebtedness for borrowed money incurred (a) after Closing by a Company Entity, whether as intercompany indebtedness for amounts borrowed from Parent (or its subsidiaries) or from a third party lender, pursuant to a Company Entity's request to the Parent to incur such indebtedness for use in the business and operations of the Company Entities, and with Parent's consent and approval, which consent and approval may be withheld, delayed or conditioned in Parent's sole and absolute discretion, or (b) after Closing by a Company Entity, without the prior consent and approval of Parent.

"**Post-Closing Tax Period**" means any taxable period beginning after the Closing Date and the portion of any Straddle Period beginning after the Closing Date.

"**Pre-Closing Tax Period**" means any taxable period ending on or before the Closing Date and the portion of any Straddle Period ending on and including the Closing Date.

"**Pre-Closing Tax Refund**" has the meaning set forth in Section 6.12.

"**Pre-Closing Taxes**" means all unpaid Taxes (excluding the 280E Liability) of the Company Entities as of the Closing for Pre-Closing Tax Periods for which the Company Entities have not established a cash reserve specifically designated as being a reserve solely for unpaid Taxes (excluding the 280E Tax Reserve), calculated in accordance with the Accounting Principles and Section 6.05 with respect to any Straddle Period.

"**Privileged Communications**" has the meaning set forth in Section 11.16(a). "**Privileged Deal Communications**" has the meaning set forth in Section 11.16(b).

"**Pro Rata Share**" means, with respect to any Stockholder, such Person's pro rata share of each component of the Total Merger Consideration as set forth on the Consideration Spreadsheet, including, without limitation, the Closing Share Payment, the Escrow Shares, any potential additional Parent Shares issued in connection with the Earn-Out Amount as calculated pursuant to Section 2.19, and any potential Parent Shares forfeited in connection with the Forfeiture Amount as calculated pursuant to Section 2.19 (or any amounts forfeited or repaid pursuant to Section 2.19(h)), each as applicable.

"**Pro Rata Share of Closing Share Payment**" means the amount of the Closing Share Payment allocated to each Stockholder as set forth in the Consideration Spreadsheet.

"**Proxy Statement/Circular**" has the meaning set forth in Section 5.14(a). "**Qualified Benefit Plan**" has the meaning set forth in Section 3.20(c).

"**Real Property**" means the real property owned, leased or subleased by the Company Entities, together with all buildings, structures and facilities located thereon.

"**Refund Holding Period**" has the meaning set forth in Section 6.12.

"**Regulatory Consents**" has the meaning set forth in Section 3.03.

"**Release**" means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including, without limitation, ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

"**Representative**" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"**Representative Losses**" has the meaning set forth in Section 11.01(c). "**Required Consents**" has the meaning set forth in Section 3.03. "**Requisite Company Vote**" has the meaning set forth in Section 3.02(a). "**Resigning Executives**" means Branan Allison as Secretary of the Company. "**Resolution Period**" has the meaning set forth in Section 2.17(c)(ii).

"**Review Period**" has the meaning set forth in Section 2.17(c)(i).

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Securities Laws**" means the securities legislation, securities regulation and securities rules, and the policies, notices, instruments and blanket orders having the force of Law (including those of the SEC, the Canadian Securities Regulators and the Exchange), in force from time to time in the United States, including any states of the United States, and the provinces or territories of Canada.

"**SEDAR+**" means the System for Electronic Data Analysis and Retrieval + (SEDAR+) as outlined in National Instrument 13-103.

"**Seller Group**" has the meaning set forth in Section 11.16(a).

"**Shares**" has the meaning set forth in Section 2.08(b).

"**Single Employer Plan**" has the meaning set forth in Section 3.20(c).

"**State Licenses**" has the meaning set forth in Section 5.12.

"**Statement of Objections**" has the meaning set forth in Section 2.17(c)(ii).

"**Stockholder Indemnitees**" has the meaning set forth in Section 9.03.

"**Stockholder Notice**" has the meaning set forth in Section 5.05(b).

"**Stockholder Representative**" has the meaning set forth in the preamble.

"**Stockholder Representative Expense Fund**" has the meaning set forth in Section 2.12.

"**Stockholders**" means the holders of all of the outstanding capital stock of the Company.

"**Stockholders Agreement**" means that certain Stockholder Agreement, dated March 28, 2023, by and among the Stockholders.

"**Straddle Period**" has the meaning set forth in Section 6.05.

"**Surviving Corporation**" has the meaning set forth in Section 2.01.

"**Takeover Laws**" has the meaning set forth in Section 5.16.

"**Target Working Capital**" means $5,500,000.

"**Taxes**" means all federal, state, local, provincial or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges in the nature of a tax that are imposed, assessed or collected by a Governmental Entity including, any income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties, import, anti-dumping or countervailing duties or other taxes, fees, assessments or charges in the nature of a tax, of any kind whatsoever, whether computed on a separate or consolidated, unitary, combined or other similar basis, whether disputed or not, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

"**Tax Claim**" has the meaning set forth in Section 6.06.

"**Tax Return**" means any return, declaration, election, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"**Termination Fee**" means $6,376,240.

"**Third Party Claim**" has the meaning set forth in Section 9.05(a).

"**Third-Party Consents**" has the meaning set forth in Section 3.03.

"**Total Merger Consideration**" means the sum of the Actual Closing Merger Consideration, plus, any Earn-Out Amount, less any Forfeiture Amount, less any amounts forfeited or paid pursuant to Section 2.19(h).

"**Transaction Expenses**" means, without duplication for any amounts which are already reflected in the Closing Indebtedness or Payoff Indebtedness, all unpaid fees, costs and expenses (including (A) financial advisory, broker, investment banking or similar advisory fees, costs and expenses and (B) any and all change of control, stay bonus, transaction completion bonus, severance payment or other similar payments made or required to be made to the current or former directors, managers, officers, independent contractors or employees of, or consultants or advisors to, the Company Entities as a result of this Agreement or the transactions contemplated hereby (together with any employment and similar Taxes payable by the Company Entities in connection with such payments)), incurred by the Company and any Affiliate at or prior to the Closing (including any such fees, costs and expenses that become payable, at any time, as a result of the occurrence of the Closing) arising from or incurred in connection with the preparation, negotiation and execution of this Agreement and the Ancillary Documents, and the performance and consummation of the Merger and the other transactions contemplated hereby and thereby, including any unpaid costs of the D&O Tail Policy referenced in Section 5.09(c) and any costs allocated to the Company in the proviso in Section 11.02.

"**Transaction Tax Deduction**" means any Tax loss or deduction resulting from or attributable to (a) the payment of bonuses, change in control payments, severance payments, option payments, retention payments or similar payments made by the Company on or before the Closing Date or included in the computation of the Closing Merger Consideration; (b) the payments of fees, expenses and interest incurred by the Company with respect to the payment of Payoff Indebtedness in connection herewith; and (c) Transaction Expenses; provided that, in connection with the foregoing, the Company shall be treated as having made, and shall timely make, an election under Revenue Procedure 2011-29, 2011-18 IRB 746, to treat 70% of any success based fees as deductible in the Pre-Closing Tax Period that includes the Closing Date for U.S. federal and applicable state income Tax purposes.

"**Unaudited Financial Statements**" has the meaning set forth in Section 3.06. "**Undisputed Amounts**" has the meaning set forth in Section 2.17(c)(iii). "**Union**" has the meaning set forth in Section 3.21(b).

"**Upward Adjustment Amount**" has the meaning set forth in Section 2.17(d)(i).

"**WARN Act**" means the federal Worker Adjustment and Retraining Notification Act of 1988, and similar state, local and foreign laws related to plant closings, relocations, mass layoffs and employment losses.

"**Withholding Agent**" has the meaning set forth in Section 2.15. "**Written Consent**" has the meaning set forth in Section 5.05(a).

ARTICLE II
THE MERGER

Section 2.01. **The Merger**. On the terms and subject to the conditions set forth in this Agreement, and in accordance with the Nevada Act, at the Effective Time, (a) Merger Sub will merge with and into the Company and (b) the separate corporate existence of Merger Sub will cease and the Company will continue its corporate existence under the Nevada Act as the surviving corporation in the Merger and will be, immediately following the Merger, a direct wholly owned subsidiary of Parent (sometimes referred to herein as the "**Surviving Corporation**").

Section 2.02. **Closing**.

(a) Subject to the terms and conditions of this Agreement, the closing of the Merger (the "**Closing**") shall take place at 7:00 a.m., Pacific time, on the date to be specified by the parties hereto, but no later than the second Business Day after the conditions to Closing set forth in Article VIII have been satisfied or (to the extent permitted by law) waived (other than conditions which, by their nature, are to be satisfied on the Closing Date, but subject to the satisfaction or (to the extent permitted by law) waiver of such conditions), remotely by exchange of documents and signatures (or their electronic counterparts), or at such other time or on such other date or at such other place as the Company and Parent may mutually agree upon in writing (the day on which the Closing takes place being the "**Closing Date**").

(b) Immediately prior to the Closing, the Company may pay to Stockholders in accordance with the Company Charter Documents, an aggregate amount equal to the Company's good faith estimate of the excess consolidated Cash of the Company Entities as of the Closing less (i) the Closing Cash, (ii) any 280E Tax Reserve, and (iii) any amount by which the estimated Closing Working Capital set forth on the Estimated Closing Statement is less than the Target Working Capital (provided, that in no event shall any such payment result in an amount of Cash held by the Company Entities less than the Minimum Cash Amount). The Company may make any such payment to the Stockholders in the form of a dividend, redemption or other method as determined by the Company. For avoidance of doubt, no Cash paid or distributed pursuant to this Section 2.02(b) will be included as Closing Cash or otherwise included in any calculation of Closing Merger Consideration. Notwithstanding the foregoing, the Closing shall be deemed to occur solely for Tax and accounting purposes as of 11:59 p.m., Pacific time, on the Closing Date.

Section 2.03. **Closing Deliverables**.

(a) At or prior to the Closing, the Company shall deliver, or cause to be delivered, to Parent the following:

(i) resignations of the Resigning Executives and directors of the Company, pursuant to Section 5.07;

(ii) a certificate, dated the Closing Date and signed by a duly authorized officer of the Company, that each of the conditions set forth in Section 8.02(a), Section 8.02(b) and Section 8.02(e) have been satisfied;

(iii) a certificate of the Secretary or Chief Legal Officer (or equivalent officer) of the Company certifying (A) that attached thereto are true and complete copies of (1) all resolutions adopted by the Company Board authorizing the execution, delivery and performance of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby and (2) resolutions of the Stockholders approving the Merger and adopting this Agreement, and (B) that such resolutions are in full force and effect and are all the resolutions of the Company Board or Stockholders, as applicable, adopted in connection with the transactions contemplated hereby and thereby;

(iv) a good standing certificate (or its equivalent) for each of the Company Entities from the secretary of state or similar Governmental Authority of the jurisdiction under the Laws in which each of the Company Entities are organized, and in which each of the Company Entities are qualified to do business;

(v) at least three (3) Business Days prior to the Closing, (i) the Closing Certificate certified by the Chief Financial Officer of the Company and (ii) the Payoff Letters, duly executed by the lender or similar party in each case thereof;

(vi) a certificate, duly executed by an authorized signatory of the Company, issued pursuant to Treasury Regulations Sections 1.897-2(h) and 1.1445-2(c)(3), including the required notice to the U.S. Internal Revenue Service, stating that an interest in the Company is not a "United States real property interest" within the meaning of Section 897(c) of the Code (provided that Parent's sole recourse for the Company's failure to deliver such certificate and notice shall be Parent's right to withhold and deduct Taxes pursuant to Section 2.15);

(vii) a Lock-Up Letter executed by each Stockholder substantially in the form attached hereto as **Exhibit D** (a "**Lock-Up Letter**") (other than any Dissenting Shareholder);

(viii) a Letter of Transmittal, duly executed by each Stockholder (other than any Dissenting Shareholder);

(ix) the Escrow Agreement, duly executed by each of the Stockholder Representative and the Escrow Agent;

(x) the Required Consents (unless Parent waives delivery thereof) (including the Written Consent), in each case, on terms and conditions satisfactory to Parent;

(xi) termination instruments evidencing the termination of the agreements and documents set forth on Section 3.24 of the Disclosure Schedules, in each case, with no further obligation of the Company and otherwise on terms and in form reasonably satisfactory to Parent;

(xii) the Investor Rights Agreement substantially in the form attached hereto as **Exhibit E** (the "**Investor Rights Agreement**"), duly executed by each Stockholder (other than any Dissenting Shareholder);

(xiii) a list of all logins, passwords and authorized Persons for all tax accounts, bank accounts, social media, customer loyalty programs, portals and similar accounts and software used by each of the Company Entities;

(xiv) evidence of payment to holders of the Payoff Indebtedness by wire transfer of immediately available funds that amount of money due and owing from the Company Entities to such holder of such Payoff Indebtedness as set forth on the Closing Certificate and the Payoff Letters; and

(xv) such other documents or instruments as Parent reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

(b) At the Closing, Merger Sub or Parent, as applicable, shall deliver to the Company (or such other Person as may be specified herein) the following:

(i) delivery to the Exchange Agent of the Closing Share Payment payable pursuant to Section 2.08 in exchange for the Shares;

(ii) payment of third parties by wire transfer of immediately available funds that amount of money due and owing from the Company to such third parties as Transaction Expenses, as set forth on the Closing Certificate;

(iii) a certificate, dated the Closing Date and signed by a duly authorized officer of Parent and Merger Sub, that each of the conditions set forth in Section 8.03(a), Section 8.03(b) and Section 8.03(d) have been satisfied;

(iv) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Parent and Merger Sub certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors and shareholders of Parent and Merger Sub, as applicable, authorizing the execution, delivery and performance of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions of such boards of directors or shareholders adopted in connection with the transactions contemplated hereby and thereby;

(v) the Escrow Agreement, duly executed by each of Parent and the Escrow Agent;

(vi) to the Escrow Agent, the Escrow Shares;

(vii) the Investor Rights Agreement, duly executed by Parent;

(viii) the Exchange Approval;

(ix) if required by the Exchange, an opinion of counsel to Parent, in form and substance reasonably satisfactory to the Exchange, with respect to Parent and its compliance with applicable Law; and

(x) such other documents or instruments as the Company reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

Section 2.04. Effective Time. Subject to the provisions of this Agreement, at the Closing, the Company, Parent and Merger Sub shall cause articles of merger (the "**Articles of Merger**") to be executed, acknowledged and filed with the Secretary of State of the State of Nevada in accordance with the relevant provisions of the Nevada Act and shall make all other filings or recordings required under the Nevada Act. The Merger shall become effective at such time as the Articles of Merger have been duly filed with the Secretary of State of the State of Nevada or at such later date or time as may be agreed by the Company and Parent in writing and specified in the Articles of Merger in accordance with the Nevada Act (the effective time of the Merger being hereinafter referred to as the "**Effective Time**").

Section 2.05. Effects of the Merger. The Merger shall have the effects set forth herein and in the applicable provisions of the Nevada Act.

Section 2.06. Articles of Incorporation; By-laws. At the Effective Time, (a) the articles of incorporation of the Company shall be amended and restated as set forth in the form attached hereto as **Exhibit I** to be the amended and restated articles of incorporation of the Surviving Corporation, until thereafter amended in accordance with the terms thereof or as provided by applicable Law, and (b) the bylaws of Merger Sub as in effect immediately prior to the Effective Time shall be the by-laws of the Surviving Corporation until thereafter amended in accordance with the terms thereof, the articles of incorporation of the Surviving Corporation or as provided by applicable Law.

Section 2.07. Directors and Officers. Other than the Resigning Executives, the officers of the Company, in each case, immediately prior to the Effective Time shall, from and after the Effective Time, be the officers, respectively, of the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the articles of incorporation and by-laws of the Surviving Corporation. The directors of Merger Sub immediately prior to the Effective Time shall, from and after the Effective Time, be the directors of the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the articles of incorporation and by-laws of the Surviving Corporation.

Section 2.08. Effect of the Merger on Capital Stock. On the terms and subject to the conditions set forth in this Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of Parent, the Company, Merger Sub or any Stockholder:

(a) Each issued and outstanding share of Merger Sub Common Stock shall be converted into and shall become one newly issued, fully-paid and non-assessable share of common stock, par value $0.001 per share, of the Surviving Corporation and constitute the only outstanding shares of capital stock of the Surviving Corporation.

(b) Each share of Company Common Stock (the "**Shares**") that is held by the Company as treasury stock or owned by the Company shall be canceled and retired and shall cease to exist and no consideration shall be delivered in exchange therefor.

(c) Except as provided in Section 2.08(b), each Share outstanding immediately prior to the Effective Time (other than Shares cancelled pursuant to Section 2.08(b) and Dissenting Shares) shall at the Effective Time be converted into the right to receive, in accordance with the terms of this Agreement, without interest and subject to Section 2.11, the applicable portion of the Closing Share Payment (including, for the avoidance of doubt, such number of Parent Shares to which the holder of the Share of Company Stock is entitled to receive in exchange therefor, as set forth in the Consideration Spreadsheet), and any additional cash payments or issuance and delivery of additional Parent Shares (if any) as contemplated by Section 2.17 and Section 2.19 (but subject to any adjustments and/or forfeitures as set forth therein); *provided*, that the number of shares of Parent Shares that each holder of a Share of Company Stock is entitled to receive shall be rounded up to the nearest whole number of shares of Parent Shares, and each such Share shall be automatically cancelled and shall cease to exist, and the holders thereof which immediately prior to the Effective Time represented such Shares shall cease to have any rights with respect to the Company Common Stock (other than the right to receive, subject to Section 2.11, such holder's applicable portion of the Closing Share Payment, and any additional cash payments or issuance and delivery of additional Parent Shares (if any) as contemplated by Section 2.17 and Section 2.19 (but subject to any adjustments and/or forfeitures as set forth therein)), or as a stockholder of the Company. Subject to and in accordance with Section 2.11, following the Closing (and without limitation of Section 2.17 and Section 2.19), each Stockholder will be entitled to receive, its Pro Rata Share of Closing Share Payment, which Pro Rata Share of Closing Share Payment shall be set forth in the Consideration Spreadsheet, *and provided further*, that the Escrow Shares shall be deposited with the Escrow Agent pursuant to the Escrow Agreement. No fractional Parent Shares shall be issued upon the conversion of the Shares pursuant to this Section 2.08(c).

(d) As consideration for Parent issuing the Parent Shares in connection with the Closing Share Payment, any payments to Dissenting Shareholders and paying down the Indebtedness and any unpaid Transaction Expenses, for each Parent Share so issued by Parent, any payments to Dissenting Shareholders, the Indebtedness and any unpaid Transaction Expenses, the Surviving Corporation shall issue to Parent (at the time Parent Shares are issued or payment is made by Parent) one validly issued, fully paid and nonassessable share of common stock, par value $0.001 per share, of the Surviving Corporation (rounding down to the nearest whole number of such shares).

Section 2.09. [Reserved]

Section 2.10. Dissenting Shares. Notwithstanding any provision of this Agreement to the contrary, including Section 2.08, Shares issued and outstanding immediately prior to the Effective Time (other than Shares cancelled in accordance with Section 2.08(a)) and held by a holder who has not voted in favor of adoption of this Agreement or consented thereto in writing and who has properly exercised appraisal rights of such Shares in accordance with the Nevada Act (such Shares being referred to collectively as the "**Dissenting Shares**" until such time as such holder (a "**Dissenting Shareholder**") fails to perfect or otherwise loses such holder's appraisal rights under the Nevada Act with respect to such Shares) shall not be converted into the right to receive the consideration as set forth in Section 2.08(c), but instead shall be automatically cancelled and the holders thereof entitled to only such rights as are granted by the Nevada Act; provided, however, that if, after the Effective Time, such holder fails to perfect, withdraws or loses such holder's right to appraisal pursuant to the Nevada Act or if a court of competent jurisdiction shall determine that such holder is not entitled to the relief provided by the Nevada Act, such Shares shall be treated as if they had been converted as of the Effective Time into the right to receive the portion of the consideration to which such holder is entitled pursuant to Section 2.08(c), without interest thereon. The Company shall provide Parent prompt written notice of any demands received by the Company for appraisal of Shares, any withdrawal of any such demand and any other demand, notice or instrument delivered to the Company prior to the Effective Time pursuant to the Nevada Act that relates to such demand, and Parent shall have the opportunity and right to direct all negotiations and proceedings with respect to such demands. Except with the prior written consent of Parent, the Company shall not make any payment with respect to, or settle or offer to settle, any such demands.

Section 2.11. Surrender and Payment.

(a) Promptly following the date hereof, Parent shall appoint an exchange agent acceptable to the Company, acting reasonably (which may be Parent's transfer agent for the Parent Shares, which will in any event be deemed acceptable to the Company), to act as the exchange agent in the Merger (the "**Exchange Agent**").

(b) Promptly, but in no event later than five (5) Business Days after the date hereof, the Company will prepare a letter of transmittal and other transmittal materials in substantially the form attached as **Exhibit F** (a "**Letter of Transmittal**") and instructions for use in effecting the surrender of a certificate prior to the Closing representing any Shares (each, a "**Certificate**") in exchange for the applicable portion of the consideration pursuant to Section 2.08(c). Such Letter of Transmittal and related materials shall be subject to Parent's (and the Exchange Agent's) review and comment, and promptly following approval thereof by Parent, the Exchange Agent shall mail the same to each Stockholder. The Exchange Agent shall, no later than ten (10) Business Days after the later of (i) the Closing and (ii) its receipt of a Certificate, together with a Letter of Transmittal duly completed and validly executed in accordance with the instructions thereto, and any other customary documents that Parent or the Exchange Agent may reasonably require in connection therewith, with respect to such Certificate so surrendered, each as provided in Section 2.08(c), issue to the holder of such Certificate such holder's Pro Rata Share of Closing Share Payment, together with delivery of evidence of direct book entry registration for the Parent Shares issuable as the Closing Share Payment in a form reasonably satisfactory to the Company (if before the Closing) or the Stockholder Representative (if after the Closing), and such Certificate shall forthwith be cancelled. Until so surrendered and cancelled, each outstanding Certificate that prior to the Effective Time represented shares of Company Common Stock (other than Dissenting Shares or Shares cancelled pursuant to Section 2.08(b)) shall be deemed from and after the Effective Time, for all purposes, to evidence the right to receive the portion of the Closing Share Payment as provided in Section 2.08(c) and any additional cash payments or issuance and delivery of additional Parent Shares (if any) as contemplated by Section 2.17 and by Section 2.19 (but subject to any adjustments and/or forfeitures as set forth therein). If after the Effective Time, any Certificate is presented to the Exchange Agent, it shall be cancelled and exchanged as provided in this Section 2.11.

(c) No interest shall be paid or accrued for the benefit of Stockholders on the Estimated Closing Merger Consideration or on any additional amounts that may thereafter become payable as Total Merger Consideration.

(d) Any portion of the Closing Share Payment made available to the Exchange Agent that remains unclaimed by Stockholders after six months after the Effective Time shall be returned to the Surviving Corporation or its designee, upon demand, and any such Stockholders who have not exchanged Certificates for such Stockholder's portion of the Closing Share Payment in accordance with this Section 2.11 prior to that time shall thereafter look only to the Surviving Corporation for payment of its portion of the Closing Share Payment.

Section 2.12. Expense Fund. Prior to the Closing, the Company shall have established a separate designated account in the name of the Company and funded such account with the amount of $500,000 in Cash (such amount, including any interest or other amounts earned thereon, the "**Stockholder Representative Expense Fund**"), to be held for the purpose of funding any expenses of Stockholder Representative arising in connection with the administration of Stockholder Representative's duties in this Agreement after the Effective Time. After Closing, Stockholder Representative may request, in writing together with reasonable documentation thereof, the payment of such expenses by Parent or the Surviving Corporation from the Stockholder Representative Expense Fund, and Parent or the Surviving Corporation shall promptly cause the payment of such expenses, in an aggregate amount not to exceed the Stockholder Representative Expense Fund.

Section 2.13. No Further Ownership Rights in Company Stock. All Closing Share Payments paid or payable in accordance with the terms hereof shall be deemed to have been paid or payable in full satisfaction of all rights pertaining to the Shares formerly represented by a Certificate (other than any additional cash payments or issuance and delivery of additional Parent Shares (if any) as contemplated by Section 2.17 and by Section 2.19 (but subject to any adjustments and/or forfeitures as set forth therein)), and from and after the Effective Time, there shall be no further registration of transfers of Shares on the stock transfer books of the Surviving Corporation.

Section 2.14. Adjustments. Without limiting the other provisions of this Agreement, if at any time during the period between the date of this Agreement and payment of any Earn-Out Amount, any change in the Parent Shares shall occur by reason of any reclassification, recapitalization, stock split (including reverse stock split) or combination, exchange or readjustment of shares, or any stock dividend or distribution paid in stock, the Total Merger Consideration and any other amounts payable, or consideration deliverable, pursuant to this Agreement shall be appropriately adjusted to provide the same economic effect as contemplated by this Agreement prior to such event.

Section 2.15. **Withholding Rights**. Each of the Exchange Agent, Parent, Merger Sub and the Surviving Corporation (each, a "**Withholding Agent**") shall be entitled to deduct and withhold from the consideration otherwise payable to any Person pursuant to this Article II such amounts as may be required to be deducted and withheld with respect to the issuance of such consideration under any provision of Law relating to Taxes; provided however, that prior to making any such deduction or withholding for Taxes, the applicable Withholding Agent (if Parent, Merger Sub or the Surviving Corporation) shall use commercially reasonable efforts to (and if the Exchange Agent, Parent will use commercially reasonable efforts to cause the Exchange Agent to) (a) notify the Person in respect of whom such deduction or withholding would be made and (b) cooperate with such Person to reduce or eliminate such deduction or withholding. To the extent that amounts are so deducted and withheld by a Withholding Agent, such amounts shall be timely remitted by the Withholding Agent (and in the case of the Exchange Agent, Parent shall use commercially reasonable efforts to cause the Exchange Agent to remit) to the applicable Governmental Authority and treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made. The Withholding Agent is hereby authorized to sell or otherwise dispose of such portion of any Parent Shares or other security deliverable to such Person as is necessary to provide sufficient funds (after deducting commissions payable, fees and other third-party, out-of-pocket costs and expenses) to such payor to enable it to comply with such deduction or withholding requirement and the payor shall notify such Person and remit the applicable portion of the net proceeds of such sale to the appropriate Governmental Authority and, if applicable, any portion of such net proceeds (after deduction of all fees, commissions or third-party, out-of-pocket costs in respect of such sale) that is not required to be so remitted shall be paid to such Person. Any such sale will be made in accordance with applicable Laws and at prevailing market prices and the payor shall not be under any obligation to obtain a particular price for the Parent Shares or other security, as applicable, so sold. Neither the payor, nor any other Person, will be liable for any loss arising out of any sale under this Section 2.15.

Section 2.16. **Lost Certificates**. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by Parent, the posting by such Person of a bond, in such reasonable amount as Parent may direct, as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent shall issue, in exchange for such lost, stolen or destroyed Certificate, the portion of the Closing Share Payment to be paid in respect of the Shares formerly represented by such Certificate as contemplated under this Article II.

Section 2.17. **Closing Merger Consideration and Closing Share Payment Adjustment**.

(a) *Closing Adjustment*.

(i) At least three (3) Business Days prior to the Closing, the Company shall prepare and deliver to Parent a statement (such statement, the "**Estimated Closing Statement**"), in reasonable detail, of the Company's good faith estimated calculation of the Closing Merger Consideration, and each component thereof, as of the Closing Date (the "**Estimated Closing Merger Consideration**"), and the resulting Closing Share Payment, all prepared in all material respects in accordance with the Accounting Principles. The Estimated Closing Statement shall also contain an estimated consolidated balance sheet of the Company as of the Closing Date and an estimated consolidated statement of income for the prior twelve calendar months immediately preceding the Closing Date, and for the twelve-month period ended December 31, 2024, in each case prepared in accordance with the Accounting Principles. The Company shall provide Parent with reasonable access to the books and records of the Company and shall cause the personnel of the Company to reasonably cooperate with Parent for the purpose of enabling Parent to review the Company's determination of all amounts and estimates in the Estimated Closing Statement and each component thereof, and such amounts shall be adjusted in response to any reasonable comments of Parent provided prior to the Closing.

(ii) Inventory Statement. At least three (3) Business Days prior to the Closing, the Company Entities shall deliver to Parent or a representative of Parent an Inventory estimate (the "**Inventory Statement**") that shall be included as part of the Estimated Closing Statement, in accordance with the definition of Inventory and in accordance with the inventory accounting principles set forth in Exhibit G (the "**Inventory Accounting Principles**"); provided that, to the extent the definition of Inventory conflicts with the Inventory Accounting Principles, the definition of Inventory shall supersede the Inventory Accounting Principles. The Inventory Statement shall contain a list by product category, item number, or as is otherwise customary, the number and cost of each item of Inventory, and the estimated cost for such Inventory, as of the Closing. Parent and the Company Entities shall conduct a physical review of the Inventory on the Closing Date in accordance with the definitions in this Agreement and the Inventory Accounting Principles, which Inventory results shall be used in the determination of the Final Closing Statement pursuant to Section 2.17(b).

(b) *Post-Closing Adjustment*. Within 90 days after the Closing Date, Parent shall prepare and deliver to Stockholder Representative a statement setting forth Parent's good faith calculation of, as of the Closing Date, (i) the Closing Cash, (ii) any New Retail EBITDA Shortfall Amount not previously included in the Estimated Closing Statement, (iii) the Adjusted 280E Reserve and, without duplication, any 280E Tax Reserve Shortfall, (iv) the Closing Indebtedness and Assumed Indebtedness, (v) the unpaid Transaction Expenses, if any, (vi) the Closing Working Capital, (vii) the amount of any Pre-Closing Taxes and (viii) the Actual Closing Merger Consideration, determined based on the foregoing calculations of this Section 2.17(b)(i) through (vii), together with the amounts included in the Estimated Closing Statement for clauses (a), (c) and (e) of the definition of "**Closing Merger Consideration**", and (viii) the Minimum Cash Amount (as finally determined pursuant to subsections (b) and (c), the "**Final Closing Statement**"), all calculated and prepared in all material respects accordance with the Accounting Principles.

(c) *Examination and Review*.

(i) *Examination.* After receipt of the Final Closing Statement, Stockholder Representative shall have 45 days (the "**Review Period**") to review the Final Closing Statement. During the Review Period and during the resolution of any dispute pursuant to this Section 2.17(c), Stockholder Representative and its accountants shall have full access to the books and records of the Surviving Corporation and the other Company Entities, the personnel of, and work papers prepared by, Parent, Surviving Corporation, and the other Company Entities, and/or their accountants to the extent that they relate to the Final Closing Statement and to such historical financial information (to the extent in Parent's possession) relating to the Final Closing Statement as Stockholder Representative may reasonably request for the purpose of reviewing the Final Closing Statement and to prepare a Statement of Objections (defined below), provided, that such access shall be in a manner that does not unreasonably interfere with the normal business operations of Parent or the Surviving Corporation.

(ii) *Objection.* On or prior to the last day of the Review Period, Stockholder Representative may object to the Final Closing Statement by delivering to Parent a written statement setting forth its objections in reasonable detail, indicating each disputed calculation, item or amount and the basis for its disagreement therewith (the "**Statement of Objections**"). If Stockholder Representative fails to deliver the Statement of Objections before the expiration of the Review Period, Final Closing Statement shall be deemed to have been accepted by Stockholder Representative. If Stockholder Representative delivers the Statement of Objections before the expiration of the Review Period, Parent and Stockholder Representative shall negotiate in good faith to resolve such objections within 30 days after the delivery of the Statement of Objections (the "**Resolution Period**"), and, if the same are so resolved within the Resolution Period, the Final Closing Statement with such changes as may have been previously agreed in writing by Parent and Stockholder Representative, shall be final and binding.

(iii) *Resolution of Disputes.* If Stockholder Representative and Parent fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any matters remaining in dispute ("**Disputed Amounts**" and any matters not so disputed, the "**Undisputed Amounts**") shall be submitted for resolution to Cohn Reznick or, if Cohn Reznick is unable to serve, Parent and Stockholder Representative shall appoint by mutual agreement the office of an impartial regionally recognized firm of independent certified public accountants that is not the Company Auditor (the "**Independent Accountant**") who, acting as experts and not arbitrators, shall resolve the Disputed Amounts only and make any adjustments to the Final Closing Statement. The parties hereto agree that all adjustments of Disputed Amounts shall be made without regard to materiality. The Independent Accountant shall only decide the specific calculations, items or amounts under dispute by the parties and their decision for each Disputed Amount must be within the range of values assigned to each such calculation, item or amount in the Final Closing Statement and the Statement of Objections, respectively.

(iv) *Fees of the Independent Accountant.* The fees and expenses of the Independent Accountant shall be paid by the Stockholder Representative (on behalf of the Stockholders), on the one hand, and by Parent, on the other hand, based upon the percentage that the amount actually contested but not awarded to the Stockholders or Parent, respectively, bears to the aggregate amount actually contested by the Stockholder Representative and Parent. Any such fees and expenses payable by the Stockholder Representative shall be paid from the Stockholder Representative Expense Fund to the extent available.

(v) *Determination by Independent Accountant.* The Independent Accountant shall make a determination as soon as practicable after their engagement, and their resolution of any disputed amount under this Agreement for which they are engaged, including the Disputed Amounts in this Section 2.17 or the written statement of objections to the Earn-Out Statement in Section 2.19, and their adjustments to the Final Closing Statement or Earn-Out Statement, as applicable, absent Fraud by any such Person or manifest mathematical error by the Independent Accountant, shall be conclusive and binding upon the Stockholder Representative, Stockholders, Parent and Surviving Corporation. The Independent Accountant's resolution of the Disputed Amounts and their adjustments to the Final Closing Statement, or any adjustments to the Earn-Out Statement, as applicable, shall be treated as compromise and settlement negotiations for purposes of Rule 408 of the Federal Rules of Evidence and comparable state rules of evidence.

(d) *Merger Consideration Adjustment*.

(i) If the Actual Closing Merger Consideration as determined pursuant to Section 2.17(b) and (c) exceeds the Estimated Closing Merger Consideration as determined pursuant to Section 2.17(a) (such excess, the "**Upward Adjustment Amount**"), then at the election of Parent, within ten (10) Business Days of such determination, (A) Parent shall pay to each Stockholder its Pro Rata Share of the Upward Adjustment Amount, by wire transfer of immediately available funds, or (B) Parent shall issue to each Stockholder its Pro Rata Share of additional Parent Shares (rounded up to the nearest whole number) equal to the quotient of (I) the Upward Adjustment Amount, divided by (II) the Closing Share Price.

(ii) If the Actual Closing Merger Consideration as determined pursuant to Section 2.17(b) and (c) is less than the Estimated Closing Merger Consideration as determined pursuant to Section 2.17(a) (such deficit, the "**Downward Adjustment Amount**"), then at the election of the Stockholder Representative for and on behalf of the Stockholders, within ten (10) Business Days of such determination, Stockholder Representative shall (A) direct Parent or the Surviving Corporation to release to Parent, from the Stockholder Representative Expense Fund, the Downward Adjustment Amount (or a portion thereof), with any excess of the Downward Adjustment Amount over the amount of such release from the Stockholder Representative Expense Fund to be paid, at the election of Stockholder Representative, by (I) directing the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole number) equal to the quotient of (1) the remaining Downward Adjustment Amount, divided by (2) the Closing Share Price, or (II) Stockholders to Parent in cash in immediately available funds in the amount of their respective Pro Rata Shares thereof, severally and not jointly, or (B) Stockholder Representative shall direct the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole number) equal to the quotient of (I) the Downward Adjustment Amount, divided by (II) the Closing Share Price; provided, that (i) if the Stockholder Representative elects cash payment under the foregoing clause (A)(II), and any Stockholder does not pay any such excess amounts owed pursuant thereto within 30 days thereafter, such Stockholder shall, at the option of Parent, have such amounts settled in Escrow Shares pursuant to the foregoing clause (A)(I) (or if the Escrow Shares are not sufficient, in accordance with the following clause (ii)), and (ii) in the event the Stockholder Representative chooses settlement in Escrow Shares pursuant to the foregoing clause (A)(I) or (B) but the Downward Adjustment Amount (or remaining Downward Adjustment Amount, in the case of clause (A)(I)) is in excess of the Escrow Shares, the Stockholders shall surrender to Parent a number of Parent Shares (rounded up to the nearest whole number) equal to the quotient of (I) such remaining excess, divided by (II) the Closing Share Price, in accordance with their respective Pro Rata Shares, severally and not jointly, and Parent shall cancel such surrendered Parent Shares.

(e) *Adjustments for Tax Purposes*. Any payments made pursuant to this Section 2.17 shall be treated as an adjustment to the Estimated Closing Merger Consideration by the parties for Tax purposes, unless otherwise required by Law.

Section 2.18. Consideration Spreadsheet.

(a) At least three (3) Business Days prior to the Closing and concurrently with the delivery of the Estimated Closing Statement, and as a portion thereof, the Company shall prepare and deliver to Parent a spreadsheet (the "**Consideration Spreadsheet**"), which shall set forth, as of the Closing Date and immediately prior to the Effective Time, the following:

(i) the names and addresses of all Stockholders and the number of shares of Company Common Stock held by such Persons;

(ii) detailed calculations of the allocation of the Estimated Closing Merger Consideration and the Closing Share Payment among the Company Common Stock, calculated on a fully diluted basis;

(iii) each Stockholder's Pro Rata Share (as a percentage interest) of the Closing Share Payment (and each Stockholder's Pro Rata Share (as a percentage interest) of any Upward Adjustment Amount or Downward Adjustment Amount under Section 2.17 when payable);

(iv) each Stockholder's Pro Rata Share (as a percentage interest) of any cash to be contributed to the payment of the Stockholder Representative Expense Fund;

(v) each Stockholder's Pro Rata Share of the Escrow Shares; and

(vi) each Stockholder's Pro Rata Share (as a percentage interest) of the amount of any potential Earn-Out Amount or Forfeiture Amount pursuant to Section 2.19 (or other amounts pursuant to Section 2.19(h)).

(b) The parties agree that Parent and Merger Sub shall be entitled to rely on the Consideration Spreadsheet in making payments or issuing consideration under Article II and Parent and Merger Sub and, following Closing, the Surviving Corporation shall not be responsible for the calculations or the determinations regarding such calculations in such Consideration Spreadsheet.

Section 2.19. Earn-Out; Forfeiture.

(a) As additional consideration for the Merger, following the Closing, contingent upon satisfaction of the criteria in this Section 2.19, the Stockholders (other than any Dissenting Stockholder, who, notwithstanding anything to the contrary in this Agreement, shall not in any event be entitled to any portion of any Earn-Out Amount) shall be eligible to receive their respective Pro Rata Share of the Earn-Out Amount (if any), payable as set forth in Section 2.19(c) below. The parties acknowledge and agree that the right to receive the Earn-Out Amount, if any, pursuant to this Agreement is an integral part of the total consideration for the Shares and it is reasonable to assume that the Earn-Out Amount relates to underlying goodwill, the value of which cannot reasonably be expected to be agreed upon by the parties at the Closing Date.

(b) (i) No later than 60 days after the audited financial statements of Parent for its fiscal year ended December 31, 2026 (or, to the extent, that Parent amends its fiscal year, 120 days after December 31, 2026) (the "**Earn-Out Period Financial Statements**") are completed, Parent shall deliver to Stockholder Representative a statement containing the calculation of the Earn-Out Amount, if any, including the components thereof, and Earn-Out Share Price, all in reasonable detail and together with reasonable backup for such calculations made therein and/or, if applicable, the Forfeiture Amount, if any, in reasonable detail and together with reasonable backup for such calculations made therein (the "**Earn-Out Statement**"). The Earn-Out Statement shall be prepared by Parent in all material respects in accordance with the Earn-Out Accounting Principles based upon the Earn-Out Period Financial Statements (absent manifest error), and other books and records of Surviving Corporation and other Company Entities (or, with respect to applicable portions of the Forfeiture Amount, the third party data and information specified in the definition thereof).

(ii) Stockholder Representative may object to the Earn-Out Statement by delivering to Parent a written statement setting forth Stockholder Representative's objections in reasonable detail, indicating each disputed calculation, item or amount and the basis for Stockholder Representative's disagreement therewith, within 30 days of receipt thereof from Parent. If Stockholder Representative fails to deliver such written statement within such time period, then the Earn-Out Statement (and the calculations, items and amounts contained therein) shall be deemed to have been accepted by Stockholders and Stockholder Representative and shall be final and binding on the Surviving Corporation, Stockholder Representative, the Stockholders, Parent and Merger Sub. If Stockholder Representative delivers a written statement of objections to Parent within such 30-day timeframe, then Parent and Stockholder Representative shall negotiate in good faith to resolve such objections within 30 days after the delivery of Stockholder Representative's written statement of objections, and, if the same are so resolved within such period, the Earn-Out Statement (and the calculations, items and amounts contained therein) with such changes as may have been agreed in writing by Parent and Stockholder Representative, shall be final and binding. In the event Parent and Stockholder Representative are unable to agree within 30 days after Stockholder Representative's delivery of such written statement of objections (or such longer period as Stockholder Representative and Parent shall mutually agree), Parent and Stockholder Representative shall engage the Independent Accountant to resolve the dispute in accordance with the guidelines and principles set forth in this Agreement and to make any adjustments to the Earn-Out Statement. In resolving any dispute with respect to the Earn-Out Statement, the Independent Accountant (A) may not assign a value to any calculation, item or amount greater than the highest value claimed for such calculation, item or amount or less than the lowest value for such calculation, item or amount claimed by either Parent or Stockholder Representative and (B) shall restrict its decision to such calculations, items and amounts included in the objection(s) which are then in dispute. The fees and expenses of the Independent Accountant shall be paid by Stockholders, on the one hand, and by Parent, on the other hand, based upon the percentage that the amount actually contested but not awarded to Stockholders or Parent, respectively, bears to the aggregate amount actually contested by Stockholder Representative and Parent.

(c) Subject to Section 9.06, Parent will pay the Earn-Out Amount to the Exchange Agent for further distribution to the Stockholders, if any, through the delivery of a number of Parent Shares, within 20 Business Days of the final determination of the Earn-Out Amount as set forth in Section 2.19(b), calculated as set forth below (such shares, the "**Earn-Out Shares**"). The number of Earn-Out Shares to be so issued will be equal to the quotient of (i) the Earn-Out Amount, divided by (ii) the Earn-Out Share Price; provided, that in no event shall the number of Earn-Out Shares, in the aggregate, exceed the number of Parent Shares comprising the Closing Share Payment. The immediately preceding proviso and the provisions of this Agreement and the Escrow Agreement related to the Earn-Out Shares and Escrow Shares are intended to comply with Rev. Proc. 84-42; 1984-1 C.B. 521. Each Stockholder will be entitled to its Pro Rata Share of the Earn-Out Shares, with the total Earn-Out Shares issued to each Stockholder rounded up to the nearest whole number.

(d) Following the Closing and subject to the following, Parent and its Affiliates shall have sole discretion with regard to all matters relating to the operations of the Surviving Corporation, including all Company Entities, provided, however, Parent agrees that Parent and its subsidiaries will act in good faith and with fair dealing so as to provide the Stockholders (and the Surviving Corporation and the other Company Entities) with a reasonable opportunity to maximize the Adjusted EBITDA of the Company Entities and to otherwise satisfy and achieve any conditions precedent to receipt of the Earn-Out Amount and the issuance and delivery of any Earn-Out Shares and to avoid the forfeiture of Parent Shares as contemplated by Section 2.19(g), and will not take any action with respect to the businesses of the Surviving Corporation (and its subsidiaries, including the other Company Entities) the primary purpose and intent of which is to minimize the Adjusted EBITDA of the Surviving Corporation (and the other Company Entities) for calendar year 2026 or to cause a forfeiture of Parent Shares on the part of Stockholders as contemplated by Section 2.19(g). Notwithstanding the foregoing, the parties agree that it will in no event be deemed to violate the immediately preceding sentence for Parent to (1) pledge any and all assets of the Company Entities, (2) refinance any indebtedness for borrowed money (including the Assumed Indebtedness) or (3) cause the Company Entities to incur new indebtedness for borrowed money; provided, that only Post-Closing Debt shall be included as a deduction for purposes of clause (c) of the definition of Earn-Out Amount or an addition for purposes of clause (d) of the definition of Forfeiture Amount. Without limiting the foregoing, during the period from and after the Closing through and including December 31, 2026 (the "**Earn-Out Period**"), Parent shall, and shall cause the Surviving Corporation and the other Company Entities, to:

(i) in order to permit the accurate preparation of the Earn-Out Statement, and an accurate determination of any issuance and delivery of Earn-Out Shares (or a forfeiture of Parent Shares) pursuant to this Section 2.19, maintain books and records of the Surviving Corporation and the other Company Entities sufficient to allow for the foregoing calculations as if the Surviving Corporation and the other Company Entities were an independent business unit;

(ii) subject to budgetary limits, allow for the Chief Operating Officer to make determinations regarding employment, engagement and termination of employees and contractors of the Surviving Corporation and the other Company Entities to at his discretion (subject to Parent's right to require termination for cause);

(iii) maintain an amount of net working capital in the Company Entities sufficient for their operation in the ordinary course of business;

(iv) permit the inclusion of capital expenses in the annual budget of the Company Entities in an amount no less than the prior fiscal year's annual depreciation of the Company Entities' consolidated assets as available under the Code, and to consider, in good faith but without obligation and in Parent's sole and absolute discretion, any additional proposed capital expenses reasonably requested by the Company Entities for inclusion in the annual budget of the Company Entities;

(v) not have any Company Entity engage in any intercompany transaction or other transaction with an Affiliate of Parent (other than another Company Entity), other than on commercially reasonable terms; and (vi) use commercially reasonable efforts to maintain the listing of the Parent Shares on the Exchange, or a comparable (or superior) primary successor exchange.

(e) Each of the Company, Stockholder Representative, the Stockholders, Parent and Merger Sub acknowledges and agrees (i) that this Section 2.19 is strictly a contractual relationship between and among such Persons and does not create any express or implied fiduciary or special relationship between or among such Persons or create any express or implied fiduciary or special duties on the part of the Surviving Corporation, Parent or any of their Affiliates, to Stockholders, (ii) that the contingent rights to receive all or any portion of the Earn-Out Amount shall not be represented by any form of certificate or other instrument, are not transferable except by operation of Laws relating to descent and distribution, divorce and community property, and do not constitute an equity or ownership interest in Parent, and (iii) that Stockholders shall not have any rights as a stockholder of Parent as a result of the contingent right to receive all or any portion of the Earn-Out Amount hereunder. Without limitation of the foregoing and without limiting the provisions of subsection (d) above, each Stockholder, acknowledges that neither Parent nor Surviving Corporation or their respective Affiliates will be required to expend any funds or incur any liabilities in order to increase the likelihood of receiving the Earn-Out Amount or to decrease the likelihood of a forfeiture of Parent Shares on the part of Stockholders pursuant to Section 2.19(g). Each Stockholder acknowledges that neither Surviving Corporation or Parent, nor any of their respective Affiliates has or will have any duties, covenants or obligations (express or implied) to any such Stockholder with respect to the foregoing other than as expressly set forth in this Section 2.19.

(f) Any Earn-Out Shares issued pursuant to this Section 2.19 (or any forfeited Shares and other payments (if any) pursuant to Section 2.19(g) and Section 2.19(h)) shall constitute an adjustment of the Actual Closing Merger Consideration for Tax purposes, unless otherwise required by applicable Law. To the extent any Escrow Shares or Earn-Out Shares issued to the Stockholders are required to be treated as interest pursuant to Treasury Regulations Section 1.483-4(b) or other applicable Tax law, then such Escrow Shares and Earnout-Shares, as applicable, representing the principal component (with a value equal to the principal component) and the interest component (with a value equal to the interest component) will be represented by separate book entries, if requested by a Stockholder.

(g) In the event that:

(i) (A) the higher of (I) the Company Entities' consolidated trailing twelve (12) month Adjusted EBITDA for the twelve full calendar months ending December 31, 2026, and (II) the Company Entities' consolidated trailing nine (9) month Adjusted EBITDA for the last nine (9) months of calendar year 2026, such amount annualized to reflect a full 12-month period,

is less than

(B) ninety-six and one-half percent (96.5%) of the sum of (I) the Closing EBITDA plus (II) New Retail EBITDA (as adjusted to deduct the New Retail EBITDA Shortfall Amount, if any), in each case as finally determined as part of the Actual Closing Merger Consideration pursuant to Section 2.17(b) and (c), minus, (III) if applicable (and if not taken into account in the determination of Actual Closing Merger Consideration or already deducted pursuant to subsection (II) above), any New Retail EBITDA Shortfall Amount in accordance with Section 2.19(h)) (the absolute value of the amount of the deficiency of Section 2.19(g)(i)(A) to the amount calculated in this Section 2.19(g)(i)(B), if any, the "**EBITDA Deficiency**"); and

(ii) (A) the Company Entities' consolidated Market Share for the year ended December 31, 2026, is less than the Company Entities' consolidated Market Share for the year ended December 31, 2024, or (B) the Company Entities' consolidated EBITDA Margin for the year ended December 31, 2026, is less than the Company Entities' consolidated EBITDA Margin for the year ended December 31, 2024, and

(iii) the 20-day volume weighted average price per Parent Share on the Exchange (converted to United States Dollars based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during such 20-day period, as reported by Bloomberg Finance L.P. over the twenty (20) consecutive trading day period ending on the trading day immediately prior to December 31, 2026, is greater than $1.05 per Parent Share, then, each Stockholder will, within ten (10) Business Days of such determination, transfer to Parent a number of Parent Shares, rounded up to the nearest whole number, held by such Stockholder equal to its Pro Rata Share of the quotient of the Forfeiture Amount divided by the Closing Share Price. Notwithstanding anything contained herein to the contrary, in no event shall the total number of Parent Shares forfeited under this Section 2.19(g) in the aggregate for all Stockholders be in excess of 50% of the total Parent Shares issued as Actual Closing Merger Consideration.

(h) In the event that any New Retail EBITDA from a New Retail Location was included in the calculation of the Closing Merger Consideration, but such New Retail Location is not Operational as of April 1, 2025, then, to the extent the New Retail EBITDA Shortfall Amount was not previously taken into account in the determination of the Closing Merger Consideration pursuant to Section 2.17 and without duplication, at the election of the Stockholder Representative for and on behalf of the Stockholders, within ten (10) Business Days of written notice from Parent that such New Retail Location(s) are not Operational as of such date, Stockholder Representative shall (A) direct Parent or the Surviving Corporation to release to Parent, from the Stockholder Representative Expense Fund, the New Retail EBITDA Shortfall Amount (or a portion thereof), with any excess of the New Retail EBITDA Shortfall Amount over the amount of such release from the Stockholder Representative Expense Fund to be paid, at the election of Stockholder Representative, by (I) directing the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole number) equal to the quotient of (1) the remaining New Retail EBITDA Shortfall Amount, divided by (2) the Closing Share Price, or (II) Stockholders to Parent in cash in immediately available funds in the amount of their respective Pro Rata Shares thereof, severally and not jointly, or (B) Stockholder Representative shall direct the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole number) equal to the quotient of (I) the New Retail EBITDA Shortfall Amount, divided by (II) the Closing Share Price; provided, that (i) if the Stockholder Representative elects cash payment under the foregoing clause (A)(II), and any Stockholder does not pay any such excess amounts owed pursuant thereto within 30 days thereafter, such Stockholder shall, at the option of Parent, have such amounts settled in Escrow Shares pursuant to the foregoing clause (A)(I) (or if the Escrow Shares are not sufficient, in accordance with the following clause (ii)), and (ii) in the event the Stockholder Representative chooses settlement in Escrow Shares pursuant to the foregoing clause (A)(I) or (B) but the New Retail EBITDA Shortfall Amount (or remaining amount of the New Retail Shortfall Amount, in the case of the foregoing clause (A)(I)) is in excess of the Escrow Shares, the Stockholders shall transfer to Parent a number of Parent Shares (rounded up to the nearest whole number) equal to the quotient of (I) such remaining excess, divided by (II) the Closing Share Price, in accordance with their respective Pro Rata Shares, severally and not jointly.

Section 2.20. Parent Shares.

(a) **Issuances of Parent Shares.** All Parent Shares issued pursuant to this Agreement will be evidenced by direct book-entry registration only, without the issuance of certificates representing such Parent Shares. Parent's transfer agent shall document the terms, conditions and restrictions set forth in this Section 2.20. The Company, on its own behalf and on behalf of Stockholders, confirms, acknowledges and agrees that (i) Parent has advised the Stockholders and the Company that Parent is relying on an exemption from the requirements to provide the Company and Stockholders with a prospectus and to sell securities through a person registered to sell securities under applicable Canadian securities laws and, as a consequence of acquiring the Parent Shares pursuant to this exemption, certain protections, rights and remedies provided by Canadian securities laws, including statutory rights of rescission or damages, will not be available to the Stockholders and the Company, and (ii) there may be restrictions on a Stockholder's ability to resell the Parent Shares and it is the responsibility of the Stockholders to find out what those restrictions are and to comply with them before selling them. At Closing and until issued and delivered or the later expiration of the Earn-Out Period without any Earn-Out Shares eligible to be issued to Stockholders, to the extent necessary under its organizational documents, Parent shall reserve Parent Shares sufficient for the issuance of the Earn-Out Shares as contemplated hereby.

(b) **Registration.** The Parent Shares to be issued pursuant to this Agreement (i) will not, subject to any applicable provisions of the Investor Rights Agreement, be registered under the Securities Act in reliance upon the exemption from registration requirements of Section 5 of the Securities Act as set forth in Section 4(a)(2) thereof, and (ii) will be distributed pursuant to the exemption set out in Section 2.11 of National Instrument 45-106 – *Prospectus Exemptions*.

(c) **Legend.** The Parent Shares to be issued pursuant to this Agreement shall be characterized as "restricted securities" for purposes of Rule 144 under the Securities Act, and such shares shall, until such time as the shares are not so restricted under the Securities Act, bear a legend identical or similar in effect to the following legend (together with any legend required by applicable Securities Laws to the extent such Laws are applicable to the Parent Shares issued pursuant to this Agreement):

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING THESE SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ENCUMBERED, ABSENT AN EFFECTIVE REGISTRATION STATEMENT FILED BY THE CORPORATION UNDER THE SECURITIES ACT, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S ("REGULATION S") UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN ACCORDANCE WITH (1) RULE 144A UNDER THE SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, OR IN ANY OTHER CASE AS REQUIRED BY THE TRANSFER AGENT, A LEGAL OPINION SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO THE CORPORATION AND THE TRANSFER AGENT, IF ANY, OF THE CORPORATION STATING THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR SUCH OTHER APPLICABLE LAWS."

(d) **Securities Laws**.

(i) Notwithstanding anything to the contrary in this Agreement, the issuance and delivery of Parent Shares pursuant to this Agreement, including any Earn-Out Shares, shall require the approval of and/or be issued and delivered in accordance with the rules, policies and directives of the Exchange and any other applicable regulatory body, and must be made in compliance with Securities Laws and any other applicable Laws.

(ii) The Company consents: (A) to the disclosure of certain information regarding it and the transactions contemplated by this Agreement to the Exchange, the Canadian Securities Regulators and the SEC, including as required to be included in applicable Exchange issuance forms and as required by applicable Securities Laws, including pursuant to the filing of an exempt distribution report, and as may be required by the Securities Laws in any filing with the SEC, the Exchange, the Canadian Securities Regulators or other applicable securities regulators; and (B) to the collection, use and disclosure of its information by the Exchange, the SEC, the Canadian Securities Regulators or other applicable securities regulators or as otherwise identified by the Exchange, the SEC, the Canadian Securities Regulators or other applicable securities regulators, from time to time.

(iii) Each Stockholder will, as a condition of receiving Parent Shares upon completion of the Merger (or any Parent Shares included in any Earn-Out Amount), either (i) be required to make the necessary representations and warranties contained in the Letter of Transmittal to ensure compliance with applicable U.S. federal and state securities laws or (ii) be deemed to confirm that such Stockholder is outside the United States, and will deliver any other supporting information as reasonably requested by Parent in order to confirm their status and the availability of an exemption or exclusion from the registration requirements of the Securities Act and applicable state securities laws for the issuance of such Parent Shares to such holder. In the event that, as of the time of required issuance of any Parent Shares under this Agreement (including any Parent Shares included in any Earn-Out Amount), a Stockholder does not qualify for the applicable exemptions under federal and state securities laws required for Parent to issue such Parent Shares to such Stockholder, then Parent shall issue such Parent Shares to a third party agent agreed upon by the parties, which shall hold the Parent Shares on behalf of and for the benefit of such Stockholder. Such third party shall thereafter be permitted to effect transfer of such Parent Shares to such Stockholder if and to the extent permitted under applicable securities laws, with such compliance with securities laws demonstrated to the satisfaction of counsel to Parent, or may, after the expiration of any applicable lock up periods for such Parent Shares contemplated under the Lock-Up Letter, sell such Parent Shares as permitted under applicable securities laws and transfer applicable proceeds to the Stockholder. The Stockholder shall be responsible for, and indemnify such third party for, any taxes such third party incurs in connection with any such sales and transfers.

Section 2.21. Intended U.S. Tax Treatment. For U.S. federal income tax purposes, it is intended that the Merger shall be treated as a "reorganization" within the meaning of Section 368(a) of the Code, and the parties hereby adopt this Agreement as a "plan of reorganization" within the meaning of Treasury Regulations Sections 1.368-2(g) and 1.368-3(a) (the "**Intended Tax Treatment**"). The parties shall file all Tax Returns consistent with the Intended Tax Treatment and shall not take, or cause to be taken, any position (whether on a Tax Return, in an audit, or otherwise) that is inconsistent with the Intended Tax Treatment unless otherwise required by a final "determination" within the meaning of Section 1313 of the Code. No party shall take or fail to take any action or cause any action to be taken or fail to be taken that could reasonably be expected to prevent the Merger from qualifying for the Intended Tax Treatment.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules or as contemplated by Section 5.17(a), the Company represents and warrants to Parent as follows:

Section 3.01. Organization and Qualification of the Company Entities. The Company is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Nevada 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 currently conducted, except under Federal Cannabis Laws. Each other Company Entity is a corporation or limited liability company duly incorporated or formed, as applicable, validly existing and in good standing under the Laws of the State of Nevada and has full corporate, or limited liability company, as applicable, 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 currently conducted, except under Federal Cannabis Laws. No Company Entity is licensed or qualified to do business in any state or jurisdiction other than the State of Nevada, and each Company Entity is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary.

Section 3.02. Authority; Board Approval.

(a) The Company has full corporate power and authority to enter into and perform its obligations under this Agreement and the Ancillary Documents to which it is a party and, subject to, in the case of the consummation of the Merger, adoption of this Agreement by the affirmative vote or consent of Stockholders representing a majority of the outstanding Company Common Stock ("**Requisite Company Vote**"), to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Company of this Agreement and any Ancillary Document to which it is a party and the consummation by the Company of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize the execution, delivery and performance of this Agreement or to consummate the Merger and the other transactions contemplated hereby and thereby, subject only, in the case of consummation of the Merger, to the receipt of the Requisite Company Vote. The Requisite Company Vote is the only vote or consent of the holders of any class or series of the Company's capital stock required to approve and adopt this Agreement and the Ancillary Documents, approve the Merger and consummate the Merger and the other transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Company, and (assuming due authorization, execution and delivery by each other party hereto) this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable Laws, including Federal Cannabis Laws, and by general principles of equity. When each Ancillary Document to which the Company is or will be a party has been duly executed and delivered by the Company (assuming due authorization, execution and delivery by each other party thereto), such Ancillary Document will constitute a legal and binding obligation of the Company enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, may be granted only in the discretion of a court of competent jurisdiction, except as such enforceability may be limited by applicable Laws, including Federal Cannabis Laws, and by general principles of equity.

(b) The Company Board, by resolutions duly adopted by unanimous written consent of the Company Board, has, as of the date hereof (i) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to, and in the best interests of, the Stockholders, (ii) approved and declared advisable the "plan of merger" (as such term is used in the Nevada Act) contained in this Agreement and the transactions contemplated by this Agreement, including the Merger, in accordance with the Nevada Act, (iii) directed that the "plan of merger" contained in this Agreement be submitted to the stockholders of the Company entitled to vote thereon for adoption in accordance with the Nevada Act, and (iv) resolved to recommend that the stockholders of the Company entitled to vote thereon adopt the "plan of merger" set forth in this Agreement (collectively, the "**Company Board Recommendation**") and directed that such matter be submitted for consideration of the Stockholders.

Section 3.03. No Conflicts; Consents. The execution, delivery and performance by the Company of this Agreement and the Ancillary Documents to which the Company is a party, and the consummation of the transactions contemplated hereby and thereby, including the Merger, do not and will not: (i) conflict with or result in a violation or breach of, or default under, any provision of the articles of incorporation, by-laws or other organizational documents of the Company ("**Company Charter Documents**") or any other Company Entity; (ii) subject to obtaining the consents, authorizations, Governmental Orders and approvals from the Governmental Authorities set forth in Section 3.03(a)(ii) of the Disclosure Schedules, including, without limitation, the Cannabis Consents (the "**Regulatory Consents**"), the Requisite Company Vote, and the expiration or termination of any waiting or review period, and any extensions thereof, under the HSR Act, conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to any Company Entity; (iii) except for the Regulatory Consents and as set forth in Section 3.03(a)(iii) of the Disclosure Schedules (the items set forth on Section 3.03(a)(iii) of the Disclosure Schedules, the "**Third-Party Consents,**" and, together with the Regulatory Consents, the Requisite Company Vote, and the expiration or termination of any waiting or review period, and any extensions thereof, under the HSR Act, the "**Required Consents**"), 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 Material Contract to which any Company Entity is a party or by which any Company Entity is bound or to which any of their respective properties and assets are subject or any Permit affecting the properties, assets or business of the Company Entities, except for Federal Cannabis Laws; or (iv) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on any properties or assets of any Company Entity, except, in the case of clause (iii), for any consents, conflicts, violations, breaches, defaults, accelerations, terminations, modifications, or cancellations that, or where the failure to obtain or provide any such consents, notices or take any other actions, in each case, would not have a Material Adverse Effect. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to any Company Entity in connection with the execution, delivery and performance by the Company Entities of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby by the Company Entities, except for (A) the Regulatory Consents, (B) the filing of the Articles of Merger with the Secretary of State of Nevada, and (C) such filings as may be required under the HSR Act or other antitrust or similar laws.

Section 3.04. Capitalization.

(a) The authorized capital stock of the Company consists of (i) 200,000,000 shares of Company Common Stock, of which 108,699,999 shares are issued and outstanding as of the close of business on the date of this Agreement, and (ii) 20,000,000 shares of Company Preferred Stock, none of which are issued and outstanding as of the close of business on the date of this Agreement. Section 3.04(a) of the Disclosure Schedules sets forth, as of the date hereof, the name of each Person that is the registered owner of any Shares and the number of Shares owned by such Person. Except for the foregoing, there are no other classes of capital stock of the Company.

(b) Section 3.04(b) of the Disclosure Schedules sets forth, with respect to each Company Entity other than the Company (i) its total authorized capital stock or equity interests, (ii) its shares of capital stock or other equity interests issued and outstanding as of the close of business on the date of this Agreement, and (iii) the name of each Person that is the registered and beneficial owner of such issued and outstanding shares of capital stock or other equity interests.

(c) (i) No subscription, warrant, option, convertible or exchangeable security, or other right (contingent or otherwise) to purchase or otherwise acquire equity securities of any Company Entity is authorized or outstanding, and (ii) except as set forth on Section 3.04(c) of the Disclosure Schedules, there is no commitment by any Company Entity to issue shares, subscriptions, warrants, options, convertible or exchangeable securities, or other such rights or to distribute to holders of any of its equity securities any evidence of indebtedness or asset, to repurchase or redeem any securities of any Company Entity or to grant, extend, accelerate the vesting of, change the price of, or otherwise amend any warrant, option, convertible or exchangeable security or other such right. There are no declared or accrued unpaid dividends with respect to any shares of Company Stock or the equity interests of any other Company Entity.

(d) All issued and outstanding shares of Company Common Stock and the equity interests of the other Company Entities are (i) duly authorized, validly issued, fully paid and non-assessable; (ii) not subject to any preemptive rights created by statute, the Company Charter Documents or the equivalent organizational documents of any other Company Entity, as applicable, or any agreement to which any Company Entity is a party; and (iii) except as set forth on Section 3.04(d) of the Disclosure Schedules, free of any Encumbrances. All issued and outstanding shares of Company Common Stock and the equity interests of the other Company Entities were issued in compliance with applicable Law in all material respects.

(e) Except as set forth on Section 3.04(e) of the Disclosure Schedules, no outstanding Company Common Stock is subject to vesting or forfeiture rights or repurchase by the Company. There are no outstanding or authorized stock appreciation, dividend equivalent, phantom stock, profit participation or other similar rights with respect to any Company Entity or any of its securities.

(f) All distributions, dividends, repurchases and redemptions of the capital stock (or other equity interests) of the Company were undertaken in compliance with the Company Charter Documents then in effect, any agreement to which the Company then was a party and in compliance with applicable Law.

Section 3.05. No Subsidiaries. No Company Entity owns, or has any interest in any shares or other equity interests (including any option, warrant, convertible instrument or other right or obligation of any nature to acquire any equity interest) or has an ownership interest in any other Person other than another Company Entity and the Existing Investments.

Section 3.06. Financial Statements. True and complete copies of the Company's unaudited consolidated financial statements consisting of the balance sheet of the Company as at December 31 in each of the years 2023, 2022 and 2021, and the related consolidated statements of income and retained earnings, stockholders' equity and cash flow for the years then ended (the "**Unaudited Financial Statements**"), and unaudited financial statements consisting of the balance sheet of the Company as at September 30, 2024, and the related statements of income and retained earnings for the nine (9) month period then ended (the "**Interim Financial Statements**" and together with the Unaudited Financial Statements, the "**Financial Statements**") have been delivered to Parent. The Financial Statements have been prepared in accordance with the Historical Accounting Principles. The Financial Statements are based on the books and records of the Company, and fairly present, in all material respects, the consolidated financial position of the Company as of the respective dates they were prepared and the consolidated results of the operations of the Company for the periods indicated. The consolidated balance sheet of the Company as of December 31, 2023 is referred to herein as the "**Balance Sheet**" and the date thereof as the "**Balance Sheet Date**" and the consolidated balance sheet of the Company as of September 30, 2024, is referred to herein as the "**Interim Balance Sheet**" and the date thereof as the "**Interim Balance Sheet Date**".

Section 3.07. Undisclosed Liabilities. Except as set forth on Section 3.07 of the Disclosure Schedules, the Company Entities do not have any liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise ("**Liabilities**"), except (a) those which are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date, and (b) those which have been incurred in the Ordinary Course of Business since the Balance Sheet Date, and which are not, individually or in the aggregate, material in amount.

Section 3.08. Absence of Certain Changes, Events and Conditions. Since the Balance Sheet Date, except as set forth in Section 3.08 of the Disclosure Schedules, there has not been, with respect to any Company Entity, any:

(a) effect, event, development, occurrence, fact, condition or change that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(b) amendment of the Company Charter Documents or any organizational documents of any other Company Entity;

(c) split, combination or reclassification of any shares of capital stock or other equity capital;

(d) issuance, sale or other disposition of any of its capital stock or other equity interests;

(e) declaration or payment of any dividends or distributions on or in respect of any capital stock or other equity capital or redemption, purchase or acquisition of capital stock or other equity capital (other than in the Ordinary Course of Business consistent with past practice);

(f) material change in any method of accounting or accounting practice, except as required by GAAP or as set forth in Exhibit H, or as disclosed in the notes to the Financial Statements;

(g) material change in cash management practices and policies, practices and procedures with respect to collection of accounts receivable, establishment of reserves for uncollectible accounts, accrual of accounts receivable, inventory control, prepayment of expenses, payment of trade accounts payable, accrual of other expenses, deferral of revenue and acceptance of customer deposits, except as required by GAAP or as set forth in Exhibit H, or as disclosed in the notes to the Financial Statements;

(h) entry into any Contract that would constitute a Material Contract;

(i) incurrence, assumption or guarantee of any indebtedness for borrowed money except unsecured current obligations and Liabilities incurred in the Ordinary Course of Business consistent with past practice;

(j) transfer, assignment, sale or other disposition of any of the assets shown or reflected in the Balance Sheet or cancellation of any debts or entitlements (other than in the Ordinary Course of Business consistent with past practice);

(k) transfer or assignment of or grant of any license or sublicense under or with respect to any Company Intellectual Property or Company IP Agreements;

(l) abandonment or lapse of or failure to maintain in full force and effect any Company IP Registration, or failure to take or maintain reasonable measures to protect the confidentiality or value of any Trade Secrets included in the Company Intellectual Property;

(m) material damage, destruction or loss (whether or not covered by insurance) to its property;

(n) any capital investment in, or any loan to, any other Person;

(o) acceleration, termination, material modification to or cancellation of any material Contract (including, but not limited to, any Material Contract) to which any Company Entity is a party or by which it is bound;

(p) material capital expenditures;

(q) imposition of any Encumbrance upon any properties, capital stock or assets, tangible or intangible;

(r) other than in the Ordinary Course of Business consistent with past practice, (i) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of its current or former employees, officers, directors, independent contractors or consultants, other than as provided for in any written agreements or required by applicable Law, (ii) change in the terms of employment for any employee or any termination of any employees for which the aggregate costs and expenses exceed $100,000, or (iii) action to accelerate the vesting or payment of any compensation or benefit for any current or former employee, officer, director, independent contractor or consultant, other than as provided for in any written agreements provided to Parent prior to the date hereof;

(s) hiring or promoting any person as or to (as the case may be) the position of an officer or hiring or promoting any employee below officer except in the Ordinary Course of Business;

(t) adoption, modification or termination of any: (i) employment, severance, retention or other agreement with any current or former employee, officer, director, independent contractor or consultant, except in the Ordinary Course of Business, (ii) Benefit Plan or (iii) collective bargaining or other agreement with a Union, in each case whether written or oral;

(u) any loan to (or forgiveness of any loan to), or entry into any other transaction with, any of its stockholders or current or former directors, officers and employees;

(v) entry into a new line of business or abandonment or discontinuance of existing lines of business;

(w) other than this Agreement, adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;

(x) purchase, lease or other acquisition of the right to own, use or lease any property or assets for an amount in excess of $100,000, individually (in the case of a lease, per annum) or $250,000 in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term), except for purchases of inventory or supplies in the Ordinary Course of Business consistent with past practice;

(y) acquisition by merger or consolidation with, or by purchase of a substantial portion of the assets or stock of, or by any other manner, any business or any Person or any division thereof, other than the acquisition of the Nevada assets of The Source Holding LLC and its Affiliates;

(z) Tax election made, modified or revoked except as required by applicable Law, adoption or change in any Tax accounting method except as required by applicable Law, amendment to any material Tax Return, consent to any extension (other than in connection with the filing of a Tax Return in the ordinary course) or waiver of the limitation period applicable to any Tax claim or assessment, surrender any right to a refund of Taxes, or any closing agreement entered into; or

(aa) any Contract to do any of the foregoing.

Section 3.09. Material Contracts.

(a) Section 3.09(a) of the Disclosure Schedules lists each of the following Contracts of each Company Entity as of the date of this Agreement (such Contracts, together with all Contracts listed or otherwise disclosed in Section 3.10(b) of the Disclosure Schedules and all Company IP Agreements set forth in Section 3.12(b) of the Disclosure Schedules, being "**Material Contracts**"):

(i) each Contract involving aggregate consideration in excess of $100,000, and which, in each case, cannot be cancelled by the Company Entity without penalty or without more than 30 days' notice;

(ii) all Contracts that require a Company Entity to purchase its total requirements of any product or service from a third party or that contain "take or pay" provisions;

(iii) all Contracts that provide for the indemnification by a Company Entity of any Person, other than Contracts entered into in the Ordinary Course of Business the primary purpose of which is not to provide for the indemnification by the Company of any Person, or the assumption of any Tax, environmental or other Liability of any Person;

(iv) all Contracts that relate to the acquisition or disposition of any business, a material amount of stock or assets of any other Person or any real property (whether by merger, sale of stock, sale of assets or otherwise);

(v) all broker, distributor, dealer, manufacturer's representative, franchise, agency, sales promotion, market research, marketing consulting and advertising Contracts involving aggregate consideration in excess of $100,000;

(vi) all employment agreements and Contracts with independent contractors or consultants (or similar arrangements) and which are not cancellable without material penalty or without more than 90 days' notice;

(vii) except for Contracts relating to trade payables, all Contracts relating to indebtedness (including, without limitation, guarantees);

(viii) all Contracts with any Governmental Authority;

(ix) all Contracts that limit or purport to limit the ability of a Company Entity to compete in any line of business, with respect to any product with any Person or in any geographic area or market or during any period of time;

(x) any Contracts that provide for any joint venture, partnership or similar arrangement;

(xi) all collective bargaining agreements or Contracts with any Union;

(xii) any Contracts with dispensaries or other potential customers for future supply of cannabis and related products to such Persons, containing covenants to supply such Persons with cannabis or related products in an amount in excess of $100,000; and

(xiii) any other Contract that is material to any Company Entity and not previously disclosed pursuant to this Section 3.09.

(b) Each Material Contract is valid and binding on the applicable Company Entity in accordance with its terms and is in full force and effect, except to the extent that a Material Contract has expired according to its terms, in which case, such Material Contract remains valid and binding and in full force and effect with respect to the provisions that survive the expiration or termination thereof. None of the Company Entities or, to the Company's Knowledge, any other party thereto, is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of any intention to terminate, any Material Contract. Except as set forth on Section 3.09(b) of the Disclosure Schedules, no event or circumstance has occurred that, with notice or lapse of time or both, would, with respect to any Company Entity, or to the Company's Knowledge, any other party thereto, constitute an event of default under any Material Contract, result in a termination thereof or cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Parent.

(c) Except as set forth on Schedule 3.09(a), no Company Entity is currently party to any Material Contract with any party for the supply of cannabis or related products.

Section 3.10. Title to Assets; Real Property.

(a) The Company Entities have good and valid (and, in the case of owned Real Property, good and marketable fee simple) title to, or a valid leasehold interest in, all Real Property and personal property and other assets reflected in the Balance Sheet or acquired after the Balance Sheet Date, other than properties and assets (not including Real Property) sold or otherwise disposed of in the Ordinary Course of Business consistent with past practice since the Balance Sheet Date. All such properties and assets (including leasehold interests) are free and clear of Encumbrances except for the items set forth in Section 3.10(a) of the Disclosure Schedules and the following (collectively referred to as "**Permitted Encumbrances**"):

(i) Encumbrances for Taxes not yet due and payable or that are being contested in good faith for which appropriate reserves have been established in accordance with GAAP;

(ii) mechanics, carriers', workmen's, repairmen's or other like liens arising or incurred in the Ordinary Course of Business or amounts that are not delinquent, or, if delinquent, that are being contested in good faith and are not, individually or in the aggregate, material to the business of the Company Entities;

(iii) easements, rights of way, covenants, restrictions of record, maps, zoning ordinances and other similar Encumbrances affecting Real Property which do not interfere with the use or operation of such Real Property as such Real Property is presently used or operated;

(iv) other than with respect to owned Real Property, Encumbrances arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the Ordinary Course of Business which are not, individually or in the aggregate, material to the business of the Company Entities; or

(v) Encumbrances arising under or in connection with (A) the Assumed Indebtedness or (B) Indebtedness that will be discharged at Closing.

(b) Section 3.10(b) of the Disclosure Schedules lists (i) the street address of each parcel of Real Property; (ii) if such property is leased or subleased by a Company Entity, the landlord under the lease, the rental amount currently being paid, and the expiration of the term of such lease or sublease for each leased or subleased property; and (iii) the current use of such Real Property. Except as set forth in a lease applicable to leased Real Property, no Company Entity is a party to any agreement or option to purchase any Real Property or interest therein. With respect to owned Real Property, the Company Entities have delivered or made available to Parent true, complete and correct copies of the deeds and other instruments (as recorded) by which the Company Entity acquired such Real Property, and copies of all title insurance policies, opinions, abstracts and surveys in the possession of the Company Entities and relating to the Real Property. With respect to leased Real Property, the Company has delivered or made available to Parent true, complete and correct copies of any leases affecting such leased Real Property. No Company Entity is a sublessor or grantor under any sublease or other instrument granting to any other Person any right to the possession, lease, occupancy or enjoyment of any Real Property. The Company Entities' present use and operation of the Real Property in the conduct of the Company Entities' business as presently conducted do not violate in any material respect (I) any Law (other than Federal Cannabis Laws), or (II) to the Company's Knowledge, covenant, condition, restriction, easement, license, permit or agreement, applicable to the Real Property. To the Company's Knowledge, no material improvements constituting a part of the Real Property encroach on real property owned or leased by a Person other than a Company Entity. There are no Actions pending nor, to the Company's Knowledge, threatened against or affecting the owned Real Property or any portion thereof or interest therein in the nature or in lieu of condemnation or eminent domain proceedings.

Section 3.11. Condition and Sufficiency of Assets. Except as set forth in Section 3.11 of the Disclosure Schedules, the buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property of the Company Entities are structurally sound, are in good operating condition and repair, and are adequate for the uses to which they are being put, and none of such buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property (including Company Intellectual Property) owned by the Company Entities are sufficient for the continued conduct of the Company Entities' business after the Closing in substantially the same manner as the business was conducted prior to the Closing, and the property and assets reflected in the Balance Sheet, or acquired by the Company Entities after the Balance Sheet Date, and any other property or assets currently leased by the Company Entities, constitute all of the property and assets presently used by the Company Entities to conduct the Company Entities' business as currently conducted.

Section 3.12. Intellectual Property.

(a) Section 3.12(a) of the Disclosure Schedules contains a correct, current, and complete list of: (i) all Company IP Registrations, specifying as to each, as applicable: the title, mark, or design; the record owner and inventor(s), if any; the jurisdiction by or in which it has been issued, registered, or filed; the patent, registration, or application serial number; the issue, registration, or filing date; and the current status; (ii) all unregistered Trademarks included in the Company Intellectual Property; (iii) all proprietary software of the Company Entities; and (iv) all other material Company Intellectual Property used or held for use in the Company Entities' business as currently conducted and as proposed to be conducted.

(b) Section 3.12(b) of the Disclosure Schedules contains a correct, current and complete list of all Company IP Agreements, specifying for each the date, title and parties thereto, and separately identifying the Company IP Agreements: (i) under which a Company Entity is a licensor or otherwise grants to any Person any right or interest relating to any Company Intellectual Property; (ii) under which a Company Entity is a licensee or otherwise granted any right or interest relating to the Intellectual Property of any Person; and (iii) which otherwise relate to the Company Entities' ownership or use of Intellectual Property, in each case identifying the Intellectual Property covered by such Company IP Agreement. The Company has provided Parent with true and complete copies (or in the case of any oral agreements, a complete and correct written description) of all Company IP Agreements, including all modifications, amendments and supplements thereto and waivers thereunder. Each Company IP Agreement is valid and binding on the applicable Company Entity in accordance with its terms and is in full force and effect. No Company Entity is, and, to the Company's Knowledge, no other party thereto is, or is alleged to be, in breach of or default under, and, no Company Entity has provided or received any notice of breach of, default under, or intention to terminate (including by non-renewal), any Company IP Agreement.

(c) Except as set forth in Section 3.12(c) of the Disclosure Schedules, one of the Company Entities is the sole and exclusive legal and beneficial, and with respect to the Company IP Registrations, record, owner of all right, title, and interest in and to the Company Intellectual Property, and has the valid and enforceable right to use all other Intellectual Property used or held for use by the Company Entities in the conduct of the Company Entities' business as currently conducted and as proposed to be conducted, in each case, free and clear of Encumbrances other than Permitted Encumbrances. The Company Entities have, and enforce, a policy requiring their employees to execute a non-competition, proprietary information and assignment agreement and has provided Parent with the form of such Contract.

(d) Other than the Required Consents, neither the execution, delivery or performance of this Agreement, nor the consummation of the transactions contemplated hereunder, will result in the loss or impairment of, or require the consent of any other Person in respect of, the Company Entities' rights to own or use any Company Intellectual Property or Licensed Intellectual Property.

(e) All Company IP Registrations are subsisting and in full force and effect. Except as set forth on Section 3.12(e) of the Disclosure Schedules, the Company Entities have taken all necessary steps to maintain and enforce the Company Intellectual Property, which is registered or for which an application for registration has been filed, and taken all reasonable steps to preserve the confidentiality of all Trade Secrets included in the Company Intellectual Property. Except as set forth on Section 3.12(e) of the Disclosure Schedules, all required filings and fees related to the Company IP Registrations have been timely submitted with and paid to the relevant Governmental Authorities and authorized registrars. The Company Entities have provided Parent with true and complete copies of all file histories, documents, certificates, office actions, correspondence, assignments, and other instruments relating to the Company IP Registrations.

(f) The conduct of the Company Entities' business as currently and formerly conducted and as proposed to be conducted, including the use of the Company Intellectual Property and Licensed Intellectual Property in connection therewith, and the products, processes and services of the Company have not infringed, misappropriated or otherwise violated, the Intellectual Property or other rights of any Person. Except as set forth on Section 3.12(f) of the Disclosure Schedules, to the Company's Knowledge, no Person has infringed, misappropriated or otherwise violated any Company Intellectual Property or Licensed Intellectual Property.

(g) There are no Actions (including any opposition, cancellation, revocation, review or other proceeding), whether settled, pending or threatened in writing (including in the form of offers to obtain a license): (i) alleging any infringement, misappropriation, or other violation by any Company Entity of the Intellectual Property of any Person; (ii) challenging the validity, enforceability, registrability, patentability, or ownership of any Company Intellectual Property or the Company Entities' right, title, or interest in or to any Company Intellectual Property or Licensed Intellectual Property; or (iii) by any Company Entity or, to the Company's Knowledge, by the owner of any Licensed Intellectual Property alleging any infringement, misappropriation or other violation by any Person of the Company Intellectual Property or such Licensed Intellectual Property. Except as set forth in Section 3.12(g) of the Disclosure Schedules, to the Company's Knowledge, no facts or circumstances exist that could reasonably be expected to give rise to such Action. No Company Entity is subject to any outstanding or, to the Company's Knowledge, prospective Governmental Order (including any motion or petition therefor) that does or could reasonably be expected to restrict or impair the use of any Company Intellectual Property or Licensed Intellectual Property.

(h) Section 3.12(h) of the Disclosure Schedules contains a correct, current, and complete list of all social media accounts used in the Company Entities' business. The Company Entities have complied in all material respects with all terms of use, terms of service, and other Contracts and all associated policies and guidelines relating to its use of any social media platforms, sites, or services (collectively, "**Platform Agreements**"). There are no Actions, whether settled, pending, or, to the Company's Knowledge, threatened, against any Company Entity alleging any (A) breach or other violation of any Platform Agreement by any Company Entity; or (B) defamation, violation of publicity rights of any Person, or any other violation of applicable Law by any Company Entity in connection with its use of social media.

(i) All Company IT Systems are in good working condition and are all of the Company IT Systems used in the operation of the Company Entities' business as currently conducted and as proposed to be conducted. Except as set forth in Section 3.12(i) of the Disclosure Schedules, in the past six years, there has been no malfunction, failure, continued substandard performance, denial-of-service, or other cyber incident, including any cyberattack, or other impairment of the Company IT Systems that has not been remedied. The Company Entities have taken commercially reasonable steps to safeguard the confidentiality, availability, security, and integrity of the Company IT Systems, including implementing and maintaining commercially reasonable backup, disaster recovery, and software and hardware support arrangements.

(j) The Company Entities have complied in all material respects with all applicable Laws and all internal or publicly posted policies, notices, and statements concerning the collection, use, processing, storage, transfer, and security of personal information in the conduct of the Company Entities' business. Except as set forth in Section 3.12(j) of the Disclosure Schedules, in the past six years, no Company Entity has (i) experienced any actual, alleged, or suspected data breach or other security incident involving personal information in its possession or control or (ii) been subject to or received any notice of any audit, investigation, complaint, or other Action by any Governmental Authority or other Person concerning the Company Entity's collection, use, processing, storage, transfer, or protection of personal information or actual, alleged, or suspected violation of any applicable Law concerning privacy, data security, or data breach notification, and there are no facts or circumstances that could reasonably be expected to give rise to any such Action.

Section 3.13. Inventory. All inventory of the Company Entities, whether or not reflected in the Balance Sheet, (a) consists of a quality and quantity usable or salable consistent with good and accepted practices in the cannabis industry and in the Ordinary Course of Business, except for spoiled, obsolete, damaged, contaminated, defective or slow-moving items that have been written off or written down to fair market value or for which adequate reserves have been established, (b) except as set forth in Section 3.13(b) of the Disclosure Schedules, is of a quantity usable or saleable consistent with good and accepted practices in the cannabis industry and in the Ordinary Course of Business, (c) was cultivated, harvested, produced, tested, handled and delivered in accordance with all applicable Laws (except for the Federal Cannabis Laws), and (d) does not contain any prohibited pesticides, contaminants or any other substance at levels or tolerances or in amounts prohibited by applicable Laws. Other than such inventory sold or otherwise disposed of in the Ordinary Course of Business, all such inventory is owned by the Company Entities free and clear of all Encumbrances, other than Permitted Encumbrances, and no such inventory is held on a consignment basis.

Section 3.14. Accounts Receivable. Except as set forth in Section 3.14 of the Disclosure Schedules, the accounts receivable reflected on the Interim Balance Sheet and the accounts receivable arising after the date thereof (a) have arisen from bona fide transactions entered into by the Company Entities involving the sale of goods or the rendering of services in the Ordinary Course of Business; and (b) constitute only valid, undisputed claims of the Company Entities not subject to claims of set-off or other defenses or counterclaims, other than normal cash discounts accrued in the Ordinary Course of Business. The reserve for bad debts shown on the Interim Balance Sheet on the accounting records of the Company Entities have been determined in accordance with the Historical Accounting Principles, and, with respect to accounts receivable arising after the Interim Balance Sheet Date have been determined in accordance in all material respects with the Historical Accounting Principles, both consistently applied, and both subject to normal year-end adjustments and the absence of disclosures normally made in footnotes.

Section 3.15. Customers and Suppliers.

(a) Section 3.15(a) of the Disclosure Schedules sets forth (i) each customer who has paid aggregate consideration to any Company Entity for goods or services rendered in an amount greater than or equal to $100,000 for each of the two most recent fiscal years (collectively, the "**Material Customers**"); and (ii) the amount of consideration paid by each Material Customer during such periods. Except as set forth in Section 3.15(a) of the Disclosure Schedules, no Material Customer has ceased, and no Company Entity has received any notice that any Material Customer intends to cease after the Closing, and no Company Entity has Knowledge of such intent to cease, to use its goods or services or to otherwise terminate or materially reduce its relationship with the Company Entities.

(b) Section 3.15(b) of the Disclosure Schedules sets forth (i) each supplier to whom any Company Entity has paid consideration for goods or services rendered in an amount greater than or equal to $100,000 for each of the two most recent fiscal years (collectively, the "**Material Suppliers**"); and (ii) the amount of purchases from each Material Supplier during such periods. Except as set forth in Section 3.15(b) of the Disclosure Schedules, no Material Supplier has ceased, and no Company Entity has received any notice that any Material Supplier intends to cease after the Closing, and no Company Entity has Knowledge of such intent to cease, to supply goods or services to the Company Entity or to otherwise terminate or materially reduce its relationship with the Company Entity.

Section 3.16. Insurance. Section 3.16 of the Disclosure Schedules sets forth a true and complete list of all current policies or binders of fire, liability, product liability, umbrella liability, real and personal property, workers' compensation, vehicular, directors' and officers' liability, fiduciary liability and other casualty and property insurance maintained by Company Entities and relating to the assets, business, operations, employees, officers and directors of the Company Entities (collectively, the "**Insurance Policies**") and true and complete copies of such Insurance Policies have been made available to Parent. Such Insurance Policies are in full force and effect and, subject to the Required Consents, shall remain in full force and effect following the consummation of the transactions contemplated by this Agreement. No Company Entity has received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such Insurance Policies. All premiums due on such Insurance Policies have either been paid or, if due and payable prior to Closing, will be paid prior to Closing in accordance with the payment terms of each Insurance Policy. The Insurance Policies do not provide for any retrospective premium adjustment or other experience-based liability on the part of any Company Entity. All such Insurance Policies (a) are valid and binding in accordance with their terms; (b) to the Company's Knowledge, are provided by carriers who are financially solvent; and (c) have not been subject to any lapse in coverage. Except as set forth on Section 3.16 of the Disclosure Schedules, there are no claims related to the business of the Company Entities pending under any such Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. No Company Entity is in default under, and has not otherwise failed to comply with, in any material respect, any provision contained in any such Insurance Policy. The Insurance Policies are of the type and in the amounts customarily carried by Persons conducting a business similar to the Company Entities and are for coverage in amounts in compliance with all applicable Laws and Material Contracts to which any Company Entity is a party or by which it is bound.

Section 3.17. Legal Proceedings; Governmental Orders.

(a) Except as set forth in Section 3.17 of the Disclosure Schedules, as of the date hereof and as of January 1, 2025, there are no Actions pending or, to the Company's Knowledge, threatened (i) against or by any Company Entity affecting any of its properties or assets; or (ii) against or by any Company Entity that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. As of the date hereof and as of January 1, 2025, to the Company's Knowledge, no event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

(b) Except as set forth in Section 3.17 of the Disclosure Schedules, there are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting any Company Entity or any of its properties or assets. Each Company Entity is in compliance with the terms of each Governmental Order set forth in Section 3.17 of the Disclosure Schedules. No event has occurred or circumstances exist that may constitute or result in (with or without notice or lapse of time) a violation of such Governmental Order.

Section 3.18. Compliance With Laws; Permits.

(a) Except as set forth in Section 3.18(a) of the Disclosure Schedules and with respect to Federal Cannabis Laws, each Company Entity has complied, and is now complying, in all material respects with all Laws applicable to it or its business, properties or assets.

(b) Each Company Entity is in compliance in all material respects with all applicable state and local Laws, and, other than Federal Cannabis Laws, Laws and regulatory systems controlling the cultivation, harvesting, production, handling, storage, distribution, sale and possession of cannabis or medical marijuana. No Company Entity imports or exports cannabis products from or to any foreign country.

(c) All Permits required for any Company Entity to conduct its business as presently conducted have been obtained by it and are valid and in full force and effect.

(d) All fees and charges with respect to such Permits as of the date hereof have been paid in full. Section 3.18(d) of the Disclosure Schedules lists all current Permits issued to any Company Entity, including the names of the Permits and their respective dates of issuance and expiration. Except as set forth in Section 3.18(d) of the Disclosure Schedules, no event has occurred, or failed to occur, that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse, surrender or limitation of any Permit set forth in Section 3.18(d) of the Disclosure Schedules.

Section 3.19. Environmental Matters.

(a) Except as set forth in Section 3.19(a) of the Disclosure Schedules, each Company Entity is currently and has been in compliance in all material respects with all Environmental Laws and has not received from any Person any: (i) Environmental Notice or Environmental Claim; or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements.

(b) Each Company Entity has obtained and is in material compliance with all Environmental Permits (each of which is disclosed in Section 3.19(b) of the Disclosure Schedules) necessary for the ownership, lease, operation or use of the business or assets of such Company Entity as presently conducted and all such Environmental Permits are in full force and effect and shall be maintained by the Company Entity through the Closing Date in accordance with Environmental Law, and, to the Company's Knowledge, no condition, event or circumstance exists with respect to any Company Entity, or its business or operations as presently conducted, that constitutes a material violation of any Environmental Permit.

(c) No real property currently or formerly owned, operated or leased by any Company Entity is listed on, or has been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA, or any similar state list.

(d) There has been no Release of Hazardous Materials in contravention of Environmental Law with respect to the business or assets of the Company Entities, or, by any Company Entity with respect to any real property currently owned, operated or leased by the Company, or, to the Company's Knowledge, formerly owned, operated or leased by any Company Entity, and no Company Entity has received an Environmental Notice that any real property currently or formerly owned, operated or leased in connection with the business of the Company Entities (including soils, groundwater, surface water, buildings and other structure located on any such real property) has been contaminated with any Hazardous Material which could reasonably be expected to result in an Environmental Claim against, or a violation of Environmental Law or term of any Environmental Permit by, any Company Entity.

(e) Section 3.19(e) of the Disclosure Schedules contains a complete and accurate list of all active or abandoned aboveground or underground storage tanks for Hazardous Materials owned or operated by any Company Entity.

(f) Section 3.19(f) of the Disclosure Schedules contains a complete and accurate list of all off-site Hazardous Materials treatment, storage, or disposal facilities or locations used by any Company Entity and any predecessors as to which any Company Entity may retain liability, and, to the Company's Knowledge, none of these facilities or locations has been placed or proposed for placement on the National Priorities List (or CERCLIS) under CERCLA or any similar state list, and no Company Entity has received any Environmental Notice regarding potential liabilities with respect to such off-site Hazardous Materials treatment, storage or disposal facilities or locations used by any Company Entity.

(g) No Company Entity has retained or assumed, by contract or operation of Law, any liabilities or obligations of third parties under Environmental Law.

(h) The Company Entities have provided or otherwise made available to Parent and listed in Section 3.19(h) of the Disclosure Schedules: (i) 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 any Company Entity or any currently or formerly owned, operated or leased real property which are in the possession or control of any Company Entity related to compliance with Environmental Laws, Environmental Claims or an Environmental Notice or the Release of Hazardous Materials; and (ii) 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 (including, without limitation, costs of remediation, pollution control equipment and operational changes).

(i) To the Company's Knowledge, no condition, event or circumstance concerning the Release or regulation of Hazardous Materials exists that could reasonably be expected to prevent, impede or materially increase the costs associated with the ownership, lease, operation, performance or use of the business or assets of any Company Entity as currently carried out.

(j) No Company Entity possesses, and is not entitled to, any Environmental Attributes.

Section 3.20. Employee Benefit Matters.

(a) Section 3.20(a) of the Disclosure Schedules contains a true and complete list of each pension, benefit, retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock-based, change in control, retention, severance, vacation, paid time off (PTO), medical, vision, dental, disability, welfare, Code Section 125 cafeteria, fringe-benefit and other similar agreement, plan, policy, program or arrangement (and any amendments thereto), in each case whether or not reduced to writing and whether funded or unfunded, including each "employee benefit plan" within the meaning of Section 3(3) of ERISA, whether or not tax-qualified and whether or not subject to ERISA, which is or has been maintained, sponsored, contributed to, or required to be contributed to by any Company Entity for the benefit of any current or former employee, officer, director, retiree, independent contractor or consultant of any Company Entity or any spouse or dependent of such individual, or under which any Company Entity or any of its ERISA Affiliates has or may have any Liability, or with respect to which Parent or any of its Affiliates would reasonably be expected to have any Liability, contingent or otherwise (as listed on Section 3.20(a) of the Disclosure Schedules, each, a "**Benefit Plan**").

(b) With respect to each Benefit Plan, the Company has made available to Parent accurate, current and complete copies of each of the following: (i) where the Benefit Plan has been reduced to writing, the plan document together with all amendments; (ii) where the Benefit Plan has not been reduced to writing, a written summary of all material plan terms; (iii) where applicable, copies of any trust agreements or other funding arrangements, custodial agreements, insurance policies and contracts, administration agreements and similar agreements, and investment management or investment advisory agreements, now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise; (iv) copies of any summary plan descriptions, summaries of material modifications, summaries of benefits and coverage, COBRA communications, employee handbooks and any other written communications (or a description of any oral communications) relating to any Benefit Plan; (v) in the case of any Benefit Plan that is intended to be qualified under Section 401(a) of the Code, a copy of the most recent determination, opinion or advisory letter from the Internal Revenue Service and any legal opinions issued thereafter with respect to such Benefit Plan's continued qualification; (vi) in the case of any Benefit Plan for which a Form 5500 must be filed, a copy of the two most recently filed Forms 5500, with all corresponding schedules and financial statements attached; (vii) actuarial valuations and reports related to any Benefit Plans with respect to the two most recently completed plan years, if any; (viii) the most recent nondiscrimination tests performed under the Code, if any; and (ix) copies of any material notices, letters or other correspondence from the Internal Revenue Service, Department of Labor, Department of Health and Human Services, Pension Benefit Guaranty Corporation or other Governmental Authority relating to the Benefit Plan.

(c) Except as set forth in Section 3.20(c) of the Disclosure Schedules, each Benefit Plan and any related trust (other than any multiemployer plan within the meaning of Section 3(37) of ERISA (each a "**Multiemployer Plan**")) has been established, administered and maintained in accordance with its terms and in compliance with all applicable Laws (including ERISA and the Code). Each Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code (a "**Qualified Benefit Plan**") is so qualified and received a favorable and current determination letter from the Internal Revenue Service with respect to the most recent five year filing cycle, or with respect to a prototype or volume submitter plan, can rely on an opinion letter from the Internal Revenue Service to the prototype plan or volume submitter plan sponsor, to the effect that such Qualified Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and, to the Company's Knowledge, no event or circumstance has occurred that could reasonably be expected to adversely affect the qualified status of any Qualified Benefit Plan. No event or circumstance has occurred with respect to any Benefit Plan that has subjected or, to the Company's Knowledge, could reasonably be expected to subject any Company Entity or any of its ERISA Affiliates or, with respect to any period on or after the Closing Date, Parent or any of its Affiliates, to a penalty under Section 502 of ERISA or to tax or penalty under Sections 4975 or 4980H of the Code. Except as set forth in Section 3.20(c) of the Disclosure Schedules, all benefits, contributions and premiums relating to each Benefit Plan have been timely paid in accordance with the terms of such Benefit Plan and all applicable Laws and the Historical Accounting Principles, and all benefits accrued under any unfunded Benefit Plan have been paid, accrued or otherwise adequately reserved to the extent required by, and in accordance with the Historical Accounting Principles.

(d) Neither any Company Entity nor any of its ERISA Affiliates has (i) incurred or reasonably expects to incur, either directly or indirectly, any material Liability under Title I or Title IV of ERISA or related provisions of the Code or applicable local Law relating to any Benefit Plan; (ii) failed to timely pay any premiums to the Pension Benefit Guaranty Corporation; (iii) withdrawn from any Benefit Plan; (iv) engaged in any transaction which would give rise to liability under Section 4069 or Section 4212(c) of ERISA; (v) incurred taxes under Section 4971 of the Code with respect to any Single Employer Plan; or (vi) participated in a multiple employer welfare arrangements (MEWA).

(e) With respect to each Benefit Plan (i) no such plan is a Multiemployer Plan; (ii) no such plan is a "**multiple employer plan**" within the meaning of Section 413(c) of the Code or a "**multiple employer welfare arrangement**" (as defined in Section 3(40) of ERISA); (iii) no Action has been initiated by the Pension Benefit Guaranty Corporation to terminate any such plan or to appoint a trustee for any such plan; (iv) no such plan or the plan of any ERISA Affiliate maintained or contributed to within the last six (6) years is a Single Employer Plan subject to Title IV of ERISA; and (v) no "**reportable event,**" as defined in Section 4043 of ERISA, with respect to which the reporting requirement has not been waived, has occurred with respect to any such plan. Neither any Company Entity nor any ERISA Affiliate has incurred any withdrawal liability under Title IV of ERISA which remains unsatisfied.

(f) Each Benefit Plan can be amended, terminated or otherwise discontinued after the Closing in accordance with its terms. No Company Entity has any commitment or obligation and has not made any representations to any employee, officer, director, independent contractor or consultant, whether or not legally binding, to adopt, amend, modify or terminate any Benefit Plan, in connection with the consummation of the transactions contemplated by this Agreement or otherwise.

(g) Other than as required under Sections 601 to 608 of ERISA or other applicable Law, no Benefit Plan provides post-termination or retiree health benefits to any individual for any reason, and neither any Company Entity nor any of its ERISA Affiliates has any Liability to provide post-termination or retiree health benefits to any individual or ever represented, promised or contracted to any individual that such individual would be provided with post-termination or retiree health benefits.

(h) There is no pending or, to the Company's Knowledge, threatened Action relating to a Benefit Plan (other than routine claims for benefits), and no Benefit Plan has within the three years prior to the date hereof been the subject of an examination or audit by a Governmental Authority or the subject of an application or filing under or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Authority.

(i) There has been no amendment to, announcement by any Company Entity or any of its Affiliates relating to, or change in employee participation or coverage under, any Benefit Plan that would increase the annual expense of maintaining such plan above the level of the expense incurred for the most recently completed fiscal year (other than on a de minimis basis and other than increases to expenses to provide of maintain a Benefit Plan incurred in the Ordinary Course of Business) with respect to any director, officer, employee, independent contractor or consultant, as applicable. Neither any Company Entity nor any of its Affiliates has any commitment or obligation or has made any representations to any director, officer, employee, independent contractor or consultant, whether or not legally binding, to adopt, amend, modify or terminate any Benefit Plan.

(j) Each Benefit Plan that is subject to Section 409A of the Code has been administered in compliance with its terms and the operational and documentary requirements of Section 409A of the Code and all applicable regulatory guidance (including notices, rulings and proposed and final regulations) thereunder. No Company Entity has any obligation to gross up, indemnify or otherwise reimburse any individual for any excise taxes, interest or penalties incurred pursuant to Section 409A of the Code.

(k) Each individual who is classified by a Company Entity as an independent contractor has been properly classified for purposes of participation and benefit accrual under each Benefit Plan.

(l) Except as set forth in Section 3.20(l) of the Disclosure Schedules, neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events) entitle any current or former director, officer, employee, independent contractor or consultant of any Company Entity to severance pay or any other payment or accelerate the time of payment, funding or vesting, or increase the amount of compensation (including stock-based compensation) due to any such individual. Except as set forth in Section 3.20(l) of the Disclosure Schedules neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events): (i) limit or restrict the right of any Company Entity to merge, amend or terminate any Benefit Plan; (ii) increase the amount payable under or result in any other material obligation pursuant to any Benefit Plan; (iii) result in "**excess parachute payments**" within the meaning of Section 280G(b) of the Code; or (iv) require a "**gross-up**" or other payment to any "**disqualified individual**" within the meaning of Section 280G(c) of the Code.

Section 3.21. Employment Matters.

(a) Section 3.21(a) of the Disclosure Schedules contains a list of all persons who are employees of each Company Entity, or independent contractors or consultants regularly engaged in the business or operations of the Company Entities, as of the date hereof, including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full-time or part-time); (iii) hire or retention date; (iv) current annual base compensation rate or contract fee; (v) commission, bonus or other incentive-based compensation; and (vi) a description of the fringe benefits provided to each such individual as of the date hereof. Except as set forth in Section 3.21(a) of the Disclosure Schedules, as of the date hereof, all compensation, including wages, commissions, bonuses, fees and other compensation, payable to all employees, independent contractors or consultants of each Company Entity for services performed on or prior to the date hereof have been paid in full (or, as of the Closing Date, will be included as Current Liabilities in the estimated Closing Working Capital). Except as set forth in Section 3.21(a) of the Disclosure Schedules, there are no outstanding agreements, understandings or commitments of each Company Entity with respect to any increases to compensation, commissions, bonuses or fees payable to employees, independent contractors or consultants of the Company Entity for services performed after Closing, except as provided in the Benefit Plans or in the Ordinary Course of Business.

(b) No Company Entity is, and has not been, a party to, bound by, or negotiating any collective bargaining agreement or other Contract with a union, works council or labor organization (collectively, "**Union**"), and there is not, and has not been, any Union representing or purporting to represent any employee of any Company Entity, and, to the Company's Knowledge, no Union or group of employees is seeking or has sought to organize employees for the purpose of collective bargaining. There has never been, nor, to the Company's Knowledge, has there been any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor disruption or dispute affecting any Company Entity or any of its employees. No Company Entity has a duty to bargain with any Union.

(c) Except as set forth in Section 3.21(c) of the Disclosure Schedules, each Company Entity is and has been in compliance in all material respects with all applicable Laws pertaining to employment and employment practices to the extent they relate to employees, consultants and independent contractors of the Company Entity, including all Laws relating to labor relations, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers' compensation, leaves of absence, paid sick leave and unemployment insurance. All individuals characterized and treated by the Company Entities as independent contractors or consultants are properly treated as independent contractors under all applicable Laws. All employees of the Company Entities classified as exempt under the Fair Labor Standards Act and state and local wage and hour laws are properly classified in all material respects. Each Company Entity is and has been in compliance in all material respects with all applicable immigration laws, including Form I-9 requirements. Except as set forth in Section 3.21(c), there are no, and in the past three years there have not been any, Actions against any Company Entity 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 or independent contractor of any Company Entity, including, without limitation, any charge, investigation or claim relating to unfair labor practices, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, employee classification, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers' compensation, leaves of absence, paid sick leave, unemployment insurance or any other employment-related matter arising under applicable Laws.

(d) Each Company Entity has complied in all material respects with the WARN Act, and it has no plans to undertake any action in the future that would trigger the WARN Act.

(e) Except as set forth on Section 3.21(e) of the Disclosure Schedules, the Company Entities have not received written notice of the intent of any Governmental Authority responsible for the enforcement of labor or employment Law to conduct an investigation with respect to or relating to employees and, to the Knowledge of Company Entities, no such investigation is in progress.

(f) Except as set forth on Section 3.21(f) of the Disclosure Schedules, no executive officer of any Company Entity has, or has notified the Company of his or her intent to, (i) terminate his or her employment or service with the Company, (ii) terminate his or her employment or service upon the consummation of the transactions contemplated by this Agreement, or (iii) demand additional compensation in connection with, or upon the consummation of, the transactions contemplated by this Agreement.

Section 3.22. **Taxes**. Except as set forth in Section 3.22 of the Disclosure Schedules:

(a) All income and other material Tax Returns required to be filed on or before the Closing Date by the Company Entities have been, or will be, timely filed with the appropriate taxing authorities. Such Tax Returns are, or will be, true, complete and correct in all material respects. All income and other material Taxes due and owing by the Company on or before the Closing Date (whether or not shown on any Tax Return) have been, or will be, timely and properly paid.

(b) Each Company Entity has timely and properly withheld and paid all material Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, customer, Stockholder or other party, and complied in all material respects with all information reporting and backup withholding provisions of applicable Law.

(c) No claim has been made in writing by any taxing authority in any jurisdiction where any Company Entity does not file Tax Returns that it is, or may be, subject to Tax by that jurisdiction.

(d) Except as set forth on Section 3.22(d) of the Disclosure Schedules, no waiver, extension or comparable consent given by the Company Entities regarding the application of the statute of limitations with respect to any Taxes or Tax Returns is outstanding, nor is any request for any such waiver or consent pending, in each case other than as a result of automatic, six-month extensions granted in connection with the filing of an originally-filed Tax Return.

(e) The amount of the Company Entities' Liability for unpaid Taxes for all periods ending on or before the Interim Balance Sheet Date does not, in the aggregate, exceed the amount of accruals for Taxes (excluding reserves for deferred Taxes) reflected on the Interim Financial Statements. The amount of the Company Entities' Liability of unpaid Taxes for all periods following the end of the recent period covered by the Financial Statements shall not, in the aggregate, exceed the amount of accruals for Taxes (excluding reserves for deferred Taxes) as adjusted for the passage of time in accordance with the past custom and practice of the Company.

(f) Except as set forth on Section 3.22(f) of the Disclosure Schedules, no deficiency for, or request for information relating to, any Taxes has been proposed, asserted or assessed against any Company Entity in writing that has not been fully resolved.

(g) Except as set forth on Section 3.22(g) of the Disclosure Schedules, there is no pending Tax audit or other administrative proceeding or court proceeding with regard to any Taxes or Tax Returns of any of the Company Entities, nor has there been any written notice to any of the Company Entities by any taxing authority regarding any such potential or threatened Tax audit or other proceeding.

(h) The Company has made available or will make available to Parent correct and complete copies of all federal, state, local and foreign income, franchise and similar Tax Returns, examination reports, and statements of deficiencies assessed against, or agreed to by, any Company Entity for all Tax periods ending after December 31, 2021.

(i) There are no Encumbrances for Taxes (other than for current Taxes not yet due and payable) upon the assets of any Company Entity.

(j) No Company Entity is a party to, or bound by, any Tax indemnity, Tax sharing or Tax allocation agreement, except pursuant to the limited liability company agreements, operating agreements, partnership agreements or similar documents of any Existing Investments.

(k) No Company Entity has requested or received a ruling from any taxing authority or signed any binding agreement with any taxing authority that might affect the amount of Tax due from any of the Company Entities after the Closing Date. Other than powers of attorney executed by the Company Entities in the Ordinary Course of Business for the purposes of filing Tax Returns and responding to inquiries related thereto, all of which may be terminated after the Closing, no power of attorney with respect to Taxes has been executed or filed with any taxing authority by or on behalf of any of the Company Entities that will remain in effect at the Closing.

(l) No Company Entity has been a member of an affiliated, combined, consolidated or unitary Tax group for Tax purposes (other than any such group of which the Company is the common parent). No Company Entity has any Liability for Taxes of any Person (other than another Company Entity) under Treasury Regulations Section 1.1502-6 (or any corresponding provision of state, local or foreign Law), as transferee or successor, or by contract.

(m) No Company Entity will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for taxable period or portion thereof ending after the Closing Date as a result of:

(i) any change in a method of accounting under Section 481 of the Code (or any comparable provision of state, local or foreign Laws relating to Taxes), or use of an improper method of accounting, for a taxable period ending on or prior to the Closing Date;

(ii) an installment sale or open transaction occurring on or prior to the Closing Date;

(iii) a prepaid amount received on or before the Closing Date outside of the Ordinary Course of Business; or

(iv) any closing agreement under Section 7121 of the Code, or similar provision of state, local or foreign Law.

(n) No Company Entity has been a "**distributing corporation**" or a "**controlled corporation**" in connection with a distribution described in Section 355 of the Code.

(o) No Company Entity is, and has not been, a party to, or a promoter of, a "**listed transaction**" within the meaning of Section 6707A(c)(2) of the Code and Treasury Regulations Section 1.6011-4(b)(2).

(p) The Company is, and has been at all times since January 1, 2020, treated as a C corporation for U.S. federal income tax purposes. Neither the Company, nor any Company Entity, has ever been or has filed any Tax Return as an S corporation (within the meaning of Sections 1361 and 1362 of the Code) or as a "**qualified subchapter S subsidiary**" (within the meaning of Section 1361(b)(3)(B) of the Code).

(q) To the Company's Knowledge, there are no facts, circumstances or plans that, either alone or in combination, could reasonably be expected to prevent the Merger from qualifying for the Intended Tax Treatment.

Section 3.23. Books and Records. The minute books of the Company Entities, all of which have been made available to Parent, are complete and correct in all material respects and have been maintained in accordance with sound business practices. The minute books of the Company Entities contain, in all material respects, accurate and complete records of all meetings, and actions taken by written consent of, the Stockholders, the Company Board, any committees of the Company Board, and any boards of directors or equivalent governing body, any committees thereof and the equity holders of each other Company Entity, as applicable. The stock record books of the Company Entities, all of which have been made available to Parent, are complete and correct and have been maintained in accordance with sound business practices. At the Closing, all of those books and records will be in the possession of the Company Entities.

Section 3.24. Related Party Transactions. Except as set forth on Section 3.24 of the Disclosure Schedules, no executive officer or director of any Company Entity or any person owning 5% or more of the Shares (or any of such person's immediate family members or Affiliates or associates) is a party to any Contract with or binding upon any Company Entity or any of its assets, rights or properties or has any interest in any property owned by any Company Entity or has engaged in any transaction with any of the foregoing within the last twelve (12) months.

Section 3.25. Brokers. Except for TrueRise, LLC, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Ancillary Document based upon arrangements made by or on behalf of any Company Entity.

Section 3.26. Securities Law Matters. The Company (and any other Company Entity) is not required to register any securities with the SEC under the Exchange Act or file reports with the SEC pursuant to Section 12(g) or Section 12(b) of the Exchange Act, is not in default under applicable Securities Laws, and the Company has complied in all material respects with applicable Securities Laws. No Company Entity is an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

Section 3.27. Stockholder Sophistication. Each Stockholder is a "sophisticated purchaser", as such term is defined in Rule 501(a) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating independently the merits and risks of its investment in the Parent Shares and is able to bear the economic risk of loss of its investment in the Parent Shares.

Section 3.28. No Other Representations and Warranties. The representations and warranties made by the Company contained in this Article III constitute the sole and exclusive representations and warranties of the Company to Parent and Merger Sub in connection with the transactions contemplated hereby, and Parent and Merger Sub understand, acknowledge and agree that all other representations and warranties of any kind or nature expressed or implied (including (a) any relating to the future or historical financial condition, results of operations, assets or liabilities of the Company or its business or operations, or (b) as to the accuracy or completeness of any information regarding the Company Entities furnished or made available to Parent, Merger Sub or their representatives) are specifically disclaimed by the Company.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules or as contemplated by Section 5.17(b), Parent and Merger Sub represent and warrant to the Company as follows:

Section 4.01. Organization and Authority of Parent and Merger Sub. Each of Parent and Merger Sub is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation. Each of Parent and Merger Sub has full corporate power and authority to enter into and (subject to obtaining the Exchange Approval and subject to obtaining the Parent Shareholder Approval) perform its obligations under this Agreement and the Ancillary Documents to which it is a party and to consummate the transactions contemplated hereby and thereby, except with respect to the impact of any Federal Cannabis Laws. The execution, delivery and performance by Parent and Merger Sub of this Agreement and any Ancillary Document to which they are a party and the consummation by Parent and Merger Sub of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Parent and Merger Sub, subject to obtaining the Parent Shareholder Approval, and no other corporate proceedings on the part of Parent and Merger Sub are necessary to authorize the execution, delivery and performance of this Agreement or to consummate the Merger and the other transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by Parent and Merger Sub, and (assuming due authorization, execution and delivery by each other party hereto) this Agreement constitutes a legal, valid and binding obligation of Parent and Merger Sub enforceable against Parent and Merger Sub in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, may be granted only in the discretion of a court of competent jurisdiction, except as such enforceability may be limited by applicable Laws, including Federal Cannabis Laws, and by general principles of equity. When each Ancillary Document to which Parent or Merger Sub is or will be a party has been duly executed and delivered by Parent or Merger Sub (assuming due authorization, execution and delivery by each other party thereto), such Ancillary Document will constitute a legal and binding obligation of Parent or Merger Sub enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable Laws, including Federal Cannabis Laws, and by general principles of equity, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, may be granted only in the discretion of a court of competent jurisdiction.

Section 4.02. **No Conflicts; Consents**. The execution, delivery and performance by Parent and Merger Sub of this Agreement and the Ancillary Documents to which they are a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the notice of articles and articles or articles of incorporation, and by-laws, as applicable, or other organizational documents of Parent or Merger Sub; (b) subject to Parent's prior delivery and receipt of notices and approvals required by the Parent Cannabis Laws and the Nevada Cannabis Laws, and the approval by the shareholders of Parent and the Exchange Approval, and assuming all Stockholders qualify for a valid exemption under applicable Securities Laws with respect to receipt of any Parent Shares, conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Parent or Merger Sub (except for Federal Cannabis Laws); or (c) except as set forth in Section 4.02 of the Disclosure Schedules, require the consent, notice or other action by any Person under any Contract to which Parent or Merger Sub is a party. The Parent Board, by resolutions duly adopted by unanimous written consent of the Parent Board, has, as of the date hereof (i) determined that this Agreement and the transactions contemplated hereby, including the issuance of Parent Shares, are fair to, and in the best interests of, the shareholders of Parent, (ii) approved and declared advisable the transactions contemplated by this Agreement, including the issuance of Parent Shares, (iii) directed that the transactions contained in this Agreement be submitted to the shareholders of the Parent entitled to vote thereon for adoption as required by the policies of the Exchange, and (iv) resolved to recommend that the shareholders of the Parent entitled to vote thereon adopt the Parent Resolution set forth in this Agreement (collectively, the "**Parent Board Recommendation**") and directed that such matter be submitted for consideration of the shareholders of Parent. Other than notice and approvals required by the Parent Cannabis Laws and the Nevada Cannabis Laws, and the approval by the shareholders of Parent and the Exchange Approval, no consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Parent or Merger Sub in connection with the execution, delivery and performance of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby, except for the filing of the Articles of Merger with the Secretary of State of Nevada and such filings and approvals as may be required under the HSR Act and under Securities Laws.

Section 4.03. **No Prior Merger Sub Operations**. Merger Sub was formed solely for the purpose of effecting the Merger and has not engaged in any business activities or conducted any operations other than in connection with the transactions contemplated hereby.

Section 4.04. **Brokers**. Except for Moelis & Company, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Parent or Merger Sub.

Section 4.05. **Solvency**. Parent and Merger Sub are solvent as of the date of this Agreement and, Parent, Merger Sub, and their subsidiaries and Affiliates (excluding the Company) will, immediately prior to Closing but after giving effect to the transactions contemplated by this Agreement (and assuming the accuracy of the representations and warranties in Article III), and taking into account all other amounts required to be paid, borrowed or refinanced in connection with the transactions contemplated by this Agreement and all related fees and expenses, be solvent.

Section 4.06. **Legal Proceedings**. Except as disclosed in Section 4.06 of the Disclosure Schedules, as of the date hereof, there are no Actions pending or, to Parent's Knowledge, threatened against or by Parent, Merger Sub or any of their respective Affiliates that (i) materially affect any of their properties or assets, or (ii) challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. As of the date hereof, to Parent's Knowledge, no event has occurred or circumstances exist that may give rise or serve as a basis for any such Action.

Section 4.07. **Capitalization**.

(a) As of the close of business on November 25, 2024, the issued and outstanding share capital of Parent consists of (i) 200,464,196 Parent Shares, (ii) 298,314 Parent Multiple Voting Shares, and (iii) nil super voting shares. In addition, as of the close of business on November 25, 2024, an aggregate of 36,648,077 Parent Shares are issuable upon the exercise of outstanding equity award options and 19,134,522 Parent Shares are issuable upon the exercise of outstanding warrants to purchase Parent Shares.

(b) The Parent Shares issuable to Stockholders pursuant to this Agreement will, when issued, (i) be duly authorized, validly issued, fully paid and non-assessable; (ii) not be subject to any preemptive rights created by statute, the articles of incorporation, by-laws or other organizational documents of Parent, or any agreement to which Parent is a party; (iii) except as set forth on Section 4.07(b) of the Disclosure Schedules, be free of any Encumbrances created by Parent in respect thereof; (iv) be issued in compliance with applicable Laws, and (v) except as otherwise contemplated hereby, entitle the holder thereof to all of the same special rights and restrictions accorded to holders of the Parent Shares in the notice of articles, articles and other organizational documents of Parent.

Section 4.08. Financial Statements.

(a) Complete copies of Parent's unaudited financial statements consisting of the balance sheet of Parent as of September 30, 2024 and the related statements of income and retained earnings for the three and nine-month periods then ended (the "**Parent Financial Statements**") have been made available via public filing on sec.gov. The Parent Financial Statements fairly present, in all material respects, the financial position of Parent as of the date thereof and the results of the operations of Parent for the periods indicated thereby, subject to normal and recurring year-end adjustments and the absence of notes.

(b) Neither Parent, nor Merger Sub, has any material Liabilities, except (a) those which are reflected or reserved against in the Parent Financial Statements, or the audited financial statements consisting of the balance sheet of Parent, and the related statements of income and retained earnings, including any footnotes thereto, made available via public filing on as of November 13, 2024, and which are accessible at www.sec.gov, (b) those which are incurred in the Ordinary Course of Business since the date of the Parent Financial Statements, (c) those in connection with or contemplated by this Agreement, and (d) as disclosed in Section 4.08(b) of the Disclosure Schedules.

Section 4.09. Absence of Certain Changes, Events and Conditions. Since the date of the Parent Financial Statements, except as set forth on Section 4.09 of the Disclosure Schedules, in connection with the execution and delivery of this Agreement and the other documents and agreements entered into in connection herewith and the consummation of the transactions contemplated hereby and thereby, the business of Parent and each of its subsidiaries has been conducted in the Ordinary Course of Business and there has not been or occurred any event, condition, change, or effect that has resulted in a Parent Material Adverse Effect or any event, condition, change, or effect that could reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 4.10. Compliance With Laws. Each of Parent and Merger Sub has complied, and are now complying, in all material respects with all Laws applicable to it or its business, properties or assets except as would not have a Parent Material Adverse Effect.

Section 4.11. Securities Law Matters.

(a) Parent is a "reporting issuer" or the equivalent thereof and is not on the list of reporting issuers in default under applicable Canadian provincial Securities Laws in the provinces of British Columbia, Alberta and Ontario. Parent files reports with the SEC pursuant to Section 12(g) of the Exchange Act. No delisting, suspension of trading in or cease trading order with respect to any securities of Parent and, to the Knowledge of Parent, no inquiry or investigation (formal or informal) of Parent or the public disclosure record of the Parent by any Securities Authority or the SEC, is in effect or ongoing or, to the Knowledge of Parent, is threatened or expected to be implemented or undertaken. Parent has not taken any action to cease to be a reporting issuer in any such province or to deregister the Parent Shares under the Exchange Act, nor has Parent received notification from any Canadian Securities Regulators seeking to revoke the reporting issuer status of Parent or from the SEC seeking to deregister the Parent Shares under the Exchange Act. The Parent Shares are listed and posted for trading on the Exchange. Parent is in compliance with applicable requirements of the Exchange, except where noncompliance would not result in a Parent Material Adverse Effect or prevent or materially delay the consummation of the transactions contemplated by this Agreement or the Merger. Merger Sub is not a reporting issuer (or its equivalent) in any jurisdiction.

(b) Parent has timely filed or furnished all material filings required to be filed or furnished by Parent with any Governmental Authority in accordance with applicable Securities Laws or the requirements of the Exchange prior to the date of this Agreement. Each of such material filings has complied as filed in all material respects with applicable Laws as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such filing).

(c) As of the date of this Agreement, Parent has not filed any confidential material change report (which at the date of this Agreement remains confidential) or any other confidential filings filed to or furnished with, as applicable, any Canadian Securities Regulators or the SEC. As of the date of this Agreement, there are no outstanding or unresolved comments in comment letters from any Canadian Securities Regulators or the SEC with respect to any of filings by Parent and, to Parent's Knowledge, none of Parent, Merger Sub or any filing by Parent is the subject of an ongoing audit, review, comment or investigation by any Canadian Securities Regulators, the SEC or other Governmental Authority.

Section 4.12. Taxes.

(a) Parent is presently, and upon the Closing will be, treated as a United States domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Code.

(b) Parent has not taken and shall not take (or cause to be taken) any action that could reasonably be expected to prevent the Merger from qualifying for the Intended Tax Treatment.

Section 4.13. No Other Representations and Warranties. The representations and warranties made by Parent and Merger Sub contained in this Article IV constitute the sole and exclusive representations and warranties of Parent and Merger Sub in connection with the transactions contemplated hereby, and the Company and each Stockholder understands, acknowledges and agrees that all other representations and warranties of any kind or nature expressed or implied (including (a) any relating to the future or historical financial condition, results of operations, assets or liabilities of Parent and Merger Sub or its business or operations, or (b) as to the accuracy or completeness of any information regarding Parent and Merger Sub furnished or made available to the Company, Stockholders or their representatives) are specifically disclaimed by Parent and Merger Sub.

Section 4.14. Acknowledgement and Representations by Parent. Parent acknowledges and agrees that it (a) has conducted its own independent review and analysis of, and, based thereon, has formed an independent judgment concerning, the business, assets, condition, operations and prospects of the Company Entities, and (b) has been furnished with or given full access to all information about the Company Entities and their respective businesses and operations as Parent and its representatives and advisors have requested. In entering into this Agreement, Parent has relied solely upon its own investigation and analysis and the representations and warranties of the Company set forth in this Agreement, and Parent acknowledges that, other than as set forth in this Agreement and in the certificates or other instruments delivered pursuant hereto (including, for avoidance of doubt, any Ancillary Documents), neither the Company nor any other Company Entity nor any of their respective directors, officers, managers, members, employees, affiliates, stockholders, equity holders, agents or representatives makes or has made any representation or warranty, either express or implied, (x) as to the accuracy or completeness of any of the information provided or made available to Parent or any of its respective agents, representatives, lenders or affiliates prior to the execution of this Agreement, or (y) with respect to any projections, forecasts, estimates, plans or budgets of future revenues, expenses or expenditures, future results of operations (or any component thereof), future cash flows (or any component thereof) or future financial condition (or any component thereof) of any Company Entity heretofore or hereafter delivered to or made available to Parent or any of its respective agents, representatives, lenders or Affiliates.

ARTICLE V
COVENANTS

Section 5.01. Reasonable Commercial Efforts. During the period from the date hereof and continuing until the earlier of the termination of this Agreement or the Closing Date (but subject to Section 5.08):

(a) Each party will cooperate with the other parties and use its commercially reasonable efforts to promptly (i) take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable under this Agreement and the Ancillary Documents and applicable Law to consummate and make effective the Merger as soon as practicable, including preparing and filing promptly and fully all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents, (ii) 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 Merger (including the expiration or termination of any applicable waiting period under the HSR Act) and (iii) execute and deliver such documents, certificates and other papers as a party may reasonably request to evidence the other party's satisfaction of its obligations hereunder.

(b) Without limiting the forgoing, the parties will: (i) cooperate with one another promptly 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) cooperate in promptly making any such filings, furnishing information required in connection therewith and seeking to obtain timely any such consents, permits, authorizations or approvals.

(c) Each party will keep the other party reasonably apprised of the status of matters relating to the completion of the Merger and work cooperatively in connection with obtaining all required approvals or consents of any Governmental Authority (whether domestic, foreign or supranational). In that regard, each party will 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 orally of) any communications from or with any Governmental Authority with respect to the Merger, (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) 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 Document and the Merger and (iv) 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.

Section 5.02. Conduct of Business Prior to the Closing. From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by Parent (which consent shall not be unreasonably withheld, conditioned or delayed), the Company shall (x) conduct the business of the Company Entities in the Ordinary Course of Business; and (y) use commercially reasonable efforts to maintain and preserve intact the current organization, business and franchise of the Company Entities and to preserve the rights, franchises, goodwill and relationships of their employees, customers, lenders, suppliers, regulators and others having business relationships with the Company Entities. Without limiting the foregoing, from the date hereof until the Closing Date, the Company shall:

(a) preserve and maintain all Permits;

(b) pay debts, Taxes and other obligations when due, except as may be contested by the Company in good faith;

(c) maintain the properties and assets owned, operated or used in the same condition as they were on the date of this Agreement, subject to reasonable wear and tear;

(d) continue in full force and effect without modification all Insurance Policies, except as required by applicable Law;

(e) defend and protect their properties and assets from infringement or usurpation;

(f) perform all of their obligations, in all material respects, under all Contracts relating to or affecting its properties, assets or business, except such obligations as may be contested in good faith by the Company;

(g) maintain its books and records in accordance with past practice;

(h) comply in all material respects with all applicable Laws; and

(i) not take or permit any action that would cause any of the changes, events or conditions described in Section 3.08 (as if set forth herein) to occur.

Section 5.03. Access to Information. From the date hereof until the Closing, the Company shall (i) afford Parent and its Representatives full and free access to and the right to inspect all of the Real Property, properties, assets, premises, books and records, Contracts and other documents and data related to the Company Entities; (ii) furnish Parent and its Representatives with such financial, operating and other data and information related to the Company Entities as Parent or any of its Representatives may reasonably request; and (iii) instruct the Representatives of the Company Entities to cooperate with Parent in its investigation of the Company Entities. Without limiting the foregoing, the Company shall permit Parent and its Representatives to conduct non-intrusive environmental due diligence on the Company Entities and the Real Property. Any investigation pursuant to this Section 5.03 shall be conducted in such manner as not to interfere unreasonably with the conduct of the business of the Company Entities. No investigation by Parent or other information received by Parent shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Company Entities in this Agreement.

Section 5.04. No Solicitation of Other Bids.

(a) The Company shall not, and shall not authorize or permit any of its Affiliates or any of its or their Representatives to, directly or indirectly, (i) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. The Company shall immediately cease and cause to be terminated, and shall cause its Affiliates and all of its and their Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. For purposes hereof, "**Acquisition Proposal**" shall mean any inquiry, proposal or offer from any Person (other than Parent or any of its Affiliates) concerning (i) a merger, consolidation, liquidation, recapitalization, share exchange or other business combination transaction involving any Company Entity; (ii) the issuance or acquisition of shares of capital stock or other equity securities of any Company Entity; or (iii) the sale, lease, exchange or other disposition of any significant portion of any Company Entity's properties or assets.

(b) In addition to the other obligations under this Section 5.04, the Company shall promptly (and in any event within two (2) Business Days after receipt thereof by any Company Entity or its Representatives) advise Parent orally and in writing of any Acquisition Proposal, any request for information with respect to any Acquisition Proposal, or any inquiry with respect to or which could reasonably be expected to result in an Acquisition Proposal, the material terms and conditions of such request, Acquisition Proposal or inquiry, and the identity of the Person making the same.

(c) The Company agrees that the rights and remedies for noncompliance with this Section 5.04 shall include having such provision specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to Parent and that money damages would not provide an adequate remedy to Parent.

Section 5.05. Stockholders Consent.

(a) Promptly, and in any event within ten (10) Business Days following the execution and delivery of this Agreement, the Company shall deliver to Parent, in a form reasonably acceptable to Parent, the Requisite Company Vote pursuant to a written consent of a majority of the Stockholders (the "**Written Consent**"). The materials submitted to the Stockholders in connection with the Written Consent shall include the Company Board Recommendation.

(b) Promptly following, but in no event than five (5) Business Days after, delivery to Parent of the Written Consent pursuant to subsection (a) above, the Company shall prepare and provide to Parent for its review a notice (the "**Stockholder Notice**"), in accordance with applicable Law and the Company Charter Documents, to every Stockholder that did not execute the Written Consent. The Company shall mail such Stockholder Notice to each such Stockholder within two (2) Business Days following approval thereof by Parent. The Stockholder Notice shall (i) be a statement to the effect that the Company Board unanimously determined that the Merger is advisable in accordance with the Nevada Act and in the best interests of the Stockholders and unanimously approved and adopted this Agreement, the Merger and the other transactions contemplated hereby, (ii) provide the Stockholders to whom it is sent with notice of the actions taken in the Written Consent, including the approval and adoption of this Agreement, the Merger and the other transactions contemplated hereby in accordance with the Nevada Act and the bylaws of the Company, (iii) notify such Stockholders of their dissent and appraisal rights pursuant to the Nevada Act, and include the other items required by the Nevada Act and (iv) request that each such Stockholder execute the Written Consent and waive any dissent and appraisal rights pursuant to the Nevada Act. The Stockholder Notice shall include therewith a form for demanding payment, a copy of the applicable provisions of the Nevada Act and all such other information as Parent shall reasonably request, and shall be sufficient in form and substance to start the period during which a Stockholder must demand appraisal of such Stockholder's Shares, which period may not be less than 30 nor more than 60 days after the date the Stockholder Notice is delivered, as contemplated by the Nevada Act. All materials submitted to the Stockholders in accordance with this Section 5.05(b) shall be subject to Parent's advance review and reasonable approval.

Section 5.06. Notice of Certain Events.

(a) From the date hereof until the Closing, the Company shall promptly notify Parent in writing of:

(i) any fact, circumstance, event or action the existence, occurrence or taking of which (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or could reasonably be expected to result in, any representation or warranty made by the Company hereunder not being true and correct or (C) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 8.02 to be satisfied;

(ii) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(iii) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; and (iv) any Actions commenced or, to the Company's Knowledge, threatened against, relating to or involving or otherwise affecting any Company Entity that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.17 or that relates to the consummation of the transactions contemplated by this Agreement.

(b) Parent's receipt of information pursuant to this Section 5.06 shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Company in this Agreement (including Section 8.02 and Section 9.01) and shall not be deemed to amend or supplement the Disclosure Schedules.

Section 5.07. Resignations. Unless otherwise requested by Parent, the Company shall deliver to Parent written resignations, effective as of the Closing Date, of the Resigning Executives and directors of the Company.

Section 5.08. Governmental Approvals and Consents.

(a) Each party hereto shall, as promptly as reasonably practicable, (i) make, or cause or be made, all filings and submissions (including those under the HSR Act) required under any Law applicable to such party or any of its Affiliates; and (ii) use commercially reasonable efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary, in each case, for the performance of its obligations pursuant to this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby. Each party shall reasonably cooperate with the other party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals.

(b) Each of the Company and Parent shall use commercially reasonable efforts to give all notices to, and obtain all consents from, all third parties that are described in Section 3.02, Section 3.03 and Section 4.02 of the Disclosure Schedules.

(c) Without limiting the generality of the parties' undertakings pursuant to subsections (a) and (b) above, each of the parties hereto shall use commercially reasonable efforts to:

(i) respond to any inquiries by any Governmental Authority regarding antitrust or other matters with respect to the transactions contemplated by this Agreement or any Ancillary Document;

(ii) avoid the imposition of any order or the taking of any action that would restrain, alter or enjoin the transactions contemplated by this Agreement or any Ancillary Document; and (iii) in the event any Governmental Order adversely affecting the ability of the parties to consummate the transactions contemplated by this Agreement or any Ancillary Document has been issued, have such Governmental Order vacated or lifted.

(d) Notwithstanding the foregoing, nothing in this Agreement shall require, or be construed to require, Parent or any of its Affiliates to agree to (i) sell, hold, divest, discontinue or limit, before or after the Closing Date, any assets, businesses or interests of Parent, any Company Entity, or any of their respective Affiliates; (ii) any conditions relating to, or changes or restrictions in, the operations of any such assets, businesses or interests which, in either case, could reasonably be expected to result in a material adverse effect on Parent and its Affiliates or materially and adversely impact the economic or business benefits to Parent of the transactions contemplated by this Agreement; or (iii) any material modification or waiver of the terms and conditions of this Agreement.

Section 5.09. Directors' and Officers' Indemnification and Insurance.

(a) Parent and Merger Sub agree that all rights to indemnification, advancement of expenses and exculpation by the Company now existing in favor of each Person who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Time an officer or director of the Company (each a "**D&O Indemnified Party**") as provided in the Company Charter Documents, in each case as in effect on the date of this Agreement, or pursuant to any other Contracts in effect on the date hereof and disclosed in Section 5.09 of the Disclosure Schedules and provided to Parent prior to the date hereof, shall be assumed by the Surviving Corporation in the Merger, without further action, at the Effective Time and shall survive the Merger and shall remain in full force and effect in accordance with their terms, and, in the event that any proceeding is pending or asserted or any claim made during such period that would be covered thereunder, until the final disposition of such proceeding or claim.

(b) For six (6) years after the Effective Time, to the fullest extent permitted under applicable Law, the Surviving Corporation (the "**D&O Indemnifying Parties**") shall indemnify, defend and hold harmless each D&O Indemnified Party against all losses, claims, damages, liabilities, fees, expenses, judgments and fines arising in whole or in part out of actions or omissions in their capacity as such occurring at or prior to the Effective Time (including in connection with the transactions contemplated by this Agreement) (each, a "**D&O Claim**"), and shall reimburse each D&O Indemnified Party for any legal or other expenses reasonably incurred by such D&O Indemnified Party in connection with investigating or defending any such losses, claims, damages, liabilities, fees, expenses, judgments and fines related to or arising under any such D&O Claim as such expenses are incurred, subject to the Surviving Corporation's receipt of an undertaking by such D&O Indemnified Party to repay such legal and other fees and expenses paid in advance if it is ultimately determined in a final and non-appealable judgment of a court of competent jurisdiction that such D&O Indemnified Party is not entitled to be indemnified under applicable Law; provided, however, that the Surviving Corporation will not be liable for any settlement effected without the Surviving Corporation's prior written consent.

(c) Prior to the Closing, the Company shall obtain and fully pay for "tail" insurance policies with a claims period of at least six (6) years from the Effective Time with at least the same coverage and amount and containing terms and conditions that are not less advantageous to the directors and officers of the Company as the Company's existing policies with respect to claims arising out of or relating to events which occurred before or at the Effective Time (including in connection with the transactions contemplated by this Agreement) (the "**D&O Tail Policy**"). The Company shall bear the cost of the D&O Tail Policy, and such costs, to the extent not paid prior to the Closing, shall be included in the determination of Transaction Expenses. During the term of the D&O Tail Policy, Parent shall not (and shall cause the Surviving Corporation not to) take any action following the Closing to cause the D&O Tail Policy to be cancelled or any provision therein to be amended or waived; provided, that neither Parent, the Surviving Corporation nor any Affiliate thereof shall be obligated to pay any premiums or other amounts in respect of such D&O Tail Policy.

(d) The obligations of Parent and the Surviving Corporation under this Section 5.09 shall survive the consummation of the Merger and shall not be terminated or modified in such a manner as to adversely affect any D&O Indemnified Party to whom this Section 5.09 applies without the consent of such affected D&O Indemnified Party (it being expressly agreed that the D&O Indemnified Parties to whom this Section 5.09 applies shall be third-party beneficiaries of this Section 5.09, each of whom may enforce the provisions of this Section 5.09).

(e) In the event the Surviving Corporation or any of its successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in either such case, proper provision shall be made so that the successors and assigns of the Surviving Corporation shall assume all of the obligations set forth in this Section 5.09. The agreements and covenants contained herein shall not be deemed to be exclusive of any other rights to which any Indemnified Party is entitled, whether pursuant to Law, Contract or otherwise. Nothing in this Agreement is intended to, shall be construed to or shall release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to the Company or its officers, directors and employees, it being understood and agreed that the indemnification provided for in this Section 5.09 is not prior to, or in substitution for, any such claims under any such policies.

Section 5.10. Public Announcements. Parent and the Company shall mutually agree on the initial press release or releases with respect to the execution of this Agreement. Thereafter, so long as this Agreement is in effect, unless otherwise required by applicable Law or stock exchange or trading market requirements (based upon the reasonable advice of counsel) or otherwise permitted by this Agreement, no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby without the prior written consent of the other party (which consent shall not be unreasonably withheld, conditioned or delayed), and the parties shall cooperate as to the timing and contents of any such announcement; provided, that no separate approval will be required in respect of any press release or public announcement to the extent such content is substantially replicated in a subsequent press release or other announcement or substantially consistent with a previously approved press release or announcement. Notwithstanding anything herein to the contrary, following Closing and after the initial press release, the Stockholder Representative shall be permitted to announce that it has been engaged to serve as the Stockholder Representative in connection herewith as long as such announcement does not disclose any of the other terms hereof.

Section 5.11. HSR Act. Without limiting the generality of anything contained in Section 5.01, each party agrees to: (a) within 10 Business Days after the execution of this Agreement, make an appropriate filing of a Notification and Report Form pursuant to the HSR Act (including seeking early termination of the waiting period under the HSR Act) with respect to the Merger, (b) supply as promptly as reasonably practicable any additional information and documentary material that may be requested pursuant to the HSR Act by the United States Federal Trade Commission or the United States Department of Justice and (c) use its commercially reasonable efforts to take or cause to be taken all other actions necessary, proper or advisable consistent with this Section 5.11 to cause the expiration or termination of the applicable waiting periods under the HSR Act as soon as practicable. Parent will be entitled to devise the strategy for all filings and communications in connection with any filing pursuant to the HSR Act or other applicable competition Law, and otherwise to direct the antitrust defense of the Merger, or negotiations with, any Governmental Authority or other third party relating to the Merger or regulatory filings under applicable competition Law, subject to the provisions of this Section 5.11, provided that Parent will consult and cooperate with the Company, and consider in good faith the views of the Company, in connection with any such antitrust defense. The Company will use commercially reasonable efforts to provide full and effective support of Parent in all such negotiations and other discussions or actions to the extent requested by Parent. The Company will not make any offer, acceptance or counter-offer to or otherwise engage in negotiations or discussions with any Governmental Authority with respect to any proposed settlement, consent decree, commitment or remedy, or, in the event of litigation, discovery, admissibility of evidence, timing or scheduling of any matters contemplated by this Section 5.11, except as specifically requested by or agreed with Parent. The Company will not commit to or agree with any Governmental Authority to stay, toll or extend any applicable waiting period under the HSR Act or applicable competition Law, without the prior written consent of Parent. If any request for additional information and documents, including a "**second request**" under the HSR Act, is received from any Governmental Authority, then the parties will substantially comply with any such request at the earliest practicable date.

Section 5.12. CCB and Regulatory Consents. Without limiting the generality of Section 5.01, the parties hereto (other than the Stockholder Representative) shall cooperate and collectively use commercially reasonable efforts to promptly obtain and receive the findings, approvals and consents of the Nevada Cannabis Compliance Board (the "**CCB**"), necessary for the transfer of the ownership interests in the Company as required due to certain Company Entities' ownership of the Cannabis Licenses issued to such Company Entity by the CCB, pursuant to Title 56 of the Nevada Revised Statutes (the "**State Licenses**"), as required by Title 56 of the Nevada Revised Statutes and Regulation 5 of the Regulations of the Nevada Cannabis Compliance Board ("**NCCR**") in connection with the consummation of the Merger as contemplated hereby (the "**CCB Consent**"), and shall cooperate to submit all necessary applications, forms, supporting documents, background checks, investigations, interviews, and the like to the CCB, and any county, municipal and other local Governmental Authorities, in accordance with Title 56 of the Nevada Revised Statutes, NCCR 5, and any county, municipal and other local Laws (collectively, "**Nevada Cannabis Laws**").

Section 5.13. Termination of Equity Incentive Plan. On or prior to the Closing, the Company shall terminate the Deep Roots Holdings, Inc., 2024 Equity Incentive Plan, dated May 15, 2024 (the "**Company Incentive Plan**").

Section 5.14. Preparation of Proxy Statement/Circular; Parent Shareholder Approval.

(a) As promptly as reasonably practicable following the date hereof, Parent shall prepare (and the Company will reasonably cooperate with Parent in preparing) a management information circular, which will also constitute the proxy statement containing the information specified in Schedule 14A under the Exchange Act relating to the matters to be submitted to the shareholders of Parent at the Parent Shareholder Meeting (together with any amendments or supplements thereto, the "**Proxy Statement/Circular**") in compliance with all applicable Laws and in accordance with Exchange policies and Parent shall file, in all jurisdictions where the same is required to be filed, including with the Exchange (and including any preliminary filings with the SEC required to be made in accordance with applicable Laws) such Proxy Statement/Circular in accordance with applicable Laws. Parent shall use reasonable best efforts to have the preliminary Proxy Statement/Circular cleared by the SEC (and, if applicable, any other Governmental Authority) as promptly as practicable. As promptly as practicable after such clearance and other required approvals therefor, Parent shall cause the Proxy Statement/Circular and other documentation required in connection with the Parent Shareholder Meeting to be mailed or otherwise distributed to such Persons as required by applicable Laws. The Proxy Statement/Circular shall include the Parent Board Recommendation and a statement that each director and senior officer of Parent intends to vote all of their Parent Shares and, as may be applicable, any other Parent Shares in favor of the Parent Resolution and any other resolution presented at the Parent Shareholder Meeting required to give effect to this Agreement and the Merger.

(b) Each party shall promptly advise the other party after receipt thereof of any comments (written or oral) received by such party with respect to the Proxy Statement/Circular received from the SEC, the Exchange or any of the Canadian Securities Regulators or any other Governmental Authority or their respective staff for amendments or supplements to the Proxy Statement/Circular or for additional information and shall supply each other with copies of all material correspondence between it or any of its Representatives, on the one hand, and the SEC, the Exchange or any of the Canadian Securities Regulators or any other Governmental Authority or their respective staff, on the other hand, with respect to the Proxy Statement/Circular. Each party shall use reasonable best efforts to respond promptly to any comments of the SEC, the Exchange or any of the Canadian Securities Regulators or any other Governmental Authority or their respective staff with respect to the Proxy Statement/Circular; provided, that each party will provide the other party with a reasonable opportunity to participate in preparing any proposed response by such party to any such comments.

(c) Parent shall use its reasonable best efforts to ensure that the Proxy Statement/Circular complies in all material respects with applicable Laws, the rules and regulations of the SEC and Canadian Securities Regulators or any other Governmental Authority applicable thereto, and the rules and regulations of the Exchange, and each party shall make available to the other party such information as is reasonably necessary to comply therewith, including with respect to the preparation and inclusion of any required pro forma or audited financial information.

(d) If, at any time prior to the Parent Shareholder Meeting, any information relating to any of the Parties or their respective Affiliates, officers or directors is discovered by any party, and either party reasonably believes that such information is required to be or should be set forth in an amendment or supplement to the Proxy Statement/Circular so that the Proxy Statement/Circular would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party that discovers such information shall promptly notify the other party and, to the extent required by applicable Law or the rules and regulations of the SEC or any relevant Canadian Securities Regulators, an appropriate amendment or supplement describing such information, Parent shall cause to be promptly filed with the SEC and Canadian Securities Regulators (or, if applicable, any other Governmental Authority) and, to the extent required by Law, disseminated to the shareholders of Parent, provided that the delivery of such notice and the filing of any such amendment or supplement shall not affect or be deemed to modify any representation or warranty made by any party or otherwise affect the remedies available hereunder to any party.

(e) Parent shall use commercially reasonable efforts to obtain approval of the Exchange, including providing or submitting on a timely basis all documentation and information that is reasonably required or advisable in connection with obtaining such approvals and the Company shall provide such assistance as may be reasonably required in connection therewith. Upon reasonable request of Parent, the Company will cause its directors and executive officers who are required or requested by a Governmental Authority to deliver personal information forms under the rules of the SEC or the Exchange to complete and deliver such forms in a timely manner.

(f) Parent shall keep the Company reasonably apprised of the status of obtaining the approvals of the Exchange, SEC and Canadian Securities Regulators, and of filings with the Exchange, SEC and Canadian Securities Regulators related to, and the date and status of, the Parent Shareholder Meeting.

(g) Subject to the terms of this Agreement, following the date on which the SEC clears the Proxy Statement/Circular, Parent shall give notice of, convene and conduct a special meeting of shareholders of Parent to be called and held for, among other things, the purpose of obtaining the Parent Shareholder Approval (the "**Parent Shareholder Meeting**") in accordance with Parent's notice of articles and articles, Exchange policies and applicable Securities Laws as soon as reasonably practicable. Thereafter, subject to the terms of this Agreement, Parent shall use reasonable best efforts to solicit proxies in favor of the Parent Shareholder Approval and against any resolution submitted by a shareholder of Parent that is inconsistent with the Parent Resolution and the completion of the transactions contemplated by this Agreement and take all other actions reasonably necessary to obtain the Parent Shareholder Approval and all other matters to be brought before the Parent Shareholder Meeting intended to facilitate and complete the transactions contemplated by this Agreement.

(h) Notwithstanding the foregoing, the shareholders of Parent may authorize and approve the Parent Shareholder Approval by written consent in lieu of holding the Parent Shareholder Meeting in accordance with the rules and policies of the Exchange; however, should Parent obtain approval of the Parent Shareholder Approval by written consent of fewer than all shareholders entitled to vote on the Parent Shareholder Approval, Parent shall comply with applicable Securities Laws requiring the preparation and filing of an information statement related to the approval of the Parent Shareholder Approval, including any requirement to file a preliminary information statement related to the approval of the Parent Shareholder Approval.

(i) Without limitation of any of the foregoing, the Company shall cooperate with Parent as reasonably required for Parent to comply with its obligations under this Section 5.14, including by providing all necessary information in connection with obtaining the Parent Shareholder Approval. Notwithstanding anything to the contrary and for the avoidance of doubt, for purposes of this Section 5.14, the terms "party" and "parties" shall not include the Stockholder Representative.

Section 5.15. Further Assurances. At and after the Effective Time, the officers and directors of the Surviving Corporation shall be authorized to execute and deliver, in the name and behalf of the Company or Merger Sub, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of the Surviving Corporation, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets of the Company acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

Section 5.16. Takeover Statutes. If any state antitakeover statute, "moratorium," "control share acquisition," "business combination," "fair price" or similar statute or regulation (collectively, "**Takeover Laws**") is or may become applicable to the transactions contemplated by this Agreement, the Company and its Affiliates shall use reasonable best efforts to (a) grant such approvals and take all such actions as are legally permissible so that the transactions contemplated hereby may be consummated as promptly as practicable on the terms contemplated hereby and (b) otherwise act to eliminate or minimize the effects of any Takeover Laws on the transactions contemplated hereby.

Section 5.17. Disclosure Schedules Updates.

(a) Without limiting Section 5.06, from and after the date of this Agreement until the Closing Date, the Company may prepare and deliver to Parent supplements and/or amendments to the Disclosure Schedules (which may contain additional disclosures that are not in existence as of the date hereof relating to any of the provisions contained in Article III, such supplement, amendment or new Disclosure Schedule being referred to as a "**Company Update**"), with respect to matters (i) first arising or of which the Company first obtains knowledge after the date hereof, and (ii) which were not included in the Disclosure Schedules as of the date hereof, but were matters in the Ordinary Course of Business and are in an aggregate amount for all such Company Updates pursuant to this subsection (ii) not in excess of $150,000, and each such Company Update shall be deemed to be an amendment to this Agreement for all purposes hereof other than for purposes of the conditions set forth in Section 8.02(a); *provided* that a Company Update pursuant to subsection (ii) above shall be deemed to be an amendment to this Agreement for purposes of the conditions set forth in Section 8.02(a); *provided further* that, in the event that the disclosure of the facts, circumstances and events included in such Company Update relate to a fact, circumstance or event having (or which could reasonably have) an adverse effect on the Company Entities, or their business or operations, with respect to matters updated pursuant to subsection (i) above, in an aggregate amount in excess of $500,000 for all Company Updates, such Company Update shall not be deemed to be an amendment to this Agreement. Without limiting the foregoing, the Company shall use commercially reasonable efforts to provide prior to the Closing a schedule of the powers of attorney with respect to Taxes described in Section 3.22(k) that will remain in effect at the Closing.

(b) From and after the date of this Agreement until the Closing Date, Parent may prepare and deliver to the Company supplements and/or amendments to the Disclosure Schedules (which may contain additional disclosures that are not in existence as of the date hereof relating to any of the provisions contained in Article IV, such supplement, amendment or new Disclosure Schedule being referred to as a "**Parent Update**"), with respect to matters (i) first arising or of which Parent first obtains knowledge after the date hereof, and (ii) which were not included in the Disclosure Schedules as of the date hereof, but were matters in the Ordinary Course of Business and are in an aggregate amount for all such Parent Updates pursuant to this subsection (ii) not in excess of $150,000, and each such Parent Update shall be deemed to be an amendment to this Agreement for all purposes hereof other than for purposes of the conditions set forth in Section 8.03(a); *provided* that a Parent Update pursuant to subsection (ii) above shall be deemed to be an amendment to this Agreement for purposes of the conditions set forth in Section 8.03(a); *provided further* that, in the event that the disclosure of the facts, circumstances and events included in such Parent Update relate to a fact, circumstance or event having (or which could reasonably have) an adverse effect on Parent or Merger Sub, or their business or operations, with respect to matters updated pursuant to subsection (i) above, in an aggregate amount in excess of $500,000 for all Parent Updates, such Parent Update shall not be deemed to be an amendment to this Agreement.

ARTICLE VI
TAX MATTERS

Section 6.01. Tax Covenants and Transfer Taxes.

(a) Without the prior written consent of Parent (such consent not to be unreasonably withheld, conditioned or delayed), and except as set forth on Section 6.01 of the Disclosure Schedules, prior to the Closing, the Company Entities shall not make, change or rescind any Tax election, amend any Tax Return, or take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the Tax liability or reducing any Tax asset of Parent or the Surviving Corporation in respect of any Post-Closing Tax Period, in each case, outside the Ordinary Course of Business and without departure from the Company's (or the applicable Company Entity's) historic practices and except as required by applicable Law.

(b) All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest and any real property transfer Tax and any other similar Tax) incurred in connection with this Agreement and the Ancillary Documents and the transactions contemplated hereby and thereby, shall be borne and paid equally by Parent or the Surviving Corporation, on the one hand, and the Stockholders (in accordance with their Pro Rata Shares), on the other hand, when due. The Company and Stockholders shall reasonably cooperate with Parent in connection with the filing of any Tax Returns with respect thereto as necessary.

Section 6.02. **Termination of Existing Tax Sharing Agreements**. Any and all existing Tax sharing agreements (whether written or not) binding upon the Company Entities shall be terminated as of the Closing Date. After such date none of the Company Entities nor any of their Representatives shall have any further rights or liabilities thereunder.

Section 6.03. **Tax Indemnification**. Subject to Section 9.04(c) and excluding all Excluded Taxes, Stockholders shall, severally and not jointly (in accordance with their Pro Rata Shares), indemnify the Parent Indemnitees and hold them harmless from and against (a) all Taxes required to be withheld by the Company as a result of the distributions or other payments contemplated by Section 2.02(b) hereof; (b)all Taxes of any Company Entity for all Pre-Closing Tax Periods (including any income Taxes attributable to 280E which are, in the aggregate, in excess of the 280E Tax Reserve without duplication thereof, but subject, without duplication, to Section 6.10); (c) all Taxes of any member of an affiliated, consolidated, combined or unitary group of which such Company Entity (or any predecessor of such Company Entity) is or was a member on or prior to the Closing Date by reason of a liability under Treasury Regulation Section 1.1502-6 or any comparable provisions of foreign, state or local Law; (d) any and all Taxes of any person imposed on any Company Entity arising under the principles of transferee or successor liability or by contract, in each case relating to an event or transaction occurring before the Closing Date; and (e) all Taxes resulting from the Company's failure to deliver the certificate and required notice, properly completed and executed, as contemplated by Section 2.03(a)(vi) hereof (collectively, "**Indemnified Taxes**"). In each of the above cases, the term "Taxes" shall include Losses arising from or relating to such Taxes including, without limitation, the non-payment thereof. Further, in each of the above cases, at the election of the Stockholder Representative for and on behalf of the Stockholders, within ten (10) Business Days after payment of such Indemnified Taxes by Parent or its Affiliates, Stockholder Representative shall either: (A) direct Parent or the Surviving Corporation to release to Parent, from the Stockholder Representative Expense Fund, an amount of cash equal to such Indemnified Taxes that are the responsibility of the Stockholders pursuant to this Section 6.03, with any excess of the amount of Indemnified Taxes over the amount of such release from the Stockholder Representative Expense Fund to be paid, at the election of Stockholder Representative, by (I) directing the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole number) equal to the quotient of (1) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (2)) of the excess Indemnified Taxes, divided by (2) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange, as reported by Bloomberg Finance L.P., or (II) Stockholders to Parent in cash in immediately available funds in the amount of their respective Pro Rata Shares thereof, severally and not jointly; or (B) direct the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole number) in an amount of such Indemnified Taxes equal to the quotient of (I) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (II)) of such Indemnified Taxes, divided by (II) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange, as reported by Bloomberg Finance L.P.; provided, that (i) if the Stockholder Representative elects cash payment under the foregoing clause (A)(II), and any Stockholder does not pay any such excess Indemnified Taxes owed pursuant thereto within 30 days thereafter, such Stockholder shall, at the option of Parent, have such amounts settled in Escrow Shares pursuant to the foregoing clause (A)(I) (or if the Escrow Shares are not sufficient, in accordance with the following clause (ii)), and (ii) in the event the Stockholder Representative chooses settlement in Escrow Shares pursuant to the foregoing clauses (A)(I) or (B) but the amount of Indemnified Taxes (or amount of excess Indemnified Taxes, in the case of the foregoing clause (A)(I)) are in excess of the Escrow Shares, the Stockholders shall transfer to Parent a number of Parent Shares (rounded up to the nearest whole share) equal to the quotient of (I) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (II)) of such remaining excess Indemnified Taxes, divided by (II) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange), as reported by Bloomberg Finance L.P., in accordance with their respective Pro Rata Shares, severally and not jointly. Notwithstanding the foregoing, any claim for indemnification by the Parent Indemnitees pursuant to Section 6.03 for Indemnified Taxes, Section 9.02(a) for any breach of a representation contained in Section 3.22, or Section 9.02(b) for any breach of a covenant, undertaking, agreement or obligation contained in this Article VI, in each case, other than those arising out of or related to 280E for Pre-Closing Tax Periods, to the extent asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the Indemnified Party to the Indemnifying Party on or prior to the applicable expiration date of the applicable survival period shall not thereafter be barred by the expiration of such survival period and such claims shall survive until finally resolved.

Section 6.04. Tax Returns.

(a) The Company Entities shall prepare and timely file, or cause to be prepared and timely filed, at the Company Entities' expense, all Tax Returns required to be filed by the Company Entities that are due on or before the Closing Date (taking into account any extensions), and shall timely pay all Taxes that are shown as due and payable on such Tax Returns. Any such Tax Return shall be prepared in a manner consistent with past practice of the Company Entities (unless otherwise required by Law). The Company Entities shall submit to Parent any income Tax Return (together with schedules, statements and, to the extent requested by Parent, supporting documentation) at least 30 days prior to the due date (including extensions) of such Tax Return for Parent's review and comment, and the Company Entities shall consider in good faith such changes as are reasonably requested by Parent.

(b) For U.S. federal and applicable state and local income tax purposes, as a result of the Merger, the taxable year of the Company shall end on the Closing Date and the Company shall become a member of the consolidated group of which Parent is the common parent beginning on the date following the Closing Date. Parent shall, at its expense, prepare and timely file, or cause to be prepared and timely filed, all Tax Returns required to be filed by the Company Entities that are due after the Closing Date with respect to a Pre-Closing Tax Periods. Any such Tax Return shall be prepared in a manner consistent with past practice of the Company Entities (unless otherwise required by Law, except Parent shall file all such income Tax Returns in a manner consistent with the Company Entities' position with respect to the inapplicability of 280E to such Company Entities as provided on the Company's amended federal income Tax Returns for taxable years 2020 through 2023; provided that Parent shall not be obligated to file such income Tax Returns in such manner if, after the date of this Agreement, there is a subsequent change in applicable Tax law or regulation or the interpretation thereof by official IRS guidance, or a judicial decision published by a United States federal court, including the United States Tax Court (for the avoidance of doubt, disregarding any dicta or footnotes in any such decision), in each case, that materially and adversely affects the basis for such position), and, if it is an income or other material Tax Return, shall be submitted by Parent to Stockholder Representative (together with schedules, statements and, to the extent requested by Stockholder Representative, supporting documentation) at least 30 days prior to the due date (including extensions) of such Tax Return for Stockholder Representative's review and comment. Parent shall consider Stockholder Representative's comments in good faith. The parties agree to treat any Transaction Tax Deductions as deductible in the Pre-Closing Tax Period ending on the Closing Date to the extent supported by a "more likely than not" or higher reporting basis. The Parties shall cooperate in good faith to resolve any dispute regarding all such Tax Returns, and to the extent Parent and Stockholder Representative are unable to resolve all disputes with respect to any such Tax Return, such items remaining in dispute shall be submitted to the Independent Accountant for resolution in accordance with the provisions of Section 2.17(c)(iii)-(v). The preparation and filing of any Tax Return of the Company that does not relate in whole or in part to a Pre-Closing Tax Period shall be exclusively within the control of Parent. Within ten (10) Business Days after payment by Parent of Taxes due with respect to the filing of any such Tax Return that relates to Pre-Closing Tax Periods, Stockholder Representative shall cause to be paid and/or released to Parent the amount of Taxes shown as due on such Tax Return that are attributable to a Pre-Closing Tax Period (to the extent such Taxes due are not Excluded Taxes) in a manner consistent with the payment of any indemnifiable amounts owed to Parent under Section 6.03.

Section 6.05. **Straddle Period**. In the case of Taxes that are payable with respect to a taxable period that begins on or before the Closing Date and ends after the Closing Date (each such period, a "**Straddle Period**"), the portion of any such Taxes that are allocable to the portion of such Straddle Period ending on the Closing Date for purposes of this Agreement shall be:

(a) in the case of Taxes (i) based upon, or related to, income, receipts, profits, wages, capital or net worth, (ii) imposed in connection with the sale, transfer or assignment of property, or (iii) required to be withheld, deemed equal to the amount which would be payable if the taxable year ended with the Closing Date; provided that any transactions or events undertaken, or caused to be undertaken, by Parent that are outside the Ordinary Course of Business and occur after the Closing on the Closing Date (other than any transactions or events taken pursuant to this Agreement) will be treated for all purposes under this Agreement as occurring in the portion of the Straddle Period beginning after the Closing Date;

(b) in the case of other Taxes, deemed to be the amount of such Taxes for the entire period multiplied by a fraction the numerator of which is the number of days in the period ending on the Closing Date and the denominator of which is the number of days in the entire period; and

(c) in the case of Taxes attributable to an equity interest in an Existing Investment passthrough entity in which a Company Entity holds such equity interest, deemed to be the amount of such Taxes determined on a "closing of the books" basis as if the Taxable period of such passthrough entity ended as of the end of the Closing Date (provided, that if the Company is unable to require an Existing Investment entity to effect a "closing of the books" as of such time, Parent and the Stockholder Representative shall cooperate to estimate such Taxes based on the information available at such time).

Section 6.06. **Contests**. Parent shall give prompt written notice to Stockholder Representative (and in all events, within thirty (30) calendar days of the receipt thereof) of the receipt of any written notice by the Surviving Corporation, Parent or any of Parent's Affiliates (including, without limitation, the other Company Entities), which involves the assertion of any claim, or the commencement of any Action relating to Taxes in respect of which an indemnification claim may be made by any Parent Indemnitee pursuant to this Agreement (a "**Tax Claim**"); provided, that the failure to comply with such notice provision shall not affect Parent's right to indemnification hereunder, except to the extent that the Stockholders are materially prejudiced thereby. Parent shall control the contest or resolution of any Tax Claim; provided, however, that (i) Parent shall provide Stockholder Representative copies of all written correspondence related to such Tax Claim and otherwise keep Stockholder Representative apprised of all material developments with respect to any Tax Claim, (ii) Parent shall obtain the prior written consent of Stockholder Representative (which consent shall not be unreasonably withheld, conditioned or delayed) before entering into any settlement of a claim or ceasing to defend such claim, and (iii) Stockholder Representative shall be entitled to participate in the defense of such claim and to employ counsel of its choice for such purpose, the fees and expenses of which separate counsel shall be borne solely by Stockholder Representative (on behalf of the Stockholders).

Section 6.07. Cooperation and Exchange of Information. The Company shall use its reasonable best efforts to provide Parent, prior to the Closing Date but effective as of the Closing Date, with customary representations and warranties in form and substance reasonably necessary or appropriate for Parent to comply with Section 2.21 hereof. The Stockholder Representative, the Surviving Corporation and Parent shall provide each other with such cooperation and information as either of them reasonably may request of the others in filing any Tax Return pursuant to this Article VI or in connection with any audit or other proceeding in respect of Taxes of the Company. Such cooperation and information shall include providing copies of relevant Tax Returns or portions thereof, together with accompanying schedules, related work papers and documents relating to rulings or other determinations by tax authorities. Each of Stockholder Representative, the Surviving Corporation and Parent shall retain all Tax Returns, schedules and work papers, records and other documents in its possession relating to Tax matters of the Company for any taxable period beginning before the Closing Date until the expiration of the statute of limitations of the taxable periods to which such Tax Returns and other documents relate, without regard to extensions except to the extent notified by any of the other parties in writing of such extensions for the respective Tax periods. Prior to transferring, destroying or discarding any Tax Returns, schedules and work papers, records and other documents in its possession relating to Tax matters of the Company for any taxable period beginning before the Closing Date, Stockholder Representative, the Surviving Corporation or Parent (as the case may be) shall provide the other parties with reasonable written notice and offer the other parties the opportunity to take custody of such materials.

Section 6.08. [Reserved].

Section 6.09. Section 280E of the Code. The parties acknowledge and agree that the Company Entities are engaged in the cannabis industry in the State of Nevada, which includes, as applicable, the businesses of operating licensed cannabis dispensaries, which includes the retail and medical sale of cannabis, and the cultivation, distribution and manufacturing of cannabis, which is currently classified as a Schedule I controlled substance under Section 812 of the Controlled Substances Act. As a result, for U.S. federal income tax purposes, the Company Entities are currently subject to Section 280E of the Code ("**280E**").

Section 6.10. Survival; Limited 280E Survival. The provisions of this Article VI shall survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof) plus 60 days. Notwithstanding the preceding sentence or Section 9.01 to the extent related to the survival period for representations in Section 3.22, any claim for indemnification by the Parent Indemnitees pursuant to Section 6.03 for Indemnified Taxes or Section 9.02(a) for any breach of a representation contained in Section 3.22, in each case, arising out of or related to 280E for Pre-Closing Tax Periods in excess of the 280E Tax Reserve, shall be made on or prior to the date that is three (3) years from the Closing Date; provided, that any such claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the Indemnified Party to the Indemnifying Party on or prior to such three-year anniversary shall not thereafter be barred by the expiration of the relevant survival period and such claims shall survive until finally resolved.

Section 6.11. Precedence. Notwithstanding anything to the contrary in this Agreement, Section 6.06 shall govern with respect to Tax Claims and, to the extent that any obligation or responsibility pursuant to Article IX may conflict with an obligation or responsibility pursuant to this Article VI, the provisions of this Article VI shall govern.

Section 6.12. Refunds. All refunds of Taxes of a Company Entity attributable to any Tax Return filed by or with respect to a Company Entity for a Pre-Closing Tax Period (net of any documented, out-of-pocket expenses of Parent or its Affiliates (including the Surviving Corporation) reasonably incurred to obtain such refund and net of any portion of such Tax refund that is attributable (as determined on a with and without basis) to the carryback of a Tax attribute (including a net operating loss, net capital loss, foreign tax credit, or research and development credit) arising in a Post-Closing Tax Period) (a "**Pre-Closing Tax Refund**"), shall be the property of Stockholders. Promptly upon receipt of any Pre-Closing Tax Refund (other than a 280E Pre-Closing Tax Refund), and in no event later than ten (10) Business Days after such receipt by Parent or its Affiliates (including the Company Entities), Parent shall, at its sole option, pay the amount of such Pre-Closing Tax Refund to Stockholders in accordance with their respective Pro Rata Shares by (x) wire transfer of immediately available funds, or (y) issuance of Parent Shares (rounded up to the nearest whole number) equal to the quotient of (A) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (B)) of the Pre-Closing Tax Refund, divided by (B) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such issuance on the Exchange, as reported by Bloomberg Finance L.P.; provided that, for any such refund, if at the time such Pre-Closing Tax Refund would otherwise be payable to Stockholders pursuant to this Section 6.12, without limiting the applicability of any survival periods or other limitations on Stockholders' indemnification obligations pursuant to Section 6.03 or Article IX, it has been agreed or finally adjudicated that Parent Indemnitee is entitled to indemnification for a Loss under Section 6.03 or Article IX, Parent may retain such Pre-Closing Tax Refund, or a portion thereof, in the amount of such Loss, and Stockholders' indemnification obligations under Section 6.03 and Article IX with respect to such Loss shall be reduced by the amount of such Pre-Closing Tax Refund retained pursuant to this Section 6.12. The amount of any Pre-Closing Tax Refund arising from any 280E Liability due to Stockholders under this Section 6.12, including, without limitation, any such Pre-Closing Tax Refund arising from the Company's filing of amended federal income Tax Returns for any Pre-Closing Period (a "**280E Pre-Closing Tax Refund**"), shall be retained and held by the Surviving Corporation until the expiration of the statute of limitations for an audit, review or other examination of such Tax Return underlying such 280E Pre-Closing Tax Refund by the applicable Governmental Authority (or the conclusion of any such audit, review or examination) (each, a "**Refund Holding Period**"), at which time the amount of such 280E Pre-Closing Tax Refund, less any 280E Liability determined to be payable in connection with such 280E Pre-Closing Tax Refund, taking into account any then-remaining 280E Tax Reserve and any other cash reserve specifically designated as being a reserve solely for unpaid Taxes (excluding the 280E Tax Reserve), or other amounts payable in connection with any such audit, review or examination (the "**Net Pre-Closing Tax Refund**"), shall be (a) applied to the calculation and determination of the Earnout Amount and Forfeiture Amount and permanently retained by Parent and its Affiliates, or (b) to the extent that the Earnout Amount and Forfeiture Amount have previously been calculated and determined, paid not later than ten (10) Business Days after the expiration of the Refund Holding Period, by Parent to Stockholders in accordance with their respective Pro Rata Shares of the Net Pre-Closing Tax Refund by either, at Parent's sole option, (x) wire transfer of immediately available funds, or (y) issuance of Parent Shares (rounded up to the nearest whole number) equal to the quotient of (A) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (B)) of the Net Pre-Closing Tax Refund, divided by (B) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such issuance on the Exchange, as reported by Bloomberg Finance L.P.

Section 6.13. Prohibited Actions. Without the prior written consent of the Stockholder Representative (which shall not be unreasonably withheld, conditioned, or delayed), following the Closing, Parent and its Affiliates (including the Surviving Corporation) shall not (i) amend any previously filed Tax Return of a Company Entity or waive or extend any statute of limitations period in respect of any Tax or Tax Return of the Company Entities for any Pre-Closing Tax Period, (ii) make or change any Tax election of a Company Entity that would have the effect of increasing Taxes owed by a Company Entity for a Pre-Closing Tax Period, (iii) initiate discussions or examinations (including any voluntary disclosure proceedings) with any taxing authority regarding Taxes or Tax Returns of the Company Entities with respect to Pre-Closing Tax Periods, or (iv) cause the Company Entities to enter into any transaction or take any action on the Closing Date outside of the Ordinary Course of Business that results in Taxes that would be borne by the Stockholders pursuant to this Agreement. Parent and its affiliates shall not make any election under Section 338 of the Code with respect to the transactions contemplated by this Agreement.

Section 6.14. Cash Limitation. Notwithstanding anything to the contrary in this Agreement, the total amount of any and all cash consideration payable by Parent to or for the benefit of the Stockholders in connection with the Merger (including, without limitation, pursuant to Sections 2.17(d), 2.19, 6.12, and any cash payments by Parent in respect of the Dissenting Shares and amounts treated as interest, if any) shall at no time exceed 19% of the fair market value of the Closing Share Payment (determined in accordance with Treasury Regulations Section 1.368-1(e)) and all other Parent Shares actually issued to the Stockholders as additional consideration in the Merger.

ARTICLE VII
[RESERVED]

ARTICLE VIII
CONDITIONS TO CLOSING

Section 8.01. Conditions to Obligations of All Parties. The obligations of each party to consummate the Merger and the other transactions contemplated by this Agreement shall be subject to the fulfillment (or waiver, to the extent permitted by Law), at or prior to the Closing, of each of the following conditions:

(a) The Requisite Company Vote shall have been obtained and shall be valid and in full force and effect.

(b) Parent Shareholder Approval shall have been obtained and shall be valid and in full force and effect.

(c) Filings of Parent and the Company pursuant to the HSR Act if any, shall have been made and the applicable waiting period and any extensions thereof shall have expired or been terminated.

(d) No Governmental Authority of competent jurisdiction shall have commenced, and not terminated or withdrawn, any Action against Parent, Merger Sub or the Company for the purpose of obtaining any Governmental Order that would have the effect of making the consummation of the Merger or the other transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(e) No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Governmental Order after the date of this Agreement, and no Law shall have been enacted or promulgated after the date of this Agreement, in each case, which is in effect and has the effect of making the consummation of the Merger or the other transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof, other than Federal Cannabis Laws.

(f) Parent shall have closed an equity investment in Parent from various investors in an aggregate amount at least equal to $75 million.

(g) The Company or Parent, as applicable, shall have received the Regulatory Consents, and Parent shall have received all required consents, authorizations, orders and approvals from the Governmental Authorities with respect to Parent Cannabis Laws and the Nevada Cannabis Laws referred to in Section 4.02, in each case, in form and substance reasonably satisfactory to the other party, and no such consent, authorization, order and approval shall have been revoked.

Section 8.02. Conditions to Obligations of Parent and Merger Sub. The obligations of Parent and Merger Sub to consummate the Merger and the other transactions contemplated by this Agreement shall be subject to the fulfillment (or Parent's waiver, to the extent permitted by Law), at or prior to the Closing, of each of the following additional conditions:

(a) Other than the representations and warranties of the Company contained in Section 3.01, Section 3.02, Section 3.04, Section 3.06 and Section 3.25, the representations and warranties of the Company contained in this Agreement shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and, subject to Section 5.17(a)(ii), on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date shall be so true and correct as of such date). The representations and warranties of the Company contained in Section 3.01, Section 3.02, Section 3.04, Section 3.06 and Section 3.25 shall be true and correct in all respects (other than de minimis inaccuracy) on and as of the date hereof and, subject to Section 5.17(a)(ii), on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date).

(b) The Company shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the Ancillary Documents to be performed or complied with by it prior to or on the Closing Date; provided, that, with respect to agreements, covenants and conditions that are qualified by materiality, the Company shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

(c) The Company licenses set forth on Section 8.02(c) of the Disclosure Schedules shall each be valid and in full force and effect, with no violations having been experienced, noted or recorded, which violations have not been cured to the satisfaction of Parent in its sole discretion as of the Closing Date, and no Proceeding pending or threatened to revoke or limit such licenses on the Closing Date.

(d) The Requisite Company Vote and Company Board Recommendation shall have been received, and executed counterparts thereof shall have been delivered to Parent at or prior to the Closing.

(e) From the date of this Agreement, there shall not have occurred any Material Adverse Effect, 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.

(f) The Company shall have delivered each of the closing deliverables set forth in Section 2.03(a).

(g) No holders of any outstanding shares of Company Stock as of immediately prior to the Effective Time shall have exercised, or remain entitled to exercise, statutory appraisal rights pursuant to the Nevada Act with respect to such shares of Company Stock.

(h) The Company Entities shall have Cash in an amount not less than the Minimum Cash Amount.

(i) The Exchange Approval shall have been received.

(j) The Company shall have delivered to Parent (or the Exchange Agent if applicable) a Letter of Transmittal properly completed and duly executed by each Stockholder (other than any Dissenting Stockholders) with respect to all the Shares and delivered to Parent Written Consents contemplated by Section 5.5(b).

(k) The Company Incentive Plan shall have been terminated.

(l) The Third-Party Consents shall have been received in form and substance reasonably satisfactory to Parent, and no such consent, authorization, order and approval shall have been revoked.

Section 8.03. Conditions to Obligations of the Company. The obligations of the Company to consummate the Merger and the other transactions contemplated by this Agreement shall be subject to the fulfillment (or the Company's waiver, to the extent permitted by Law), at or prior to the Closing, of each of the following additional conditions:

(a) Other than the representations and warranties of Parent and Merger Sub contained in Section 4.01, Section 4.04 and Section 4.07, the representations and warranties of Parent and Merger Sub contained in this Agreement shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and, subject to Section 5.17(b)(ii), on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be so true and correct as of such date). The representations and warranties of Parent and Merger Sub contained in Section 4.01, Section 4.04 and Section 4.07 shall be true and correct in all respects (other than de minimis inaccuracy) on and as of the date hereof and, subject to Section 5.17(b)(ii), on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be so true and correct as of such date).

(b) Parent and Merger Sub shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the Ancillary Documents to be performed or complied with by them prior to or on the Closing Date; provided, that, with respect to agreements, covenants and conditions that are qualified by materiality, Parent and Merger Sub shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

(c) Parent shall have delivered each of the closing deliverables set forth in Section 2.03(b).

(d) From the date of this Agreement, there shall not have occurred a Parent Material Adverse Effect.

(e) John Mazarakis shall have been appointed by the board of directors of Parent as, and shall be serving as of Closing as, Chief Executive Officer and Co-Executive Chairman of Parent.

(f) Upon the closing of the transactions contemplated by this Agreement, Parent shall be, and will continue to be, treated as a United States domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Code.

ARTICLE IX
INDEMNIFICATION

Section 9.01. Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing until the date that is 12 months from the Closing Date; provided, that the representations and warranties in Section 3.01, Section 3.02, Section 2.97, Section 3.04, Section 3.22, Section 3.25, Section 4.01, Section 4.02, Section 4.04, Section 4.07 and Section 4.12 (collectively, the "**Fundamental Representations**") shall survive Closing until the expiration of the applicable statute of limitations plus 60 days, except as expressly otherwise set forth in Section 6.10. All covenants and agreements of the parties contained herein (other than any covenants or agreements contained in Article VI which are subject to the survival periods specified in Article VI) shall survive the Closing indefinitely or for the period explicitly specified therein; provided, that the covenant with respect to indemnification for Closing Indebtedness set forth in Section 9.02(g) shall survive the Closing for twenty-four (24) months. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the Indemnified Party to the Indemnifying Party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation, warranty or covenant and such claims shall survive until finally resolved.

Section 9.02. Indemnification By Stockholders. From and after the Closing, subject to the other terms and conditions of this Article IX, the Stockholders, severally and not jointly (in accordance with their Pro Rata Shares, provided that, notwithstanding anything to the contrary set forth herein or in any Ancillary Document, for all breaches or defaults of any individual Stockholder's representations, warranties, covenants or agreements, the indemnification obligations of each Stockholder to the Parent Indemnitees shall be specific to such Stockholder in breach or default of any such representations, warranties, covenants or agreements), shall indemnify and defend each of Parent and its Affiliates (including the Company Entities) and their respective Representatives (collectively, the "**Parent Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Parent Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of the Company contained in this Agreement or in any certificate or instrument delivered by or on behalf of the Company, the Stockholder Representative or any Stockholder pursuant to this Agreement;

(b) any breach, violation or non-fulfillment of any covenant, agreement or obligation to be performed by the Company Entities (if before or at the Closing), the Stockholder Representative (if after the Closing), or any Stockholder pursuant to this Agreement or in any certificate or instrument delivered by or on behalf of the Company, the Stockholder Representative or any Stockholder pursuant to this Agreement;

(c) any claim made by any Stockholder relating to such Person's rights with respect to the Total Merger Consideration, or the calculations and determinations set forth on the Consideration Spreadsheet (and any allocations in respect thereof);

(d) any claims of any Stockholder under the Stockholders Agreement or any claims of any Stockholder that the appointment of the Stockholder Representative, or any indemnification or other obligations of such Stockholder under this Agreement or any Ancillary Document, is or was not enforceable against such Stockholder;

(e) any amounts paid to the holders of Dissenting Shares, including any interest required to be paid thereon, that are in excess of what such holders would have received hereunder had such holders not been holders of Dissenting Shares, plus any reasonable expenses incurred by the Parent Indemnitees arising out of the exercise of such appraisal or dissenters' rights;

(f) any amounts paid or required to be paid by Parent or any of its Affiliates (including the Surviving Corporation) pursuant to Section 5.09; or

(g) any Transaction Expenses or Closing Indebtedness to the extent not paid or satisfied by the Company at or prior to the Closing, or if paid by Parent or Merger Sub at or prior to the Closing, to the extent not deducted in the determination of Closing Merger Consideration.

Section 9.03. Indemnification By Parent. From and after the Closing, subject to the other terms and conditions of this Article IX, Parent shall indemnify and defend each of the Stockholders and their Affiliates and their respective Representatives (collectively, the "**Stockholder Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Stockholder Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of Parent and Merger Sub contained in this Agreement or in any certificate or instrument delivered by or on behalf of Parent or Merger Sub pursuant to this Agreement; or

(b) any breach, violation or non-fulfillment of any covenant, agreement or obligation to be performed by Parent or Merger Sub pursuant to this Agreement.

Section 9.04. Certain Limitations. The indemnification provided for in Section 9.02 and Section 9.03 (and, with respect to Section 9.04(c), Section 6.03) shall be subject to the following limitations and additional provisions:

(a) Except as set forth in Section 9.04(c), Stockholders shall not be liable to the Parent Indemnitees for indemnification under Section 9.02(a) until the aggregate amount of all Losses in respect of indemnification under Section 9.02(a) exceeds an amount equal to $637,624 (the "**Deductible**"), in which event Stockholders shall be required to pay or be liable for all such Losses in excess of the Deductible. Except as set forth in Section 9.04(c), the aggregate amount of all Losses for which Stockholders shall be liable pursuant to Section 9.02(a) shall not exceed an amount equal to $12,752,480 (the "**Cap**") (except for (i) any Losses related to any inaccuracy in or breach of any Fundamental Representations, which are subject to the limitation set forth in Section 9.04(c), and (ii) any Losses on the part of the Parent Indemnitee claiming indemnification hereunder resulting from Fraud, intentional misrepresentations and intentional misconduct, which shall not be subject to the Cap).

(b) Except as set forth in Section 9.04(c), Parent shall not be liable to the Stockholder Indemnitees for indemnification under Section 9.03(a) until the aggregate amount of all Losses in respect of indemnification under Section 9.03(a) exceeds the Deductible, in which event Parent shall be required to pay or be liable for all such Losses in excess of the Deductible. Except as set forth in Section 9.04(c), the aggregate amount of all Losses for which Parent shall be liable pursuant to Section 9.03(a) shall not exceed the Cap (except for any Losses on the part of a Stockholder Indemnitee claiming indemnification hereunder resulting from Fraud, intentional misrepresentations and intentional misconduct, which shall not be subject to the Cap).

(c) Notwithstanding anything to the contrary herein, (i) the limitations set forth in Section 9.04(a) and Section 9.04(b) shall not apply to Losses based upon, arising out of, with respect to or by reason of any inaccuracy in or breach of any Fundamental Representation, (ii) the aggregate amount of all Losses based upon, arising out of, with respect to or by reason of any inaccuracy in or breach of any Fundamental Representation, for which Stockholders shall be liable pursuant to Section 9.02(a), or for which Parent shall be liable pursuant to Section 9.03(a), shall not exceed one hundred percent (100%) of the Actual Closing Merger Consideration, (iii) in no event shall the Stockholders' liability pursuant to Article VI and this Article IX exceed the value (as if such amounts were all received as of Closing) of the Actual Closing Merger Consideration that the Stockholders actually receive, and (iv) in no event shall any Stockholder's liability pursuant to Article VI or this Article IX exceed the value (as if such amounts were all received as of Closing) of its Pro Rata Share of the Actual Closing Merger Consideration that such Stockholder actually received.

(d) For purposes of this Section 9.04, in determining the existence of an inaccuracy in or a breach of any representation or warranty and for purposes of calculating the amount of any Losses with respect to any inaccuracy in or breach of any representation or warranty, the amount of such Losses shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty.

(e) Any indemnification payment required under this Article IX shall be adjusted for the amount of any Losses that are actually recovered from any insurance proceeds (net of cost of enforcement and collection of insurance proceeds and deductibles and increases in insurance premiums) and any indemnity, contribution or similar payment received by the Indemnified Party in respect of any such Losses. Each party shall use commercially reasonable efforts to assert a claim where coverage for such claim may be available pursuant to applicable existing insurance policies; provided, that neither Parent Indemnitees nor Stockholder Indemnitees will have any obligation to have any claims under such insurance policies finally resolved prior to making a claim for indemnification hereunder.

(f) No party shall be entitled to (i) double recovery for any indemnifiable Losses even though such Losses may have resulted from the breach of more than one of the representations, warranties, agreements and covenants in this Agreement or (ii) recover any Losses with respect to Excluded Taxes or, without duplication, any amounts to the extent such amounts were treated as liabilities or were otherwise specifically taken into account in computing the Total Merger Consideration.

(g) Nothing in this Agreement is intended to limit any obligation under applicable Law with respect to mitigation of damages.

Section 9.05. Indemnification Procedures. The party making a claim under this Article IX (whether Parent or, collectively, the Stockholders is referred to as the "**Indemnified Party**"), and the party against whom such claims are asserted under this Article IX (whether Parent or, collectively, the Stockholders is referred to as the "**Indemnifying Party**"). For purposes of this Section 9.05, if the Stockholders, collectively, comprise the Indemnified Party or Indemnifying Party, then in each such case all references to such Indemnified Party or Indemnifying Party, as the case may be (except for provisions relating to an obligation to make or a right to receive any payments), shall be deemed to refer to the Stockholder Representative acting on behalf of such Indemnified Party or Indemnifying Party, as applicable.

(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 a Stockholder) 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, written notice shall promptly be given (but in any event not later than 30 calendar days after receipt of such notice of such Third Party Claim) to the Stockholder Representative if the Third Party Claim is being made or brought against a Parent Indemnitee, and to Parent if the Third Party Claim is being made or brought against a Stockholder Indemnitee. 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 or is otherwise adversely impacted thereby. 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 Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense; provided, that if the Indemnifying Party is a Stockholder, such Indemnifying Party shall not have the right to defend or direct the defense of any such Third Party Claim (w) for which the Indemnified Party has been reasonably advised by counsel that there exists a reasonable likelihood of a conflict of interest between the Indemnified Party and the Indemnifying Party, (x) that is asserted directly by or on behalf of a Person that is a supplier or customer of the Company Entities, (y) that seeks an injunction or other equitable relief against the Indemnified Parties or (z) that is with respect to a criminal action against the Indemnified Parties. In the event that the Indemnifying Party assumes the defense of any Third Party Claim, subject to Section 9.05(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party, provided, that if the Indemnified Party has been reasonably advised by counsel that (A) there are legal defenses available to an Indemnified Party that are different from or additional to those available to the Indemnifying Party; or (B) there exists a reasonable likelihood of a conflict of interest between the Indemnifying Party and the Indemnified Party, the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party determines counsel is required. If the Indemnifying Party elects not to (or is not permitted to, as set forth above) assume the defense of, compromise or defend such Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third Party Claim, the Indemnified Party may, subject to Section 9.05(b), pay, compromise, settle and defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. Stockholder Representative and Parent shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(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 will not be unreasonably withheld, conditioned or delayed). If the Indemnified Party has assumed the defense pursuant to Section 9.05(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed).

(c) **Direct Claims.** Any Action by an Indemnified Party on account of a 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 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 or is otherwise materially and adversely impacted thereby. 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 Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall reasonably assist the Indemnifying Party's investigation by giving such information and assistance as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30 day period, the Indemnifying Party shall be deemed to have accepted such claim.

Section 9.06. Setoff. Without limiting any other provision of this Article IX or any rights of setoff or other similar rights that an Indemnified Party may have at common law, (i) Parent will have the right to set-off, withhold and deduct, in accordance with this Section 9.06, from any payment of any Earn-Out Amount due to a Stockholder hereunder, such Stockholder's Pro Rata Share of any Losses determined, by final, non-appealable adjudication, to be owed by such Stockholder to a Parent Indemnitee pursuant to such Parent Indemnitee's right to indemnification set forth in Article VI or this Article IX (or to which the Stockholder Representative otherwise acknowledges is agreed to as an indemnifiable Loss, and Stockholder Representative will be deemed to agree to indemnifiable Losses in respect of any Third Party Claim for which Stockholder Representative has assumed the defense as an Indemnifying Party); provided that Parent may set-off, withhold and deduct from any Earn-Out Amount any Losses or other amounts actually paid by Parent, the Surviving Corporation, or any Parent Indemnitee to (a) a D&O Indemnified Party in respect of a D&O Claim (including any payments or reimbursements in respect of any such D&O Indemnified Party's fees or expenses in connection with any such D&O Claim) indemnifiable under Section 9.02(f) and (b) any Person in respect of any of the matters that are indemnifiable by the Stockholders as set forth in Section 9.02(c), (d) or (e), and the Stockholders and the Stockholder Representative will be deemed to accept the foregoing set-offs, withholdings, or deductions, set forth in (a) and (b) above, and no such set-off, withholding, or deduction set forth in (a) and (b) above shall be subject to any requirement to obtain a final, non-appealable adjudication (including as set forth in subsection (ii) of this sentence), in each case subject in all respects to the applicable limitations and other provisions set forth herein, including, without limitation (as applicable), Section 5.09, Article VI and this Article IX, and (ii) with respect to any matters for which the foregoing clause (i) does not apply, to the extent that a Parent Indemnitee suffers Losses or incurs any other amounts to which a Parent Indemnitee reasonably believes such Parent Indemnitee is entitled to indemnification under Article VI or this Article IX, Parent shall be entitled to submit (on behalf of the Parent Indemnitee) a notice of such good faith claim (each, a "**Set-Off Claim**") thereof to Stockholder Representative. Any Set-Off Claim shall be resolved in accordance with the procedures set forth in Article VI or this Article IX, as applicable, depending on the nature of the underlying claim; provided that in the event that Parent is unable to resolve any timely objections made by the Stockholder Representative to such Set-Off Claim within thirty (30) days following the delivery of the notice of such Set-Off Claim, then Parent or the applicable Parent Indemnitee may seek judicial determination of such claim and upon a final, non-appealable determination of such Set-Off Claim (or upon agreement of the Stockholder Representative), may set-off, withhold, and deduct such finally determined Losses and other amounts against the Earn-Out Amount. For the avoidance of doubt, (a) Parent may hold back and delay the issuance and delivery of any Earn-Out Shares in respect of any Earn-Out Amount that is subject to a Set-Off Claim pending final determination thereof (or agreement of the Stockholder Representative) pursuant to subsection (ii) of the previous sentence, and (b) Parent shall issue and deliver to the applicable Stockholders any Earn-Out Shares in respect of any Earn-Out Amounts (i) that are not subject to a Set-Off Claim pursuant to and in accordance with the terms and conditions of this Agreement, and (ii) that are subject to a Set-Off Claim that are finally determined to be issuable to such Stockholders promptly following their final determination pursuant to subsection (ii) of the previous sentence.

Section 9.07. Payments; Recovery.

(a) Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this Article IX, the Indemnifying Party shall satisfy its obligations within 15 Business Days of such agreement or such final, non-appealable adjudication by the methods set forth in Section 9.07(b)). The parties hereto agree that should an Indemnifying Party not make full payment of any such obligations within such 15 Business Day period, any amount payable shall accrue interest from the expiration of such 15 Business Day period at a rate per annum equal to the lesser of (1) the Prime Rate then in effect plus two percent (2%) per annum, or (2) ten percent (10%) per annum. Such interest shall be non-compounding and calculated daily on the basis of a 365 day year and the actual number of days elapsed.

(b) Without limitation of Section 9.06, any Losses determined to be payable to a Parent Indemnitee pursuant to Article IX shall be satisfied, at the election of Stockholder Representative, as follows: Stockholder Representative shall (i) direct Parent or the Surviving Corporation to release to Parent, from the Stockholder Representative Expense Fund, the amount of such Losses, with any excess of the foregoing amounts over the amount of such release from the Stockholder Representative Expense Fund to be paid, at the election of Stockholder Representative, by (A) directing the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole share) equal to the quotient of (I) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (II)) of such amounts, divided by (II) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange), as reported by Bloomberg Finance L.P., or (B) Stockholders to Parent in cash in immediately available funds the amount of their respective Pro Rata Shares thereof, severally and not jointly, or (ii) direct the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole share) equal to the quotient of (A) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (B)) of such amounts, divided by (B) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange), as reported by Bloomberg Finance L.P.; provided, that (x) if the Stockholder Representative elects cash payment under the foregoing clause (i)(B), and any Stockholder does not pay any such excess amounts owed pursuant thereto within 30 days thereafter, such Stockholder shall, at the option of Parent, have such amounts settled in Escrow Shares pursuant to the foregoing clause (i)(A) (or if the Escrow Shares are not sufficient, in accordance with the following clause (y)), and (y) in the event the Stockholder Representative chooses settlement in Escrow Shares pursuant to the foregoing clause (i)(A) or (ii) but the foregoing amounts are in excess of the Escrow Shares, the Stockholders shall transfer to Parent a number of Parent Shares (rounded up to the nearest whole share) equal to the quotient of (I) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (II)) of such remaining excess, divided by (II) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange), as reported by Bloomberg Finance L.P., in accordance with their respective Pro Rata Shares, severally and not jointly.

Section 9.08. Tax Treatment of Indemnification Payments. To the extent permitted by applicable Law, the parties agree to treat all payments made under this Article IX, or under any other indemnity provision contained in this Agreement, as adjustments to the Total Merger Consideration for all Tax purposes.

Section 9.09. Effect of Investigation. The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Indemnified Party's waiver of any condition set forth in Section 8.02 or Section 8.03, as the case may be.

Section 9.10. **Exclusive Remedies**. Subject to Section 2.17, Section 2.19, Section 11.01 and Section 11.12, the parties acknowledge and agree that, from and after the Closing, their sole and exclusive remedy with respect to any and all claims (other than claims arising from Fraud, intentional misrepresentation or intentional misconduct on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the provisions set forth in Article VI and this Article IX. Nothing in this Section 9.10 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any party's Fraud, intentional misrepresentation or intentional misconduct.

ARTICLE X
TERMINATION

Section 10.01. **Termination**. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of the Company and Parent;

(b) by Parent by written notice to the Company if:

(i) neither Parent nor Merger Sub is then in material breach of any provision of this Agreement such that the conditions specified in Section 8.03(a) or Section 8.03(b) would not be satisfied and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Company pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Section 8.02(a) or Section 8.02(b) and, to the extent curable, such breach, inaccuracy or failure has not been cured by the Company within 30 days of the Company's receipt of written notice of such breach from Parent;

(ii) the Closing shall not have occurred by February 28, 2026 (the "**Outside Closing Date**"); provided, that the right of Parent to terminate this Agreement under this Section 10.01(b)(ii) shall not be available to Parent if Parent's failure to perform or comply with any of its covenants or agreements hereof in any material respect has been the principal cause of or principally resulted in the failure of the Closing to have occurred on or before the Outside Closing Date;

(iii) (A) all of the conditions set forth in Section 8.01 and Section 8.03 have been satisfied (other than those conditions which by their terms or nature are to be satisfied at the Closing, but which are capable of being satisfied as of the date of termination of this Agreement pursuant to this Section 10.01(b)(iii)), (B) Parent has given irrevocable written notice to Company that all the conditions set forth in Section 8.02 have been satisfied or waived (other than those conditions which by their terms or nature are to be satisfied at the Closing, but which are capable of being satisfied as of the date of termination of this Agreement pursuant to this Section 10.01(b)(iii)) and it is ready, willing, and able to consummate the Closing, and (C) the Company has failed to consummate the transactions contemplated by this Agreement on or prior to the date which is two (2) Business Days following the date on which the Closing should have occurred pursuant to Section 2.02; or (iv) within ten (10) Business Days following the execution and delivery of this Agreement by all of the parties hereto, the Company shall not have delivered to Parent a copy of the executed Written Consent evidencing receipt of the Requisite Company Vote.

(c) by the Company by written notice to Parent if:

(i) the Company is not then in material breach of any provision of this Agreement such that the conditions specified in Section 8.02(a) or Section 8.02(b) would not be satisfied and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Parent or Merger Sub pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Section 8.03(a) or Section 8.03(b) and, to the extent curable, such breach, inaccuracy or failure has not been cured by Parent or Merger Sub within 30 days of Parent's or Merger Sub's receipt of written notice of such breach from the Company;

(ii) the Closing shall not have occurred by the Outside Closing Date; provided, that the right of the Company to terminate this Agreement under this Section 10.01(c)(ii) shall not be available to the Company if the Company's failure to perform or comply with any of its covenants or agreements hereof in any material respect has been the principal cause of or principally resulted in the failure of the Closing to have occurred on or before the Outside Closing Date;

(iii) (A) all of the conditions set forth in Section 8.01 and Section 8.02 have been satisfied (other than those conditions which by their terms or nature are to be satisfied at the Closing, but which are capable of being satisfied as of the date of termination of this Agreement pursuant to this Section 10.01(c)(iii)), (B) the Company has given irrevocable written notice to Parent that all the conditions set forth in Section 8.03 have been satisfied or waived (other than those conditions which by their terms or nature are to be satisfied at the Closing, but which are capable of being satisfied as of the date of termination of this Agreement pursuant to this Section 10.01(c)(iii)) and it is ready, willing, and able to consummate the Closing, and (C) Parent has failed to consummate the transactions contemplated by this Agreement on or prior to the date which is two (2) Business Days following the date on which the Closing should have occurred pursuant to Section 2.02; or

(d) by Parent or the Company if:

(i) any Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Governmental Order after the date of this Agreement, or any Law shall have been enacted or promulgated after the date of this Agreement, in each case, which is in effect and has the effect of making the consummation of the Merger or the other transactions contemplated by this Agreement illegal (other than Federal Cannabis Laws), otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof, and in the case of a Governmental Order, such Governmental Order shall have become final and non-appealable; or (ii) the Parent Shareholder Approval shall not have been obtained upon a vote taken thereon at the Parent Shareholder Meeting duly convened therefor or at any adjournment or postponement thereof at which a vote on the issuance of Parent Shares pursuant to this Agreement was taken.

Section 10.02. Effect of Termination. In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

(a) as set forth in this Article X, Section 5.03(b) and Article XI hereof, which shall survive such termination; and

(b) subject to Section 10.03, nothing in this Section 10.02 shall relieve any party hereto from liability or damages to the extent such liabilities or damages were the result of Fraud, intentional misconduct or intentional breach of such party of any of its representations, warranties, covenants or other agreements set forth in this Agreement prior to such termination.

Section 10.03. Fees Following Termination.

(a) If this Agreement is terminated by Parent pursuant to Section 10.01(b)(iii) or Section 10.01(b)(iv), then the Company shall pay to Parent (by wire transfer of immediately available funds), within five (5) Business Days after such termination, the Termination Fee, as Parent's sole and exclusive remedy; provided that, if (i) the Company violates its obligations of confidentiality pursuant to the Confidentiality Agreement, (ii) the Company violates its obligations under Section 5.04, or (iii) the Company or Stockholders otherwise commit Fraud or intentional misconduct (provided, that for purposes thereof, "intentional misconduct", with respect to a termination pursuant to Section 10.01(b)(iii), shall not include the failure by the Company to close as described in Section 10.01(b)(iii)), then, in addition to any Termination Fee to which Parent was otherwise entitled, Parent may also pursue all other available legal rights and remedies.

(b) If this Agreement is terminated by the Company pursuant to Section 10.01(c)(iii), then Parent shall pay to the Company (by wire transfer of immediately available funds), within five (5) Business Days after such termination, the Termination Fee as the Company's sole and exclusive remedy; provided that, if (i) Parent violates its obligations of confidentiality pursuant to the Confidentiality Agreement or (ii) Parent otherwise commits Fraud or intentional misconduct (provided, that for purposes thereof, "intentional misconduct", with respect to a termination pursuant to Section 10.01(c)(iii), shall not include the failure by Parent to close as described in Section 10.01(c)(iii), then, in addition to any Termination Fee to which the Company was otherwise entitled, the Company may also pursue all other available legal rights and remedies.

(c) If this Agreement is terminated by Parent for any reason other than as set forth in Section 10.03(a) and (i) the Company violated its obligations under Section 5.04 prior to the termination of this Agreement, and (ii) the Company proceeds to enter into a definitive agreement with respect to an Acquisition Proposal (or otherwise effects a transaction with respect to an Acquisition Proposal) with a third party within fifteen (15) months of the termination of this Agreement, then the Company shall pay Parent, the Termination Fee at the earlier of the entry of the definitive agreement with respect to an Acquisition Proposal or the consummation of a transaction with respect thereto.

(d) The parties acknowledge and hereby agree that: (i) the provisions of this Section 10.03 are an integral part of the transactions contemplated by this Agreement (including the Merger), and that, without such provisions, the parties would not have entered into this Agreement, (ii) it is difficult or impossible to quantify the damages suffered by the non-breaching party and its representatives as the result of a termination of this Agreement as set forth in this Section 10.03, (iii) the Termination Fee is in the nature of liquidated damages, and not a penalty, and is fair and reasonable, and (iv) the Termination Fee represents a reasonable estimate of fair compensation for the losses that may reasonably be anticipated from such termination. If the Company, on the one hand, or Parent and Merger Sub, on the other hand, shall fail to pay in a timely manner the amounts due pursuant to this Section 10.03, and, in order to obtain such payment, the other party makes a claim against the non-paying party that results in a judgment, the non-paying party shall pay to the other party the reasonable costs and expenses (including its reasonable attorneys' fees and expenses) incurred or accrued in connection with such suit. For avoidance of doubt, if a Termination Fee is payable under Section 10.03(c), such Termination Fee shall not be a limitation of the Company's liability with respect to Section 10.03(c).

ARTICLE XI
MISCELLANEOUS

Section 11.01. Stockholder Representative.

(a) By approving this Agreement and the transactions contemplated hereby, by executing and delivering a Letter of Transmittal and/or the Stockholder Consent or Written Consent or by receiving the benefits under this Agreement, including any consideration payable hereunder, each Stockholder shall be deemed to have irrevocably authorized and appointed Stockholder Representative as of the Closing as such Person's agent, proxy, representative and attorney-in-fact to act on behalf of such Person and their successors and assigns for all purposes in connection with this Agreement and any related agreements, including to take any and all actions and make any decisions required or permitted to be taken by Stockholder Representative, in its sole judgment and as it may deem to be in the best interests of the Stockholders, pursuant to this Agreement, including, without limitation, the exercise of the power to:

(i) give and receive notices and communications;

(ii) direct Parent or the Surviving Corporation to deliver to Parent cash from the Stockholder Representative Expense Fund in satisfaction of any amounts owed to Parent pursuant to Section 2.17 or in satisfaction of claims for indemnification made by Parent or a Parent Indemnitee pursuant to Article VI and Article IX;

(iii) agree to, negotiate, enter into settlements and compromises of, and comply with orders or otherwise handle any other matters described in Section 2.17 and Section 2.19;

(iv) agree to, negotiate, enter into settlements and compromises of, and comply with orders of courts with respect to claims for indemnification made by Parent or a Parent Indemnitee pursuant to Article VI and Article IX;

(v) litigate, arbitrate, resolve, settle or compromise any claim for indemnification pursuant to Article VI and Article IX;

(vi) execute and deliver all documents necessary or desirable to carry out the intent of this Agreement and any Ancillary Document;

(vii) make all elections or decisions contemplated by this Agreement and any Ancillary Document;

(viii) engage, employ or appoint any agents or representatives (including attorneys, accountants and consultants) to assist Stockholder Representative in complying with its duties and obligations; and

(ix) take all actions necessary or appropriate in the good faith judgment of Stockholder Representative for the accomplishment of the foregoing or any other matters related to or arising from this Agreement or any Ancillary Document.

After the Closing, Parent shall be entitled to deal exclusively with Stockholder Representative on all matters relating to this Agreement (including Article VI and Article IX but excluding matters regarding payment of any amounts owed directly by any Stockholder to Parent or any Parent Indemnitee) and shall be entitled to rely conclusively (without further evidence of any kind whatsoever) on any document executed or purported to be executed on behalf of any Stockholder by Stockholder Representative, and on any other action taken or purported to be taken on behalf of any Stockholder by Stockholder Representative, as being fully binding upon such Person. After the Closing, notices or communications to or from Stockholder Representative shall constitute notice to or from each of the Stockholders. Any decision or action by Stockholder Representative hereunder, including any agreement between Stockholder Representative and Parent relating to the defense, payment or settlement of any claims for indemnification hereunder, shall constitute a decision or action of all Stockholders and shall be final, binding and conclusive upon each such Person. No Stockholder shall have the right to object to, dissent from, protest or otherwise contest the same. The provisions of this Section, including the power of attorney granted hereby, are independent and severable, are irrevocable and coupled with an interest and shall not be terminated by any act of any one or more of the Stockholders, or by operation of Law, whether by death or other event.

(b) The Stockholder Representative, by its signature below, agrees to serve in the capacities described in this Section 11.01 as of the Closing. The Stockholder Representative may resign at any time, and may be removed for any reason or no reason by the vote or written consent of a majority in interest of the holders of the Company Common Stock (the "**Majority Holders**"); provided, however, in no event shall Stockholder Representative be removed by the Majority Holders without the Majority Holders having first appointed a new Stockholder Representative who shall assume such duties immediately upon the removal of Stockholder Representative. In the event of the death, incapacity, resignation or removal of Stockholder Representative, a new Stockholder Representative shall be appointed by the vote or written consent of the Majority Holders. Notice of such vote or a copy of the written consent appointing such new Stockholder Representative shall be sent to Parent, such appointment to be effective upon the later of the date indicated in such consent or the date such notice is received by Parent; provided, that until such notice is received, Parent, Merger Sub and the Surviving Corporation shall be entitled to rely on the decisions and actions of the prior Stockholder Representative as described in Section 11.01(a) above.

(c) The Stockholder Representative shall not be liable to the Stockholders for actions taken or omitted to be taken in connection with to this Agreement or any Ancillary Document, and each Stockholder forever voluntarily releases and discharges the Stockholder Representative, its representatives, successors and assigns, from any and all losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, whether known or unknown, anticipated or unanticipated, arising as a result of or incurred in connection with any actions taken or omitted to be taken by the Stockholder Representative in connection with this Agreement or any Ancillary Document, except to the extent such actions by the Stockholder Representative shall have been determined by a court of competent jurisdiction to have constituted Fraud or willful misconduct. The Stockholder Representative shall not be liable for any action or omission pursuant to the advice of counsel. The Stockholders shall indemnify and hold harmless Stockholder Representative from and against, compensate it for, reimburse it for and pay any and all losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, whether known or unknown, anticipated or unanticipated, arising out of or in connection with this Agreement or any Ancillary Document (the "**Representative Losses**"), in each case as such Representative Loss is suffered or incurred; provided, that in the event it is finally adjudicated that a Representative Loss or any portion thereof was primarily caused by the Fraud or willful misconduct of Stockholder Representative, Stockholder Representative shall reimburse the Stockholders the amount of such indemnified Representative Loss attributable to such Fraud or willful misconduct. The Representative Losses may be recovered by the Stockholder Representative: (i) from the Stockholder Representative Expense Fund; and (ii) from any other funds that become payable to the Stockholders under this Agreement at such time as such amounts would otherwise be distributable to the Stockholders; provided, that while the Stockholder Representative may be paid from the aforementioned sources of funds, this does not relieve the Stockholders from their obligation to promptly pay such Representative Losses as they are suffered or incurred. In no event will the Stockholder Representative be required to advance its own funds on behalf of the Stockholders or otherwise. Notwithstanding anything in this Agreement to the contrary, any restrictions or limitations on liability or indemnification obligations of, or provisions limiting the recourse against non-parties otherwise applicable to, the Stockholders set forth elsewhere in this Agreement are not intended to be applicable to the indemnities provided to the Stockholder Representative hereunder. The foregoing indemnities will survive the Closing, the resignation or removal of the Stockholder Representative or the termination of this Agreement.

Section 11.02. Expenses. Except as otherwise expressly provided herein, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred; provided, however, Parent and the Company (with, in the case of the Company, such amounts to be included as Transaction Expenses) shall be equally responsible for all filing and other similar fees payable in connection with the first filing or submission under the HSR Act (thereafter, the parties agree that Parent shall be 100% responsible for all subsequent filings or submissions under the HSR Act).

Section 11.03. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission and copy by other method of notice provided by this Section 11.03) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 11.03):

If to the Company:	**Deep Roots Holdings, Inc.** 195 Willis Carrier Canyon Mesquite, NV 89027 Attention: Keith Capurro, Chief Executive Officer Phone: (702) 345-2854 Email: keith.capurro@deeprootsharvest.com
with a copy to (which shall not constitute notice):	**Deep Roots Holdings, Inc.** 195 Willis Carrier Canyon Mesquite, NV 89027 Attention: Brian S. Pick, Chief Legal Officer Phone: (702) 345-2854 Email: brian.pick@deeprootsharvest.com
If to Stockholder Representative:	**Shareholder Representative Services LLC** 950 17th Street, Suite 1400 Denver, CO 80202 Attention: Managing Director Phone: (303) 648-4085 Email: deals@srsacquiom.com

If to Parent or Merger Sub:

Vireo Growth Inc.
209 South 9th St.
Minneapolis, Minnesota 55402
Attention: Amber Shimpa
Phone: (612) 999-1606
Email: ambershim-pa@vireohealth.com

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

Dorsey & Whitney LLP
2325 E. Camelback Road #300
Phoenix, Arizona 85016
Attention: Nicole Stanton
Phone: (602) 735-2700
Email: Stanton.Nicole@dorsey.com

Section 11.04. Interpretation. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

Section 11.05. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 11.06. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 11.07. Entire Agreement. This Agreement and the Ancillary Documents (together with the Confidentiality Agreement) constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the Ancillary Documents, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 11.08. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 11.09. No Third-party Beneficiaries. Except as provided in Section 5.09, Section 6.03 and Article IX, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 11.10. Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by Parent, Merger Sub, the Stockholder Representative (only to the extent such amendment affects any duties, obligations, liability, or indemnities of the Stockholder Representative) and the Company at any time prior to the Effective Time; provided, however, that after the Requisite Company Vote is obtained, there shall be no amendment or waiver that, pursuant to applicable Law, requires further approval of the Stockholders, without the receipt of such further approvals. Any failure of Parent or Merger Sub, on the one hand, or the Company, on the other hand, to comply with any obligation, covenant, agreement or condition herein may be waived, if before the Closing, by the Company or, if after the Closing, by the Stockholder Representative (with respect to any failure by Parent or Merger Sub) or by Parent or Merger Sub (with respect to any failure by the Company), respectively, only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

Section 11.11. Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction).

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE ANCILLARY DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MUST BE INSTITUTED IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE (OR, SOLELY TO THE EXTENT THAT SUCH COURT DOES NOT HAVE SUBJECT MATTER JURISDICTION, THE SUPERIOR COURT OF THE STATE OF DELAWARE AND THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE), 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.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE ANCILLARY DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE ANCILLARY DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.11(c).

Section 11.12. 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 shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity, in each case without the necessity of posting any bond or similar requirement in respect thereof (which each party hereby waives).

Section 11.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 11.14. Federal Cannabis Laws. THE PARTIES AGREE AND ACKNOWLEDGE THAT NO PARTY MAKES, WILL MAKE OR SHALL BE DEEMED TO MAKE OR HAVE MADE ANY REPRESENTATION OR WARRANTY OF ANY KIND REGARDING THE COMPLIANCE OF THIS AGREEMENT WITH ANY FEDERAL CANNABIS LAWS. NO PARTY SHALL HAVE ANY RIGHT OF RESCISSION OR AMENDMENT ARISING OUT OF OR RELATING TO ANY NONCOMPLIANCE WITH FEDERAL CANNABIS LAWS UNLESS SUCH NON-COMPLIANCE ALSO CONSTITUTES A VIOLATION OF APPLICABLE CANADIAN OR STATE LAW AS DETERMINED IN ACCORDANCE WITH THE ACT OR BY A GOVERNMENTAL AUTHORITY.

Section 11.15. Regulatory Compliance. This Agreement is subject to strict requirements for ongoing regulatory compliance by the parties hereto, including, without limitation, requirements that the parties take no action in violation of either any state cannabis Laws (together with all related rules and regulations thereunder, and any amendment or replacement act, rules, or regulations, including, without limitation, Chapters 678A, 678B, 678C and 678D of the Nevada Revised Statutes, as amended, Nevada Cannabis Compliance Regulations (NCCR 1-14), as amended, and the rules and policies adopted by the Nevada Cannabis Compliance Board and/or any other state or local government agency with authority to regulate any cannabis operation (or proposed operation), together, the "**Act**") or the guidance or instruction of the CCB and any other Governmental Authority with overlapping jurisdiction. The parties acknowledge and understand that the Act and/or the requirements of the CCB are subject to change and are evolving as the marketplace for state-compliant cannabis businesses continues to evolve. Notwithstanding anything herein to the contrary, if necessary or desirable to comply with the requirements of the Act and/or the CCB, the parties hereby agree to (and to cause their respective Affiliates and related parties and representatives to) use their respective commercially reasonable efforts to take all actions reasonably requested to ensure compliance with the Act and/or the CCB, including, without limitation, negotiating in good faith to amend, restate, amend and restate, supplement, or otherwise modify this Agreement to reflect terms that most closely approximate the parties' original intentions but are responsive to and compliant with the requirements of the Act and/or the CCB. In furtherance, not in limitation of the foregoing, the parties further agree to cooperate with the CCB to promptly respond to any informational requests, supplemental disclosure requirements, or other correspondence from the CCB and, to the extent permitted by the CCB, keep all other parties hereto fully and promptly informed as to any such requests, requirements, or correspondence. Notwithstanding anything to the contrary and for the avoidance of doubt, for purposes of this Section 1.15, the terms "party" and "parties" shall not include the Stockholder Representative.

Section 11.16. Privileged Matters.

(a) Each of the parties hereby agrees, on its own behalf and on behalf of its directors, officers, stockholders, employees, agents and Affiliates, that McDonald Carano LLP ("**Counsel**") may serve as counsel to the Stockholders, Stockholder Representative, and their Affiliates (individually and collectively, the "**Seller Group**"), on the one hand, and the Company, on the other hand, in connection with the negotiation, preparation, execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, and that, following consummation of the transactions contemplated hereby, Counsel (or any successor) may serve as counsel to Seller Group, or any director, officer, stockholder, manager, member, partner, employee or Affiliate of any member of Seller Group, in connection with any litigation, claim or obligation arising out of or relating to this Agreement or the transactions contemplated by this Agreement notwithstanding such representation. In connection with any representation of the Company expressly permitted pursuant to the prior sentence, Parent and Merger Sub hereby irrevocably waive and agree not to assert, and agree to cause the Surviving Corporation and their Affiliates to irrevocably waive and not to assert any conflict of interest arising from or in connection with (i) Counsel's prior representation of the Company, and (ii) Counsel's representation of Seller Group prior to and after the Closing. As to any privileged attorney-client communications between Counsel and the Seller Group, Counsel and the Company, or between Counsel and the Company's Affiliates prior to the Closing (collectively, the "**Privileged Communications**"), Parent, Merger Sub and the Surviving Corporation, together with any of their respective Affiliates, subsidiaries, successors or assigns, agree that no such party may use or rely on any of the Privileged Communications in any action against or involving any of the parties after the Closing.

(b) Parent and Merger Sub further agree on their behalf and, after the Closing, on behalf of the Surviving Corporation, and any of their respective Affiliates, subsidiaries, successors or assigns, that all privileged communications in any form or format whatsoever between or among Counsel, on the one hand, and the Company, Seller Group, or any of their respective directors, officers, stockholders, employees or other agents, representatives or Affiliates, on the other hand, that relate in any way to the negotiation, documentation and consummation of the transactions contemplated by this Agreement, any alternative transactions to the transactions contemplated by this Agreement presented to or considered by the Company or Seller Group, or any dispute arising under this Agreement (collectively, the "**Privileged Deal Communications**"), shall remain privileged after the Closing and that the Privileged Deal Communications and the expectation of client confidence relating thereto shall belong solely to Seller Group, shall be controlled by Seller Group and shall not pass to or be claimed by Parent, Merger Sub, the Surviving Corporation, or any of their respective Affiliates, subsidiaries, successors or assigns. Parent and Merger Sub agree that they will not, and that they will cause the Surviving Corporation, and their respective Affiliates, subsidiaries, successors or assigns, not to, (i) access or use the Privileged Deal Communications, (ii) seek to have Seller Group waive the attorney client privilege or any other privilege, or otherwise assert that Parent, Merger Sub, the Surviving Corporation, or any of their respective Affiliates, subsidiaries, successors or assigns, has the right to waive the attorney client privilege or other privilege applicable to the Privileged Deal Communications, or (iii) seek to obtain the Privileged Deal Communications or Non-Privileged Deal Communications from Seller Group or Counsel.

(c) Parent and Merger Sub further agree, on their behalf and, after the Closing, on behalf of the Surviving Corporation, and any of their respective Affiliates, subsidiaries, successors or assigns, that all communications in any form or format whatsoever between or among any of Counsel, the Company, Seller Group, or any of their respective directors, officers, stockholders, employees or other agents, representatives or Affiliates that relate in any way to the negotiation, documentation and consummation of the transactions contemplated by this Agreement, any alternative transactions to the transactions contemplated by this Agreement presented to or considered by the Company or Seller Group, or any dispute arising under this Agreement and that are not Privileged Deal Communications (collectively, the "**Non-Privileged Deal Communications**"), shall also belong solely to Seller Group, shall be controlled by Seller Group and ownership thereof shall not pass to or be claimed by Parent, Merger Sub, the Surviving Corporation, or any of their respective Affiliates, subsidiaries, successors or assigns.

(d) Notwithstanding the foregoing, in the event that a dispute arises between Parent, Merger Sub, the Surviving Corporation, or any of their respective Affiliates, subsidiaries, successors or assigns, on the one hand, and a third party other than Seller Group, on the other hand, then Parent, Merger Sub, the Surviving Corporation, and their respective Affiliates, subsidiaries, successors and assigns, may assert the attorney-client privilege to prevent the disclosure of the Privileged Deal Communications to such third party; provided, however, that to the extent such dispute relates in any way to this Agreement or the transactions contemplated hereby, none of Parent, Merger Sub, the Surviving Corporation, nor their respective Affiliates, subsidiaries, successors or assigns, may waive such privilege without the prior written consent of Stockholder Representative. If Parent, Merger Sub, the Surviving Corporation or any of their respective Affiliates, subsidiaries, successors or assigns, is legally required by Governmental Order or otherwise to access or obtain a copy of all or a portion of the Privileged Deal Communications, then Parent shall immediately (and, in any event, within five (5) Business Days) notify Stockholder Representative in writing (including by making specific reference to this Section 11.16) so that Seller Group can seek at Seller Group's sole cost and expense, a protective order, and Parent, Merger Sub, the Surviving Corporation or any of their respective Affiliates, subsidiaries, successors or assigns, agree to use all commercially reasonable efforts to assist therewith.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

COMPANY

DEEP ROOTS HOLDINGS, INC.

By: /s/ Keith Capurro
Name: Keith Capurro
Title: CEO/President

PARENT:

VIREO GROWTH INC.

By: /s/ John Mazarakis
Name: John Mazarakis
Title: Chief Executive Officer

MERGER SUB:

VIREO DR MERGER SUB INC.

By: /s/ Amber Shimpa
Name: Amber Shimpa
Title: President

STOCKHOLDER REPRESENTATIVE:

SHAREHOLDER REPRESENTATIVE SERVICES LLC

By: /s/ Corey Quinlan
Name: Corey Quinlan
Title: Director, Deal Intake

Exhibit 2.2

EXECUTION VERSION

AGREEMENT AND PLAN OF MERGER

by and among

VIREO PR MERGER SUB INC.,

VIREO PR MERGER SUB II INC.,

VIREO GROWTH INC.,

NGH INVESTMENTS, INC.

PROPER HOLDINGS MANAGEMENT, INC.,

PROPER HOLDINGS, LLC

AND SHAREHOLDER REPRESENTATIVE SERVICES LLC, AS THE MEMBER REPRESENTATIVE

Dated as of December 18, 2024

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DISCLOSURE SCHEDULES

THIS AGREEMENT IS SUBJECT TO STRICT REQUIREMENTS FOR ONGOING REGULATORY COMPLIANCE BY THE PARTIES HERETO, INCLUDING, WITHOUT LIMITATION, REQUIREMENTS THAT THE PARTIES TAKE NO ACTION IN VIOLATION OF EITHER ANY STATE CANNABIS LAWS (TOGETHER WITH ALL RELATED RULES AND REGULATIONS THEREUNDER, AND ANY AMENDMENT OR REPLACEMENT ACT, RULES OR REGULATIONS, THE "ACT"); THE GUIDANCE OR INSTRUCTION OF ANY APPLICABLE STATE, PROVINCIAL OR OTHER GOVERNING REGULATORY BODY (TOGETHER WITH ANY SUCCESSOR OR REGULATOR WITH OVERLAPPING JURISDICTION, THE "REGULATOR"); OR THE POLICIES OR INSTRUCTION OF ANY APPLICABLE STOCK EXCHANGE. SECTION 11.15 OF THIS AGREEMENT CONTAINS SPECIFIC REQUIREMENTS AND COMMITMENTS BY THE PARTIES TO MAINTAIN FULLY THEIR RESPECTIVE COMPLIANCE WITH THE ACT AND THE REGULATOR. THE PARTIES HAVE READ AND FULLY UNDERSTAND THE REQUIREMENTS OF SECTION 11.15.

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (this "**Agreement**"), dated as of December 18, 2024, is entered into by and among **Vireo PR Merger Sub Inc.**, a Missouri corporation ("**Merger Sub 1**"), **Vireo PR Merger Sub II Inc.**, a Missouri corporation ("**Merger Sub 2**"), Vireo Growth Inc., a British Columbia corporation ("**Parent**"), NGH Investments, Inc., a Missouri corporation ("**NGH**"), Proper Holdings Management, Inc., a Missouri corporation ("**MSA Newco**" and together with NGH, the "**Companies**" and each a "**Company**"), Proper Holdings, LLC, a Missouri limited liability company ("**Holdings**"), any Parent Share Recipient that is distributed or otherwise receives Parent Shares and executes and delivers a Joinder pursuant to Section 5.18, and Shareholder Representative Services LLC, a Colorado limited liability company solely in its capacity as the representative, agent and attorney-in-fact of Holdings and the Parent Share Recipients (the "**Member Representative**").

RECITALS

WHEREAS, Merger Sub 1 and Merger Sub 2 are each a direct wholly owned subsidiary of Parent that, in each case, were formed for the sole purpose of effectuating the applicable Merger (as defined below);

WHEREAS, upon the terms and subject to the conditions of this Agreement and in accordance with Section 351.410, et seq. of the General and Business Corporation Law of Missouri (the "**Missouri Act**"), Parent, NGH and Merger Sub 1 will enter into a business combination transaction pursuant to which NGH will merge with and into Merger Sub 1 (the "**NGH Merger**"), with Merger Sub 1 surviving the NGH Merger as a wholly owned subsidiary of Parent;

WHEREAS, upon the terms and subject to the conditions of this Agreement and in accordance with Section 351.410, et seq. of the Missouri Act, Parent, MSA Newco and Merger Sub 2 will enter into a business combination transaction pursuant to which MSA Newco will merge with and into Merger Sub 2 (the "**MSA Merger**" and together with the NGH Merger, the "**Mergers**" or each a "**Merger**"), with Merger Sub 2 surviving the MSA Merger as a wholly owned subsidiary of Parent;

WHEREAS, the parties intend that, for U.S. federal income tax purposes, (a) each Merger shall qualify as a tax-deferred "reorganization" within the meaning of Section 368(a) of the Code and (b) this Agreement shall constitute, and is adopted as, a "plan of reorganization" within the meaning of Section 368(a) of the Code and Treasury Regulations Sections 1.368-2(g) and 1.368-3;

WHEREAS, the board of directors of each Company (the "**Company Boards**") have unanimously (a) determined that this Agreement and the transactions contemplated hereby, including the Mergers, are fair to, and in the best interests of, Holdings and each Company, respectively, (b) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Mergers, and (c) resolved to recommend adoption of this Agreement by Holdings;

WHEREAS, the managers of Holdings (the "**Holdings Board**") have unanimously (a) determined that this Agreement and the transactions contemplated hereby, including the Mergers, are fair to, and in the best interests of, Holdings, (b) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Mergers, and (c) to the extent required under its organizational documents or applicable Law, resolved to recommend approval of this Agreement and the transactions contemplated hereby by the Members;

WHEREAS, the board of directors of Parent has unanimously (a) determined that this Agreement and the transactions contemplated hereby, including the Mergers, are fair to, and in the best interests of, Parent and its shareholders, (b) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Mergers, and (c) resolved to recommend adoption of this Agreement by the shareholders of Parent;

WHEREAS, the board of directors of Merger Sub 1 has unanimously (a) determined that this Agreement and the transactions contemplated hereby, including the NGH Merger, are fair to, and in the best interests of, Merger Sub 1 and its stockholder and (b) approved and declared advisable this Agreement and the transactions contemplated hereby, including the NGH Merger;

WHEREAS, the board of directors of Merger Sub 2 has unanimously (a) determined that this Agreement and the transactions contemplated hereby, including the MSA Merger, are fair to, and in the best interests of, Merger Sub 2 and its stockholder and (b) approved and declared advisable this Agreement and the transactions contemplated hereby, including the MSA Merger; and

WHEREAS, after execution of this Agreement and subject to regulatory approval, Holdings and MSA Newco will implement an internal restructuring plan whereby (i) Holdings' wholly owned subsidiary New Growth Horizon, LLC, a Missouri limited liability company, will first, convert to a state law corporation under the Missouri General and Business Corporation Law, to be named New Growth Horizon, Inc. ("**Horizon Corp**"), then (ii) Holdings will contribute all of its equity interests in Horizon Corp and Arches to MSA Newco and simultaneously therewith, Horizon Corp will convert to a Missouri limited liability company, New Growth Horizon II, LLC ("**Horizon LLC**"), in a transaction intended to qualify as a "reorganization" under Section 368(a)(1)(F) of the Code, then (iii) Horizon LLC will distribute all of its nonregulated assets to MSA Newco and enter into a Management Services Agreement in the form attached hereto as **Exhibit J** (the "**Management Services Agreement**") with MSA Newco for the management and operation of its remaining assets, and finally, (iv) MSA Newco will distribute all of its equity interests in Horizon LLC to Holdings, and (v) Horizon LLC will file an election by filing form 8832 to convert into a corporation for federal and state income Tax purposes as of the date immediately following its distribution by MSA Newco to Holdings (collectively, the "**Holdings Restructure**").

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

ARTICLE I.
DEFINITIONS

The following terms have the meanings specified or referred to in this Article I:

"**280E**" has the meaning set forth in Section 6.09.

"**280E Liability**" means the amount of the aggregate outstanding consolidated accrued liability of the Acquired Companies arising under 280E as of Closing, as determined in accordance with the Accounting Principles.

"**280E Pre-Closing Tax Refund**" has the meaning set forth in Section 6.12.

"**280E Tax Reserve**" means a tax reserve account, established by the Acquired Companies in accordance with the Accounting Principles, and funded in Cash for the purpose of paying any outstanding liabilities arising in connection with any 280E Liability.

"**280E Tax Reserve Shortfall**" means the amount, if any, by which the 280E Liability exceeds the amount of the 280E Tax Reserve.

"**Accounting Principles**" means (i) the specific terms and definitions in this Agreement and the specific policies, terms and matters set forth on **Exhibit K**, (ii) to the extent not inconsistent with the foregoing clause (i), the 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 for the year of 2023, which includes the elimination of the fees under the management services agreements and consolidates all operations thereunder, and (iii) to the extent not addressed in the foregoing clauses (i) or (ii), GAAP as of the Closing Date. For the avoidance of doubt, clause (i) shall take precedence over clauses (ii) and (iii), and clause (ii) shall take precedence over clause (iii).

"**Acquired Companies**" means the Companies and their respective Subsidiaries. For the avoidance of doubt, Acquired Companies for the period from and after Closing includes the Surviving Companies.

"**Acquisition Multiple**" means the quotient of (a) the sum of (i) 174,002,004 multiplied by the Closing Share Price, plus (ii) $41,443,958 (imputed for Assumed Indebtedness and Closing Indebtedness), plus (iii) $5,000,000 (imputed for Pre-Closing Taxes plus 280E Tax Reserve Shortfall), less (iv) $3,000,000 (imputed for Closing Cash), less (v) $2,000,000 (imputed for the Adjusted 280E Reserve), less (vi) $2,500,000 (imputed for investment in ROI Wellness Center IV, LLC, divided by (b) Closing EBITDA. **Exhibit A** sets forth an illustrative calculation of the Acquisition Multiple based upon assumptions with respect to each of the foregoing values as of the date hereof (the "**Acquisition Multiple Worksheet**").

"**Acquisition Proposal**" has the meaning set forth in Section 5.04(a).

"**Act**" has the meaning set forth in Section 11.15.

"**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.

"**Actual Closing Merger Consideration**" means the amount of the Closing Merger Consideration as calculated and finally determined in accordance with Sections 2.17(b) and (c).

"**Additional Shares**" has the meaning set forth in Section 5.18.

"**Adjusted 280E Reserve**" means an amount equal to the lesser of (x) $2,000,000 and (y) the 280E Tax Reserve, if any, plus any other tax reserve account established by the Acquired Companies in accordance with the Accounting Principles, and funded in Cash, for the purpose of paying any outstanding liabilities in respect of Taxes arising during any Pre-Closing Tax Period (other than 280E Liability).

"**Adjusted EBITDA**" means (a) the consolidated net income (or loss) from operations of the Acquired Companies (or the Surviving Companies, as applicable), plus (b) if and to the extent deducted in the calculation of consolidated net income (or loss) for such period, (i) interest expense, (ii) income tax expense, (iii) depreciation and amortization expense, (iv) any intercompany costs and expenses, corporate overhead allocations and similar items between the Acquired Companies on the one hand and Parent and its Affiliates (other than the Acquired Companies), on the other hand (other than E-Commerce Platform Fees and Delivery Fees and the Delivery Costs) in excess of, in a particular fiscal year, the lower of (A) $1,000,000, and (B) 1% of the Acquired Companies' revenues, (v) losses and expenses related to dispositions of assets not in the Ordinary Course of Business, (vi) non-cash write-downs of assets, (vii) any and all costs, fees or expenses that an Acquired Company incurs with respect to the lease, acquisition or maintenance of delivery vehicles, whether a capital or ordinary expense, and the hiring and payment of delivery drivers in connection with mobile deliveries related to its use of the E-Commerce Platform (the "**Delivery Costs**"), (viii) decrease in work-in-process (WIP) inventory, and (ix) decrease in finished goods inventory for non-third party products, less (c) any cash payments including interest expenses for rent and/or leases not otherwise expensed in operating expenses, and less (d) if and to the extent included in the calculation of consolidated net income (or loss) for such period, (i) any interest income, (ii) gain relating to any disposed of assets not in the Ordinary Course of Business, (iii) non-cash write-ups of assets, (iv) increase in work-in-process (WIP) inventory, and (v) increase in finished goods inventory for non-third party products; in the case of each of the foregoing in clauses (a) through (d), for such period and as determined in accordance with the Company Earn-Out Accounting Principles. **Exhibit B**, which is included solely for illustrative purposes, sets forth an illustrative calculation of Adjusted EBITDA (the "**Adjusted EBITDA Worksheet**").

"**Adjusted EBITDA Worksheet**" has the meaning set forth in the definition of "Adjusted EBITDA."

"**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.

"**Aggregate E-Commerce Earn-Out Amount**" means an amount equal to the greater of (a) $37,500,000 or (b) the product of (i) five (5) multiplied by (ii) the E-Commerce Earn-Out Revenue Amount.

"**Aggregate Issued Parent Shares**" has the meaning set forth in Section 5.18. "**Agreement**" has the meaning set forth in the preamble.

"**Ancillary Documents**" means: (a) the Lock-Up Letters, (b) the Escrow Agreement, (c) the Letters of Transmittal, (d) the Investor Rights Agreement, (e) the Written Consent, (f) the Management Services Agreement, (g) the Option Agreement, and (h) each other agreement, instrument or document entered into or required to be delivered in connection with the transactions contemplated hereby and thereby.

"**Arches**" means Arches IP, Inc., a Delaware corporation.

"**Arches Value Amount**" means an amount equal to $2,139,200.

"**Articles of Merger**" has the meaning set forth in Section 2.04.

"**Assumed Indebtedness**" means (a) the outstanding principal and interest owing by any Acquired Company to Chicago Atlantic under the terms of the Credit Agreement among Holdings, New Growth Horizon, LLC, NGH, the other borrowers party thereto, the guarantors and lenders party thereto, and Chicago Atlantic Admin, LLC, as administrative agent, dated as of May 9, 2022, as the same may be amended and/or assigned and assumed (the "**CA Credit Agreement**"), and (b) the outstanding principal and interest owing by New Growth Horizon, LLC ("**New Growth Horizon**") to Captiva Healing, LLC under that certain Promissory Note dated May 4, 2022, and any outstanding amounts due by New Growth Horizon to Occidental Group, Inc. ("**Occidental**") pursuant to that certain Asset Purchase Agreement between New Growth Horizon and Occidental.

"**Audited Financial Statements**" has the meaning set forth in Section 3.06.

"**Balance Sheet**" has the meaning set forth in Section 3.06(a).

"**Balance Sheet Date**" has the meaning set forth in Section 3.06(a).

"**Benefit Plan**" has the meaning set forth in Section 3.20(a).

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in New York, New York are authorized or required by Law to be closed for business.

"**Canadian Securities Regulators**" means the applicable securities commission or securities regulatory authority in each of the provinces and territories of Canada.

"**Cannabis Consents**" means any and all consents, approvals, clearances, orders or authorizations of, or registrations, declarations or filings with, notices to, or other requirements of any Governmental Authority or under any Permit held by the Holdings Entities in connection with the business of the Holdings Entities in the cannabis industry.

"**Cannabis Licenses**" means any and all Permits required to be obtained from any Governmental Authority pursuant to Article XIV of the *Missouri Constitution*, 19 CSR 100-1.010, *et seq*. of the Division of Cannabis Regulation rules, and any corresponding state, county, municipal and other local Laws, for the operation of any cannabis establishment, including a cultivation facility, a dispensary facility, a manufacturing facility, a transportation facility, a cannabis consumption lounge, or other local government designated consumption area.

"**Cap**" has the meaning set forth in Section 9.04(a).

"**Cash**" means cash and cash equivalents (including marketable securities and short-term investments convertible to cash in no more than ten (10) calendar days) calculated in accordance with the Accounting Principles.

"**CERCLA**" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.

"**Charter Documents**" has the meaning set forth in Section 3.03.

"**Closing**" has the meaning set forth in Section 2.02.

"**Closing Cash**" means (i) an amount, if any, by which the unrestricted Cash held by the Acquired Companies as of the Closing exceeds the Adjusted 280E Reserve, up to an amount equal to $3,000,000, plus (ii) such amount of excess unrestricted Cash reserves held by the Acquired Companies as of January 1, 2025, which amounts, or any portion thereof, may be contributed by Holdings, at Holdings' option, as additional Cash at Closing and which amounts would be as set forth on a "Closing Cash Schedule" delivered by Holdings to Parent at least three (3) days prior to Closing.

"**Closing Certificate**" means a certificate executed by the Chief Financial Officer or other officer of Holdings certifying on behalf of each of the Acquired Companies, as of the Closing Date, (a) an itemized list of all outstanding Closing Indebtedness and the Person to whom such outstanding Closing Indebtedness is owed and an aggregate total of such outstanding Closing Indebtedness, (b) the amount of Transaction Expenses remaining unpaid as of the Closing (including an itemized list of each such unpaid Transaction Expense with a description of the nature of such expense and the Person to whom such expense is owed), (c) the Estimated Closing Statement, and that the Estimated Closing Statement was prepared in all material respects in accordance with the Accounting Principles and (d) the Inventory Statement, and that the Inventory Statement was prepared in all material respects in accordance with Section 2.16(a)(ii).

"**Closing Date**" has the meaning set forth in Section 2.02.

"**Closing EBITDA**" means $31,000,000.

"**Closing Indebtedness**" means, subject to the limitations set forth in the definition of "Indebtedness," the aggregate amount of any unpaid Indebtedness of the Acquired Companies remaining as of the Closing (other than, and without duplication of, the Assumed Indebtedness, Payoff Indebtedness and amounts included in Current Liabilities that are taken into account in the calculation of the Closing Working Capital).

"**Closing Merger Consideration**" means the sum of:

(a) the EBITDA Consideration, plus

(b) the Closing Cash, plus

(c) the Arches Value Amount; plus

(d) provided that the 280E Tax Reserve is not less than the 280E Liability, an amount equal to the Adjusted 280E Reserve, less

(e) the amount of Assumed Indebtedness, less

(f) the amount of Closing Indebtedness, less

(g) the amount of the 280E Tax Reserve Shortfall, if any, less

(h) the amount of any Pre-Closing Taxes, less

(i) the amount of any unpaid Transaction Expenses, plus

(j) $2.5 million, in respect of an investment ROI Wellness Center IV, LLC, plus

(k) the amount by which Closing Working Capital exceeds the Target Working Capital or minus the amount by which Closing Working Capital is less than the Target Working Capital.

"**Closing Merger Consideration Worksheet**" means the illustrative calculation of the Closing Merger Consideration set forth on **Exhibit C**, which is included solely for illustrative purposes.

"**Closing Share Price**" means $0.52.

"**Closing Share Payment**" means a number of Parent Shares equal to (a) the quotient of (i) the Estimated Closing Merger Consideration, *divided by* (ii) the Closing Share Price, *less* (b) the Escrow Shares.

"**Closing Working Capital**" means: (a) the consolidated Current Assets of the Acquired Companies, less (b) the consolidated Current Liabilities of the Acquired Companies, determined as of the Closing.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Combined Tax Claim**" has the meaning set forth in Section 6.06.

"**Companies**" has the meaning set forth in the preamble.

"**Company**" has the meaning set forth in the preamble.

"**Company Arches Percentage**" means 15.28%.

"**Company Boards**" has the meaning set forth in the recitals.

"**Company Charter Documents**" has the meaning set forth in Section 3.03.

"**Company Earn-Out Accounting Principles**" means (a) the specific terms and definitions (including Adjusted EBITDA) in this Agreement, and (b) to the extent not inconsistent with the foregoing clause (a), GAAP. In applying GAAP, Parent intends to consistently take a view to align Adjusted EBITDA as closely as possible to operating cash flow and minimize balance sheet related adjustments.

"**Company Earn-Out Amount**" means the sum of the following, to the extent a positive amount, calculated in accordance with the Company Earn-Out Accounting Principles:

(a) the product of four (4) multiplied by the following (which may be a positive amount or negative number):

(i) the greater of (A) the trailing twelve (12) month Adjusted EBITDA for the twelve full calendar months ending December 31, 2026 and (B) the trailing nine (9) month Adjusted EBITDA for the last nine (9) months of calendar year 2026, such amount annualized to reflect a full 12-month period,

minus

(ii) the Closing EBITDA;

minus

(b) subject to Section 2.19(d), the aggregate amount of any Post-Closing Debt,

plus

(c) any Net Pre-Closing Tax Refund which is required to be applied to this calculation pursuant to Section 6.12 at the time of calculation.

"**Company Earn-Out Period Financial Statements**" shall have the meaning set forth in Section 2.19(b)(i).

"**Company Earn-Out Shares**" shall have the meaning set forth in Section 2.19(c).

"**Company Earn-Out Statement**" shall have the meaning set forth in Section 2.19(b)(i).

"**Company Intellectual Property**" means all Intellectual Property that is owned or held for use by any Holdings Entity.

"**Company IP Agreements**" means all licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, waivers, releases, permissions and other Contracts, whether written or oral, relating to Intellectual Property to which any Holdings Entity is a party, beneficiary or otherwise bound, excluding so-called "**off-the-shelf**" products and "**shrink wrap**" software licensed to any Holdings Entity in the Ordinary Course of Business.

"**Company IP Registrations**" means all Company Intellectual Property, which is registered or for which an application for registration has been filed by any Holdings Entity, to or with any Governmental Authority or authorized private registrar in any jurisdiction, including issued patents, registered trademarks, domain names and copyrights, and pending applications for any of the foregoing.

"**Company IT Systems**" means all software, computer hardware, servers, networks, platforms, peripherals, and similar or related items of automated, computerized, or other information technology (IT) networks and systems (including telecommunications networks and systems for voice, data, and video) owned, leased, licensed, or used (including through cloud-based or other third-party service providers) by the Holdings Entities.

"**Confidentiality Agreement**" has the meaning set forth in Section 5.03(b).

"**Consideration Shares**" has the meaning set forth in Section 5.18.

"**Contracts**" means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

"**Counsel**" has the meaning set forth in Section 11.16(a).

"**Current Assets**" means, on a consolidated basis, accounts receivable, Inventory, prepaid expenses and other current assets of the Acquired Companies, but excluding (a) Cash (including restricted cash), (b) the portion of any prepaid expense of which the Acquired Companies will not receive the benefit following the Closing, (c) Tax assets and deferred Tax assets, (d) the current portion of any intercompany receivables, and (e) the current portion of any lease assets and rights of use, each determined in accordance with the Accounting Principles. For purposes of this definition, Inventory shall be determined in accordance with the definition of "Inventory" in this Agreement and shall, to the extent conflicting with the Inventory Accounting Principles, supersede the Inventory Accounting Principles. For the avoidance of doubt, for purposes of this definition, Inventory shall include only final packaged products that are no more than 90 days old from the date of production and packaging completion, and from the date of purchase from third-party suppliers.

"**Current Liabilities**" means, on a consolidated basis, accounts payable, accrued expenses (excluding accrued expenses in the Ordinary Course of Business) and other current liabilities of the Acquired Companies, but excluding (a) Tax liabilities and deferred Tax liabilities, (b) the current portion of any lease liabilities, (c) the current portion of any intercompany payables, (d) Transaction Expenses, and (e) the current portion of any other Indebtedness of the Acquired Companies, including, without limitation, the Assumed Indebtedness and Closing Indebtedness, each determined in accordance with the Accounting Principles.

"**D&O Claim**" has the meaning set forth in Section 5.09(b).

"**D&O Indemnified Party**" has the meaning set forth in Section 5.09(a).

"**D&O Indemnifying Party**" has the meaning set forth in Section 5.09(b).

"**Deductible**" has the meaning set forth in Section 9.04(a).

"**Delivery Costs**" has the meaning set forth in the definition of "Adjusted EBITDA."

"**Direct Claim**" has the meaning set forth in Section 9.05(c).

"**Disclosure Schedules**" means the Disclosure Schedules delivered by Holdings and the Companies and Parent concurrently with the execution and delivery of this Agreement, as may be supplemented or amended in accordance with Section 5.17.

"**Disputed Amounts**" has the meaning set forth in Section 2.17(c)(iii).

"**Dollars**" or "**$**" means the lawful currency of the United States; unless otherwise expressly set forth in this Agreement, any amounts referred to herein, or for any calculations hereunder, that rely upon or reference amounts in Canadian dollars shall be converted to United States Dollars for the purposes hereof, based on the exchange rate posted by the Bank of Canada on the trading day preceding the applicable date of such amount or calculation, to ensure that such amounts or calculations are determined or calculated on a consistent basis hereunder.

"**Downward Adjustment Amount**" has the meaning set forth in Section 2.17(d)(ii).

"**Earn-Out Period**" has the meaning set forth in Section 2.19(d).

"**E-Commerce Earn-Out Accounting Principles**" means (a) the specific terms and definitions (including E-Commerce Earn-Out Revenue Amount) in this Agreement, and (b) to the extent not inconsistent with the foregoing clause (a), GAAP.

"**E-Commerce Earn-Out Amount**" means (a) the Aggregate E-Commerce Earn-Out Amount multiplied by (b) 10%.

"**E-Commerce Earn-Out Measurement Period**" means either (a) January 1, 2026 through December 31, 2026 or (b) April 1, 2026 through December 31, 2026 but with the resulting E-Commerce Earn-Out Revenue Amount annualized to reflect a full 12-month period, determined based upon which of (a) or (b) results in a higher value for determination of the E-Commerce Earn Out Revenue Amount.

"**E-Commerce Earn-Out Period Financial Statements**" shall have the meaning set forth in Section 2.20(b)(i).

"**E-Commerce Earn-Out Revenue Amount**" means the sum of (a) 5% of the aggregate dollar amount of all delivery sales (inclusive or loyalty credits, but net of discounts) processed through the E-Commerce Platform during the E-Commerce Earn-Out Measurement Period, plus (b) 2.5% of the aggregate dollar amount of all online pick-up, curbside, or drive thru sales (inclusive or loyalty credits, but net of discounts) processed through the E-Commerce Platform during the E-Commerce Earn-Out Measurement Period, plus (c) 1% of the aggregate dollar amount of all walk-in sales (inclusive or loyalty credits, but net of discounts) processed through the E-Commerce Platform during the E-Commerce Earn-Out Measurement Period, calculated, in each case, without deduction or offset for any expenses incurred for payment processing or other similar third-party expenses.

"**E-Commerce Earn-Out Share Cap Amount**" means a number of shares equal to (a) the Closing Share Payment minus (b) Company Earn-Out Shares.

"**E-Commerce Earn-Out Shares**" shall have the meaning set forth in Section 2.20(c).

"**E-Commerce Earn-Out Statement**" shall have the meaning set forth in Section 2.20(b)(i).

"**E-Commerce Platform**" means the intellectual property, technology, employees, noncompetition agreements, present and future contracts and other assets collectively comprising the Arches operating platform, in each case, used in connection with demand and delivery operations.

"**E-Commerce Platform Fees and Delivery Fees**" means fees charged to the Holdings Entities for their use of the E-Commerce Platform, including 1% of walk-in revenues, 2.5% of pick-up revenues and 5% of delivery revenues.

"**Earn-Out Amount**" means the sum of (a) the Company Earn-Out Amount plus (b) the E-Commerce Earn-Out Amount.

"**Earn-Out Share Price**" means the greater of (a) $1.05 (as adjusted for stock splits, reverse stock splits and similar matters) and (b) the 20-day volume weighted average price of the Parent Shares on the Exchange (converted to United States Dollars based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during such 20-day period), as reported by Bloomberg Finance L.P. over the twenty (20) consecutive trading day period ending immediately prior to the end of the Earn-Out Period.

"**Earn-Out Shares**" means the Company Earn-Out Shares and the E-Commerce Earn-Out Shares.

"**EBITDA Consideration**" means the product of the Acquisition Multiple multiplied by the Closing EBITDA.

"**EBITDA Deficiency**" shall have the meaning set forth in Section 2.19(g).

"**EBITDA Margin**" means, (A) for the year ending December 31, 2026, the quotient, expressed as a percentage, of (a) Adjusted EBITDA for such period, divided by (b) gross revenue from sales, less the cost of sales returns and discounts, for such period and (B) for the year ending December 31, 2024, the quotient, expressed as a percentage, of (a) Closing EBITDA, divided by (b) gross revenue from sales, less the cost of sales returns and discounts, for the year ending December 31, 2024.

"**Effective Time**" has the meaning set forth in Section 2.04.

"**Encumbrance**" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, assignment, option, preemptive purchase right, 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.

"**Environmental Attributes**" means any emissions and renewable energy credits, energy conservation credits, benefits, offsets and allowances, emission reduction credits or words of similar import or regulatory effect (including emissions reduction credits or allowances under all applicable emission trading, compliance or budget programs, or any other federal, state or regional emission, renewable energy or energy conservation trading or budget program) that have been held, allocated to or acquired for the development, construction, ownership, lease, operation, use or maintenance of any Holdings Entity as of: (a) the date of this Agreement; and (b) future years for which allocations have been established and are in effect as of the date of this Agreement.

"**Environmental Claim**" means any Action, Governmental Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

"**Environmental Law**" means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (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 (including ambient air, soil, surface water or groundwater, or subsurface strata); 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. The term "**Environmental Law**" includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

"**Environmental Notice**" means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit.

"**Environmental Permit**" means any Permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

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

"**ERISA Affiliate**" means all employers (whether or not incorporated) that would be treated together with any Holdings Entity or any of its Affiliates as a "single employer" within the meaning of Section 414 of the Code.

"**Escrow Agent**" means Odyssey Transfer and Trust Company (or another escrow agent reasonably agreed upon by Parent and the Company).

"**Escrow Agreement**" means an Escrow Agreement, to be dated as of the Closing Date, among Parent, the Member Representative and the Escrow Agent, in the form reasonably acceptable to such parties, but which, in any event, shall contemplate an escrow term for the Escrow Shares of twenty-four (24) months following Closing (subject to any pending claims).

"**Escrow Shares**" means 10% of the aggregate number of Parent Shares issued as part of the Estimated Closing Merger Consideration in connection with Closing.

"**Estimated Closing Merger Consideration**" has the meaning set forth in Section 2.17(a)(i).

"**Estimated Closing Statement**" has the meaning set forth in Section 2.17(a)(i).

"**Exchange**" means the Canadian Securities Exchange (provided, that references herein to trading prices on the Exchange shall, if applicable, be deemed to refer to any successor primary exchange on which Parent chooses to list its Parent Shares, and to the extent such successor exchange is a U.S. exchange, any corresponding references to conversions between Canadian dollars and US dollars will be accordingly ignored for purposes of this Agreement).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Exchange Approval**" means the approval by the Exchange of the transactions contemplated by this Agreement.

"**Excluded Taxes**" means any Taxes (a) treated as a liability or otherwise taken into account in the calculation of the Total Merger Consideration, or (b) for which the Holdings Entities have established a cash reserve specifically designated as being a reserve solely for unpaid Taxes (including, solely for Taxes attributable to 280E, the 280E Tax Reserve).

"**Expense Amount**" means $100,000.

"**Expense Fund**" has the meaning set forth in Section 2.12.

"**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 the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statue 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.

"**Final Closing Statement**" has the meaning set forth in Section 2.17(b).

"**Financial Statements**" has the meaning set forth in Section 3.06.

"**Forfeiture Amount**" means, calculated in accordance with the Company Earn-Out Accounting Principles, the sum of (a) the product of the Acquisition Multiple multiplied by the EBITDA Deficiency, plus (b) subject to Section 2.19(d), the aggregate amount of any Post-Closing Debt minus (c) any Net Pre-Closing Tax Refund which is required to be applied to this calculation pursuant to Section 6.12 at the time of calculation. **Exhibit K**, which is included solely for illustrative purposes, sets forth an illustrative calculation of the Forfeiture Amount (the "**Forfeiture Amount Worksheet**").

"**Forfeiture Amount Worksheet**" has the meaning set forth in the definition of "Forfeiture Amount."

"**Fraud**" means actual and intentional common law fraud under Delaware law, and does not include equitable fraud, constructive fraud, promissory fraud, unfair dealings fraud, unjust enrichment, or any torts (including fraud) or other claim based on gross negligence, negligence or recklessness (including based on constructive knowledge or negligent misrepresentation) or any other equitable claim.

"**Fundamental Representations**" has the meaning set forth in Section 9.01.

"**GAAP**" means the generally accepted accounting standards in the United States.

"**Governmental Authority**" means any federal, state, commonwealth, provincial, municipal, local or foreign government or 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, including, for greater certainty the Exchange.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Hazardous Materials**" means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or manmade, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (b) 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 and per- and poly fluoroalkyl substances.

"**Historical Accounting Principles**" means with respect to the Audited Financial Statements, Unaudited Financial Statements and the Interim Financial Statements, GAAP, in all material respects, applied on a consistent basis throughout the periods involved, subject, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments (the effect of which will not be materially adverse) and the absence of notes, and except for the consistently applied deviations from GAAP described on **Exhibit H**.

"**Holdings**" has the meaning set forth in the preamble.

"**Holdings Auditor**" means BGM CPA, LLC.

"**Holdings Entities**" means, collectively, the Companies, New Growth Horizon, LLC, a Missouri limited liability company, Nirvana Investments, LLC, a Missouri limited liability company, Nirvana Bliss I, LLC, a Missouri limited liability company, Nirvana Bliss II, LLC, a Missouri limited liability company, Nirvana Bliss III, LLC, a Missouri limited liability company, Nirvana Bliss V, LLC, a Missouri limited liability company, 5150 Processing, LLC, a Missouri limited liability company, Bold Lane Logistics, LLC, a Missouri limited liability company.

"**Holdings Indemnitees**" has the meaning set forth in Section 9.03.

"**Holdings Membership Interests**" means the limited liability company interests in Holdings.

"**Holdings Restructure**" has the meaning set forth in the recitals.

"**Holdings Update**" has the meaning set forth in Section 5.17(a).

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"**Indebtedness**" means, without duplication for any obligations which are already reflected in the Transaction Expenses or Current Liabilities, with respect to any Person (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 accounts payable to suppliers and similar accrued liabilities incurred in the ordinary course of the Person's business and paid in a manner consistent with industry practice and other than any such obligations for services to be rendered in the future), (d) except for purposes of the determination of Closing Indebtedness or Closing Merger Consideration, 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 lien or security interest on property owned or acquired by such Person whether or not the obligations secured thereby have been assumed, (e) except for purposes of the determination of Closing Indebtedness or Closing Merger Consideration and Section 9.02(g), all capitalized lease obligations of such Person, and any obligations under leases that would be required to be capitalized 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 (but, for purposes of the determination of Closing Indebtedness or Closing Merger Consideration, only to the extent drawn), (g) except as included in the Assumed Indebtedness, 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) any off balance sheet financing (but excluding all leases that would be recorded under GAAP as operating leases), (i) except for any obligations due by New Growth Horizon to ROI Wellness Center IV, LLC ("**ROI**") pursuant to that certain Asset Purchase Agreement dated August 16, 2024 between New Growth Horizon and ROI, any earnout or other such similar contingent payment liabilities (but, for purposes of the determination of Closing Indebtedness or Closing Merger Consideration, only to the extent no longer contingent or to the extent then due and payable), (j) any liabilities or obligations to current or former holders of equity securities in respect of dividends or other distributions, and (k) obligations in the nature of guarantees of obligations of the type described in clauses (a) through (j) above of any other Person (but, for purposes of the determination of Closing Indebtedness or Closing Merger Consideration, only to the extent any such guarantee has been drawn or funded).

"**Indemnified Party**" has the meaning set forth in Section 9.05.

"**Indemnified Taxes**" has the meaning set forth in Section 6.03.

"**Indemnifying Party**" has the meaning set forth in Section 9.05.

"**Independent Accountant**" has the meaning set forth in Section 2.17(c)(iii).

"**Insurance Policies**" has the meaning set forth in Section 3.16.

"**Intellectual Property**" means any and all rights in, arising out of, or associated with any of the following in any jurisdiction throughout the world: (a) issued patents and patent applications (whether provisional or non-provisional), including divisionals, continuations, continuations-in-part, substitutions, reissues, reexaminations, extensions, or restorations of any of the foregoing, and other Governmental Authority-issued indicia of invention ownership (including certificates of invention, petty patents, and patent utility models) ("**Patents**"); (b) trademarks, service marks, brands, certification marks, logos, trade dress, trade names, and other similar indicia of source or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications for registration, and renewals of, any of the foregoing ("**Trademarks**"); (c) copyrights and works of authorship, whether or not copyrightable, and all registrations, applications for registration, and renewals of any of the foregoing ("**Copyrights**"); (d) internet domain names and social media account or user names (including "handles"), whether or not Trademarks, all associated web addresses, URLs, websites and web pages, social media sites and pages, and all content and data thereon or relating thereto, whether or not Copyrights; (e) mask works, and all registrations, applications for registration, and renewals thereof; (f) industrial designs, and all Patents, registrations, applications for registration, and renewals thereof; (g) trade secrets, know-how, inventions (whether or not patentable), discoveries, improvements, technology, business and technical information, databases, data compilations and collections, tools, methods, processes, techniques, and other confidential and proprietary information and all rights therein ("**Trade Secrets**"); (h) computer programs, operating systems, applications, firmware, and other code, including all source code, object code, application programming interfaces, data files, databases, protocols, specifications, and other documentation thereof; (i) rights of publicity; and (j) all other intellectual or industrial property and proprietary rights.

"**Intended Merger Tax Treatment**" has the meaning set forth in Section 2.22(a).

"**Intended Restructure Tax Treatment**" has the meaning set forth in Section 2.22(b).

"**Interim Balance Sheet**" has the meaning set forth in Section 3.06.

"**Interim Balance Sheet Date**" has the meaning set forth in Section 3.06.

"**Interim Financial Statements**" has the meaning set forth in Section 3.06.

"**Inventory**" means all inventory, using the First-in-First-Out ("FIFO") method of inventory valuation; provided, that for purposes of the determination of Current Assets, the Estimated Closing Merger Consideration and the Actual Closing Merger Consideration, "Inventory" shall be calculated as follows: inventory, excluding raw materials, flower, trim, "fresh frozen," seeds, plant genetics (including mother plants), strains, work-in process, and supply and packaging inventory but including finished goods in final packaged form and no more than 90 days old from the date of production and/or purchase from third-party suppliers; provided, that any items that are nonconforming or defective (except items that may be remediated or qualified for extraction by an Acquired Company), damaged, or obsolete shall be excluded from the definition of Inventory. For the avoidance of doubt, any inventory shall be quantified on a dollar basis, based on the lower of fair value (on an arms-length transaction basis) and cost of production or purchase from third-party products.

"**Inventory Accounting Principles**" has the meaning set forth in Section 2.17(a)(ii).

"**Inventory Statement**" has the meaning set forth in Section 2.17(a)(ii).

"**Investor Rights Agreement**" has the meaning set forth in Section 2.03(a)(xiii).

"**Joinder**" has the meaning set forth in Section 5.18.

"Knowledge" means, when used with respect to Holdings, the Companies or the Holdings Entities, the actual knowledge of John M. Pennington and Craig M. Parker, after reasonable inquiry, and without imposing any personal liability on such Person, and (b) Parent, the actual knowledge of Amber Shimpa and Joe Duxbury, after reasonable inquiry, and without imposing any personal liability on such Person.

"**Law(s)**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"**Letter of Transmittal**" has the meaning set forth in Section 2.11(b).

"**Liabilities**" has the meaning set forth in Section 3.07.

"**Licensed Intellectual Property**" means all Intellectual Property in which the Holdings Entities hold any rights or interests granted by other Persons, including any of their Affiliates.

"**Lock-Up Letter**" has the meaning set forth in Section 2.03(a)(vii).

"**Losses**" means losses, Taxes, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; provided, however, that "**Losses**" shall not include (a) any special, exemplary or punitive damages, except to the extent actually awarded to a Governmental Authority or other third party, (b) any consequential, indirect, remote or speculative damages, any diminution in value of assets, lost profits or opportunity, or any such items calculated based upon a multiple of earnings, book value or similar approach, except to the extent actually awarded to a Governmental Authority or other third party, or (c) any such items to the extent duplicative, contingent or otherwise (in the case of a third party claim) unasserted; provided that attorney's or other professional's fees and expenses incurred in connection with the discovery or actual or potential defense of a contingent or otherwise unasserted claim shall not be excluded under this clause (c).

"**Majority Holders**" has the meaning set forth in Section 11.01(b).

"**Management Services Agreement**" has the meaning set forth in the recitals.

"**Market Share**" means:

(a) As of December 31, 2024, the quotient of (i) the Holding Entities' consolidated revenue from retail sales (other than any revenue from discontinued operations during such calendar year) in the State of Missouri for the calendar year ending December 31, 2024, divided by (ii) the aggregate retail revenues for the sale of medical and adult use cannabis in the State of Missouri, as reported by DHSS on its Missouri Medical and Adult Use Cannabis Annual Report for the calendar year ending December 31, 2024.

(b) As of December 31, 2026, the quotient of (i) the consolidated revenue from retail sales of the Parent, the Acquired Companies, and any of their Affiliates in the State of Missouri for the calendar year ending December 31, 2026, divided by (ii) aggregate retail revenues for the sale of medical and adult use cannabis in the State of Missouri, as reported by DHSS on its Missouri Medical and Adult Use Cannabis Annual Report for the calendar year ending December 31, 2026.

"**Material Adverse Effect**" means any effect, event, development, occurrence, fact, condition or change that has a material adverse effect, individually or in the aggregate, (a) on the business, results of operations, condition (financial or otherwise), Liabilities or assets of the Holdings Entities, taken as a whole, or (b) on the ability of Holdings or the Companies to perform their obligations under this Agreement or to consummate the Mergers, or on the consummation of (whether by prevention or material delay) the Mergers and the other transactions contemplated hereby; provided, however, that "Material Adverse Effect" shall not include any effect, event, development, occurrence, fact, condition or change, directly arising out of or attributable to: (a) changes in general business, economic or political conditions; (b) changes in conditions generally affecting the industries in which the Holdings Entities operate; (c) any changes in financial or securities markets in general; (d) any national or international political, regulatory or social conditions, including acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof, pandemics, epidemics or states of emergency, whether declared or undeclared; (e) any "act of God," including, but not limited to, weather, natural disasters and earthquakes; (f) any changes in applicable Laws or accounting rules, including GAAP; (g) any action required or permitted by this Agreement; (h) the public announcement or pendency of the transactions contemplated by this Agreement; or (i) any failure (in and of itself) by the Holdings Entities to meet, with respect to any period or periods, any projections or forecasts, estimates of earnings or revenues or business plan (provided, that any effect, event, development, occurrence, fact, condition or change giving rise to or contributing to such failure may be deemed to constitute, or be taken into account in determining whether there has been a Material Adverse Effect)); provided further, however, that any event, occurrence, fact, condition or change referred to in clauses (a) through (f) immediately above shall be taken into account in determining whether a Material Adverse Effect 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 Holdings Entities compared to other participants in the industries in which the Holdings Entities conduct their businesses.

"**Material Contracts**" has the meaning set forth in Section 3.09(a).

"**Material Customers**" has the meaning set forth in Section 3.15(a).

"**Material Suppliers**" has the meaning set forth in Section 3.15(b).

"**Members**" means the holders of all of the outstanding Holdings Membership Interests.

"**Member Representative**" has the meaning set forth in the preamble.

"**Mergers**" has the meaning set forth in the recitals.

"**Merger Sub 1**" has the meaning set forth in the preamble.

"**Merger Sub 2**" has the meaning set forth in the preamble.

"**Minimum Cash Amount**" means, as of the Closing, Cash in an amount equal to the sum of (a) $3,000,000 (exclusive of any 280E Tax Reserve), and (b) the amount of the Holdings Entities' net cash flow from operating activities, on an after Tax basis, during the period from January 1, 2025, through the Closing as determined in accordance with the Accounting Principles.

"**Missouri Act**" has the meaning set forth in the recitals.

"**Missouri Cannabis Laws**" means any county, municipal and other local Laws regulated the sale and manufacture of cannabis and cannabis related products and any rules and regulations of Governmental Authorities relating thereto, including 19 CSR 100-1.100(2)(C) of the Code of State Regulations issued by DHSS.

"**MSA Merger**" has the meaning set forth in the recitals.

"**MSA Newco Common Stock**" means all issued and outstanding common stock of MSA Newco.

"**MSA Newco Shares**" has the meaning set forth in Section 3.04(a).

"**Multiemployer Plan**" has the meaning set forth in Section 3.20(c).

"**Net Pre-Closing Tax Refund**" has the meaning set forth in Section 6.12.

"**NGH Common Stock**" means all issued and outstanding common stock of NGH.

"**NGH Merger**" has the meaning set forth in the recitals.

"**NGH Shares**" has the meaning set forth in Section 3.04(a).

"**Non-Privileged Deal** Communications" has the meaning set forth in Section 11.16(c).

"**Ordinary Course of Business**" means the ordinary course of business, consistent with past practice, including with regard to nature, frequency and magnitude.

"**Outside Closing Date**" has the meaning set forth in Section 10.01(b)(ii).

"**Parent**" has the meaning set forth in the preamble.

"**Parent Board**" means the board of directors of Parent.

"**Parent Board Recommendation**" has the meaning set forth in Section 4.02.

"**Parent Cannabis Laws**" means the laws of the States of Minnesota, Maryland, and New York governing the cultivation, manufacture, production, distribution and/or retail sale of medical and adult-use cannabis, including any applicable ordinances, rules or regulations promulgated thereunder.

"**Parent Financial Statements**" has the meaning set forth in Section 4.08.

"**Parent Indemnitees**" has the meaning set forth in Section 9.02.

"**Parent Material Adverse Effect**" means any effect, event, development, occurrence, fact, condition or change that has a material adverse effect, individually or in the aggregate, (a) on the business, results of operations, condition (financial or otherwise), Liabilities or assets of Parent or its Affiliates, taken as a whole, or (b) on the ability of Parent, Merger Sub 1 or Merger Sub 2 to perform its obligations under this Agreement or to consummate the Mergers, or on the consummation of (whether by prevention or material delay) the Mergers and the other transactions contemplated hereby; provided, however, that "Parent Material Adverse Effect" shall not include any effect, event, development, occurrence, fact, condition or change, directly arising out of or attributable to: (a) changes in general business, economic or political conditions; (b) changes in conditions generally affecting the industries in which Parent or its Affiliates operate; (c) any changes in financial or securities markets in general; (d) any national or international political, regulatory or social conditions, including acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof, pandemics, epidemics or states of emergency, whether declared or undeclared; (e) any "act of God," including, but not limited to, weather, natural disasters and earthquakes; (f) any changes in applicable Laws or accounting rules; (g) any action required or permitted by this Agreement; (h) the public announcement or pendency of the transactions contemplated by this Agreement; or (i) any failure (in and of itself) by Parent or its Affiliates to meet, with respect to any period or periods, any projections or forecasts, estimates of earnings or revenues or business plan (provided, that any effect, event, development, occurrence, fact, condition or change giving rise to or contributing to such failure may be deemed to constitute, or be taken into account in determining whether there has been a Parent Material Adverse Effect)); provided further, however, that any event, occurrence, fact, condition or change referred to in clauses (a) through (f) immediately above shall be taken into account in determining whether a Parent Material Adverse Effect 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 Parent or its Affiliates compared to other participants in the industries in which Parent or its Affiliates conduct their businesses.

"**Parent Multiple Voting Shares**" means the multiple voting shares in the authorized share structure of Parent.

"**Parent Resolution**" means an ordinary resolution approving the business combination transaction with the Companies contemplated by this Agreement and/or related change of control of the Parent, as applicable, pursuant to applicable policies of the Canadian Securities Exchange.

"**Parent Shareholder Approval**" means the approval and adoption of the Parent Resolution (i) in the case of a meeting of shareholders, by at least 50% of the votes cast at a special meeting of shareholders of Parent by the holders of the Parent Shares and the Parent Multiple Voting Shares represented in person or by proxy and entitled to vote at such meeting or (ii) in the case of action by written consent of the shareholders of Parent by at least 50% of the outstanding voting power.

"**Parent Shareholder Meeting**" has the meaning set forth in Section 5.14(f).

"**Parent Shares**" means the subordinate voting shares in the authorized share structure of Parent, or any subsequent securities which Parent Shares are converted into or exchanged for in connection with any reorganization, recapitalization, reclassification, consolidation, merger or other transaction involving Parent.

"**Parent Share Recipient**" has the meaning set forth in Section 5.18.
"**Parent Update**" has the meaning set forth in Section 5.17(b).

"**Payoff Indebtedness**" means all Closing Indebtedness set forth or described on Schedule 1, which may be updated by delivery of such updates by Holdings to Parent at least three (3) days prior to Closing.

"**Payoff Letters**" mean payoff letters from all holders of any Payoff Indebtedness of the Holdings Entities, in form and substance reasonably acceptable to Parent.

"**Permits**" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

"**Permitted Encumbrances**" has the meaning set forth in Section 3.10(a).

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"**Platform Agreements**" has the meaning set forth in Section 3.12(h).

"**Post-Closing Debt**" means (i) any principal, interest, other fee payments on, and (without duplication) any accrued amounts (including interest and fees) of, indebtedness for borrowed money incurred (a) after Closing by an Acquired Company, whether as intercompany indebtedness for amounts borrowed from Parent (or its subsidiaries) or from a third party lender, pursuant to an Acquired Company's request to the Parent to incur such indebtedness for use in the business and operations of the Acquired Companies, and with Parent's consent and approval, which consent and approval may be withheld, delayed or conditioned in Parent's sole and absolute discretion, or (b) after Closing by an Acquired Company, without the prior consent and approval of Parent and (ii) any payment or similar obligations in respect of the Acquired Companies' acquisition transaction of or related to ROI Wellness Center IV, LLC.

"**Post-Closing Tax Period**" means any taxable period beginning after the Closing Date and the portion of any Straddle Period beginning after the Closing Date.

"**Pre-Closing Tax Period**" means any taxable period ending on or before the Closing Date and the portion of any Straddle Period ending on and including the Closing Date.

"**Pre-Closing Tax Refund**" has the meaning set forth in Section 6.12.

"**Pre-Closing Taxes**" means all unpaid Taxes (excluding the 280E Liability) of the Acquired Companies as of the Closing for Pre-Closing Tax Periods for which the Acquired Companies have not established a Cash tax reserve specifically designated as being a reserve solely for unpaid Taxes (excluding the 280E Tax Reserve) calculated in accordance with the Accounting Principles.

"**Privileged Communications**" has the meaning set forth in Section 11.16(a).

"**Privileged Deal Communications**" has the meaning set forth in Section 11.16(b).

"**Pro Rata Share**" means, with respect to Holdings and any Parent Share Recipient at any time, such Person's pro rata share of any obligations under this Agreement, including with respect to any amounts required to be forfeited pursuant to Section 2.19, any indemnification or payment obligations under Article VI, Article IX or Article XI, or otherwise, which Pro Rata Share shall be equal to the quotient of (a) (i) with respect to Holdings, the number of Aggregate Issued Parent Shares then issued to Holdings and not distributed to the Parent Share Recipients pursuant to and in accordance with the terms and conditions of this Agreement, and (ii) with respect to any Parent Share Recipient, the number of Aggregate Issued Parent Shares then distributed by Holdings to such Parent Share Recipient pursuant to and in accordance with the terms and conditions of this Agreement, divided by (b) the total number of Aggregate Issued Parent Shares then issued by Parent, in each case expressed as a percentage; provided that the foregoing calculation shall not take into account any Aggregate Issued Parent Shares previously forfeited pursuant to Section 2.19 at the time of determination.

"**Proxy Statement/Circular**" has the meaning set forth in Section 5.14(a).

"**Qualified Benefit Plan**" has the meaning set forth in Section 3.20(c).

"**Real Property**" means the real property owned, leased or subleased by the Holdings Entities, together with all buildings, structures and facilities located thereon.

"**Refund Holding Period**" has the meaning set forth in Section 6.12.

"**Regulator**" has the meaning set forth in Section 11.15.

"**Regulatory Consents**" has the meaning set forth in Section 3.03.

"**Release**" means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including, without limitation, ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

"**Representative**" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"**Representative Losses**" has the meaning set forth in Section 11.01(c).

"**Required Consents**" has the meaning set forth in Section 3.03.

"**Resolution Period**" has the meaning set forth in Section 2.17(c)(ii).

"**Retained Executives**" means John Pennington, Craig Parker and Matt LaBrier.

"**Review Period**" has the meaning set forth in Section 2.17(c)(i).

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Securities Laws**" means the securities legislation, securities regulation and securities rules, and the policies, notices, instruments and blanket orders having the force of Law (including those of the SEC, the Canadian Securities Regulators and the Exchange), in force from time to time in the United States, including any states of the United States, and the provinces or territories of Canada.

"**SEDAR+**" means the System for Electronic Data Analysis and Retrieval + (SEDAR+) as outlined in National Instrument 13-103.

"**Seller Group**" has the meaning set forth in Section 11.16(a).

"**Shares**" has the meaning set forth in Section 2.08(b).

"**Single Employer Plan**" has the meaning set forth in Section 3.20(c).

"**Statement of Objections**" has the meaning set forth in Section 2.17(c)(ii).

"**Straddle Period**" has the meaning set forth in Section 6.05.

"**Subsidiary**" means any subsidiary of a Person and shall, where applicable, also include any direct or indirect subsidiary of such Person formed or acquired after the date hereof.

"**Takeover Laws**" has the meaning set forth in Section 5.16.

"**Target Working Capital**" means $3,700,000.

"**Taxes**" means all federal, state, local, provincial or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges in the nature of a tax that are imposed, assessed or collected by a Governmental Entity including, any income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties, import, anti-dumping or countervailing duties or other taxes, fees, assessments or charges in the nature of a tax, of any kind whatsoever, whether computed on a separate or consolidated, unitary, combined or other similar basis, whether disputed or not, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

"**Tax Claim**" has the meaning set forth in Section 6.06.

"**Tax Return**" means any return, declaration, election, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"**Termination Fee**" means $4,631,012.

"**Third Party Claim**" has the meaning set forth in Section 9.05(a).

"**Third-Party Consents**" has the meaning set forth in Section 3.03.

"**Total Merger Consideration**" means the sum of the Actual Closing Merger Consideration, plus, any Earn-Out Amount, less any Forfeiture Amount.

"**Transaction Expenses**" means, without duplication for any amounts which are already reflected in the Closing Indebtedness or Payoff Indebtedness, all unpaid fees, costs and expenses (including (A) financial advisory, broker, investment banking or similar advisory fees, costs and expenses and (B) any and all change of control, stay bonus, transaction completion bonus, severance payment or other similar payments made or required to be made to the current or former directors, managers, officers, independent contractors or employees of, or consultants or advisors to, the Holdings Entities as a result of this Agreement or the transactions contemplated hereby (together with any employment and similar Taxes payable by the Holdings Entities in connection with such payments)), incurred by any Holdings Entity and any Affiliate at or prior to the Closing (including any such fees, costs and expenses that become payable, at any time, as a result of the occurrence of the Closing) arising from or incurred in connection with the preparation, negotiation and execution of this Agreement and the Ancillary Documents, and the performance and consummation of the Mergers and the other transactions contemplated hereby and thereby, including any costs allocated to Holdings in the proviso in Section 11.02.

"Transaction Tax Deduction" means any Tax loss or deduction resulting from or attributable to (a) the payment of bonuses, change in control payments, severance payments, option payments, retention payments or similar payments made by the Company on or before the Closing Date or included in the computation of the Closing Merger Consideration; (b) the payments of fees, expenses and interest incurred by the Company with respect to the payment of Payoff Indebtedness in connection herewith; and (c) Transaction Expenses; provided that, in connection with the foregoing, the Companies shall be treated as having made, and shall timely make, an election under Revenue Procedure 2011-29, 2011-18 IRB 746, to treat 70% of any success based fees as deductible in the Pre-Closing Tax Period that includes the Closing Date for U.S. federal and applicable state income Tax purposes.

"**Unaudited Financial Statements**" has the meaning set forth in Section 3.06.

"**Undisputed Amounts**" has the meaning set forth in Section 2.17(c)(iii).

"**Union**" has the meaning set forth in Section 3.21(b).

"**Upward Adjustment Amount**" has the meaning set forth in Section 2.17(d)(i).

"**WARN Act**" means the federal Worker Adjustment and Retraining Notification Act of 1988, and similar state, local and foreign laws related to plant closings, relocations, mass layoffs and employment losses.

ARTICLE II.
THE MERGER

Section 2.01. The Merger. On the terms and subject to the conditions set forth in this Agreement, and in accordance with the Missouri Act, at the Effective Time, (a) NGH will merge with and into Merger Sub 1, (b) MSA Newco will merge with and into Merger Sub 2 and (c) the separate corporate existence of each of NGH and MSA Newco will cease and the Merger Sub 1 and Merger Sub 2 will continue their corporate existence under the Missouri Act as each of the surviving companies in the Mergers and each will be, immediately following the Mergers, a direct wholly owned subsidiary of Parent (sometimes referred to herein as the "**Surviving Companies**").

Section 2.02. Closing.

(a) Subject to the terms and conditions of this Agreement, the closing of the Mergers (the "**Closing**") shall take place at 7:00 a.m., Central time, on the date to be specified by the parties hereto, but no later than the second Business Day after the conditions to Closing set forth in Article VIII have been satisfied or (to the extent permitted by law) waived (other than conditions which, by their nature, are to be satisfied on the Closing Date, but subject to the satisfaction or (to the extent permitted by law) waiver of such conditions), remotely by exchange of documents and signatures (or their electronic counterparts), or at such other time or on such other date or at such other place as Holdings and Parent may mutually agree upon in writing (the day on which the Closing takes place being the "**Closing Date**").

(b) Immediately prior to the Closing, the Companies may pay to Holdings in accordance with the Company Charter Documents, an aggregate amount equal to the Companies' good faith estimate of the excess consolidated Cash of the Acquired Companies as of the Closing less (i) the Closing Cash, (ii) any 280E Tax Reserve, and (iii) any amount by which the estimated Closing Working Capital set forth on the Estimated Closing Statement is less than the Target Working Capital (provided, that in no event shall any such payment result in an amount of Cash held by the Acquired Companies less than the Minimum Cash Amount). The Companies may make any such payment to Holdings in the form of a distribution, a dividend, redemption or other method as determined by the Companies. For avoidance of doubt, no Cash paid or distributed pursuant to this Section 2.02(b) will be included as Closing Cash or otherwise included in any calculation of Closing Merger Consideration. Notwithstanding the foregoing, the Closing shall be deemed to occur solely for Tax purposes as of 11:59 p.m., Central time, on the Closing Date.

Section 2.03. Closing Deliverables.

(a) At or prior to the Closing, Holdings and the Companies shall deliver, or cause to be delivered, to Parent the following:

(i) resignations of the directors of each Company pursuant to Section 5.07(a);

(ii) a certificate, dated the Closing Date and signed by a duly authorized officer of each of Holdings, that each of the conditions set forth in Section 8.02(a), Section 8.02(b), and Section 8.02(e) have been satisfied;

(iii) a certificate of the Secretary (or equivalent officer) of Holdings certifying (A) that attached thereto are true and complete copies of (1) all resolutions adopted by the Company Boards authorizing the execution, delivery and performance of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby and (2) resolutions of Holdings approving the Mergers and adopting this Agreement, and (B) that such resolutions are in full force and effect and are all the resolutions of the Company Boards and Holdings, as applicable, adopted in connection with the transactions contemplated hereby and thereby;

(iv) a good standing certificate (or its equivalent) for each of the Holdings Entities from the secretary of state or similar Governmental Authority of the jurisdiction under the Laws in which each of the Holdings Entities are organized, and in which each of the Holdings Entities are qualified to do business;

(v) at least three (3) Business Days prior to the Closing, (i) the Closing Certificate and (ii) the Payoff Letters, duly executed by the lender or similar party in each case thereof;

(vi) a certificate, duly executed by an authorized signatory of the Companies, issued pursuant to Treasury Regulations Sections 1.897-2(h) and 1.1445-2(c)(3), including the required notice to the U.S. Internal Revenue Service, stating that an interest in each Company is not a "United States real property interest" within the meaning of Section 897(c) of the Code (provided that Parent's sole recourse for the Company's failure to deliver such certificate and notice shall be Parent's right to withhold and deduct Taxes pursuant to Section 2.15);

(vii) a Lock-Up Letter executed by Holdings in the form attached hereto as **Exhibit D** (a "**Lock-Up Letter**");

(viii) an IRS Form W-9, properly completed and duly executed by Holdings;

(ix) a Letter of Transmittal, duly executed by Holdings;

(x) the Escrow Agreement, duly executed by the Member Representative and the Escrow Agent;

(xi) the Required Consents (unless Parent waives delivery thereof), in each case, on terms and conditions satisfactory to Parent;

(xii) the Investor Rights Agreement substantially in the form attached hereto as **Exhibit E** (the "**Investor Rights Agreement**"), duly executed by Holdings;

(xiii) a confirmation of payment and release from Lineage Merchant Partners, in form and substance satisfactory to Parent, duly executed by Lineage Merchant Partners;

(xiv) a list of all logins, passwords and authorized Persons for all tax accounts, bank accounts, social media, customer loyalty programs, portals and similar accounts and software used by each of the Acquired Companies;

(xv) evidence of payment to holders of the Payoff Indebtedness by wire transfer of immediately available funds that amount of money due and owing from the Acquired Companies to such holder of such Payoff Indebtedness as set forth on the Closing Certificate and the Payoff Letters; and

(xvi) such other documents or instruments as Parent reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

(b) At the Closing, Merger Sub 1, Merger Sub 2 or Parent, as applicable, shall deliver to Holdings (or such other Person as may be specified herein) the following:

(i) the Closing Share Payment payable pursuant to Section 2.08 in exchange for the Shares;

(ii) payment of third parties by wire transfer of immediately available funds that amount of money due and owing from any Holdings Entity to such third parties as Transaction Expenses, as set forth on the Closing Certificate;

(iii) a certificate, dated the Closing Date and signed by a duly authorized officer of Parent, Merger Sub 1 and Merger Sub 2, that each of the conditions set forth in Section 8.03(a), Section 8.03(b) and Section 8.03(d) have been satisfied;

(iv) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Parent, Merger Sub 1 and Merger Sub 2 certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors and shareholders of Parent, Merger Sub 1 and Merger Sub 2, as applicable, authorizing the execution, delivery and performance of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions of such boards of directors or equity holders adopted in connection with the transactions contemplated hereby and thereby;

(v) the Escrow Agreement, duly executed by each of Parent and the Escrow Agent;

(vi) to the Escrow Agent, the Escrow Shares;

(vii) the Investor Rights Agreement, duly executed by Parent;

(viii) the Exchange Approval;

(ix) if required by the Exchange, an opinion of counsel to Parent, in form and substance reasonably satisfactory to the Exchange, with respect to Parent and its compliance with applicable Law; and

(x) such other documents or instruments as the Company reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

Section 2.04. Effective Time. Subject to the provisions of this Agreement, at the Closing, Holdings, the Companies, Parent, Merger Sub 1 and Merger Sub 2 shall cause articles of merger (the "**Articles of Merger**") in respect of each Merger to be executed, acknowledged and filed with the Secretary of State of the State of Missouri in accordance with the relevant provisions of the Missouri Act and shall make all other filings or recordings required under the Missouri Act. Each Merger shall become effective at such time as the Articles of Merger with respect thereto have been duly filed with the Secretary of State of the State of Missouri or at such later date or time as may be agreed by the Companies and Parent in writing and specified in the applicable Articles of Merger in accordance with the Missouri Act (the effective time of each Merger being hereinafter referred to as the "**Effective Time**").

Section 2.05. Effects of the Merger. The Mergers shall have the effects set forth herein and in the applicable provisions of the Missouri Act.

Section 2.06. Articles of Incorporation; Bylaws. At the Effective Time, (a) the articles of incorporation of Merger Sub 1 and Merger Sub 2 shall each be amended and restated as set forth in the form attached hereto as **Exhibit I-1** and **Exhibit I-2**, as applicable, to be the amended and restated articles of incorporation of such Surviving Company, until thereafter amended in accordance with the terms thereof or as provided by applicable Law, and (b) the bylaws of Merger Sub 1 and Merger Sub 2 as in effect immediately prior to the Effective Time shall be the bylaws of such Surviving Company until thereafter amended in accordance with the terms thereof, the articles of incorporation of the applicable Surviving Company or as provided by applicable Law.

Section 2.07. Directors and Officers. The officers of the applicable Company, in each case, immediately prior to the Effective Time shall, from and after the Effective Time, be the officers, respectively, of the applicable Surviving Company until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the articles of incorporation and by-laws of the applicable Surviving Company. The directors of Merger Sub 1 and Merger Sub 2 immediately prior to the Effective Time shall, from and after the Effective Time, be the directors of the applicable Surviving Company until their respective successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the articles of incorporation and by-laws of the applicable Surviving Company.

Section 2.08. Effect of the Merger on Equity Interests. On the terms and subject to the conditions set forth in this Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of Parent, the Company, Merger Sub 1, Merger Sub 2 or Holdings:

(a) Each issued and outstanding share of the common stock of Merger Sub 1 and each issued and outstanding share of common stock of Merger Sub 2 shall be converted into and shall become one newly issued, fully paid and non-assessable share of common stock, par value $0.001 per share of the common stock of the applicable Surviving Company and constitute the only outstanding capital stock of the applicable Surviving Company.

(b) Each share of NGH Common Stock and each share of MSA Newco Common Stock (collectively, the "**Shares**"), that is held by any Company as treasury equity or owned by any Company, if any, shall be canceled and retired and shall cease to exist and no consideration shall be delivered in exchange therefor.

(c) Except as provided in Section 2.08(b), each Share outstanding immediately prior to the Effective Time (other than Shares cancelled pursuant to Section 2.08(b)) shall at the Effective Time be converted into the right to receive, in accordance with the terms of this Agreement, without interest and subject to Section 2.11, the applicable portion of the Closing Share Payment, and any additional cash payments or issuance and delivery of additional Parent Shares (if any) as contemplated by Section 2.17, Section 2.19 (but subject to any adjustments and/or forfeitures as set forth therein) and Section 2.20; *provided*, that the number of shares of Parent Shares that each holder of a Share is entitled to receive shall be rounded up to the nearest whole number of shares of Parent Shares, and each such Share shall be automatically cancelled and shall cease to exist, and the holders thereof which immediately prior to the Effective Time represented such Shares shall cease to have any rights with respect to the Shares (other than the right to receive, subject to Section 2.11, the applicable portion of the Closing Share Payment, and any additional cash payments or issuance and delivery of additional Parent Shares (if any) as contemplated by Section 2.17, Section 2.19 (but subject to any adjustments and/or forfeitures as set forth therein) and Section 2.20), or as a stockholder of either Company. No fractional Parent Shares shall be issued upon the conversion of the Shares pursuant to this Section 2.08(c).

(d) As consideration for Parent issuing the Parent Shares in connection with the Closing Share Payment and paying down the Indebtedness and any unpaid Transaction Expenses, for each Parent Share so issued by Parent, any payments made in respect of Indebtedness and any unpaid Transaction Expenses, the Surviving Companies shall issue to Parent (at the time Parent Shares are issued or payment is made by Parent) one validly issued, fully paid and nonassessable share of common stock, par value $0.001 per share, of such Surviving Companies (rounding down to the nearest whole number of such shares).

Section 2.09. [Reserved]

Section 2.10. Dissenting Equity. Notwithstanding any provision of this Agreement to the contrary, Holdings hereby irrevocably waives any and all rights of dissent or appraisal in respect of any Shares under Missouri law that might otherwise arise in connection with the Mergers.

Section 2.11. Surrender and Payment.

(a) Promptly, but in no event later than five (5) Business Days after the date hereof, the Companies will prepare a letter of transmittal and other transmittal materials in substantially the form attached as **Exhibit F** (a "**Letter of Transmittal**") and instructions for use in effecting the surrender of any certificate prior to the Closing representing any Shares in exchange for the applicable portion of the consideration pursuant to Section 2.08(c). Such Letter of Transmittal and related materials shall be subject to Parent's review and comment, and promptly following receipt and approval thereof by Parent and the occurrence of the Closing, Parent shall issue and deliver to Holdings the Closing Share Payment, together with delivery of evidence of direct book entry registration for the Parent Shares issuable as the Closing Share Payment in a form reasonably satisfactory to Holdings.

(b) No interest shall be paid or accrued for the benefit of Holdings on the Estimated Closing Merger Consideration or on any additional amounts that may thereafter become payable as Total Merger Consideration.

Section 2.12. Expense Fund. At the Closing, Holdings shall pay and deliver to the Member Representative by wire transfer of immediately available funds the Expense Amount (the "Expense Fund"), to be held for the purpose of funding any expenses of the Member Representative arising in connection with the administration of the Member Representative's duties in this Agreement after the Effective Time. Neither Holdings nor the Parent Share Recipients will receive any interest or earnings on the Expense Fund and irrevocably transfer and assign to the Member Representative any ownership right that they may otherwise have had in any such interest or earnings. The Member Representative will hold these funds separate from its corporate funds and will not voluntarily make these funds available to its creditors in the event of bankruptcy. As soon as practicable following the completion of the Member Representative's responsibilities, the Member Representative will cause (at the expense of Holdings) the disbursement of any remaining balance of the Expense Fund to Holdings. For tax purposes, the Expense Fund will be treated as having been received and voluntarily set aside by Holdings at the time of Closing.

Section 2.13. No Further Ownership Rights in Shares. All Closing Share Payments paid or payable in accordance with the terms hereof shall be deemed to have been paid or payable in full satisfaction of all rights pertaining to the Shares (other than any additional cash payments or issuance and delivery of additional Parent Shares (if any) as contemplated by Section 2.17, Section 2.19 (but subject to any adjustments and/or forfeitures as set forth therein) and Section 2.20), and from and after the Effective Time, there shall be no further registration of transfers of Shares on the stock transfer books of the Surviving Companies.

Section 2.14. **Adjustments**. Without limiting the other provisions of this Agreement, if at any time during the period between the date of this Agreement and payment of any Earn-Out Amount, any change in the Parent Shares shall occur by reason of any reclassification, recapitalization, stock split (including reverse stock split) or combination, exchange or readjustment of shares, or any stock dividend or distribution paid in stock, the Total Merger Consideration and any other amounts payable, or consideration deliverable, pursuant to this Agreement shall be appropriately adjusted to provide the same economic effect as contemplated by this Agreement prior to such event.

Section 2.15. **Withholding Rights**. Each of Parent, Merger Sub 1, and Merger Sub 2, and the Surviving Companies (each, a "**Withholding Agent**") shall be entitled to deduct and withhold from the consideration otherwise payable to any Person pursuant to this Article II such amounts as may be required to be deducted and withheld with respect to the issuance of such consideration under any provision of Law relating to Taxes: provided however, that prior to making any such deduction or withholding for Taxes, the applicable Withholding Agent shall use commercially reasonable efforts to (a) notify the Person in respect of whom such deduction or withholding would be made and (b) cooperate with such Person to reduce or eliminate such deduction or withholding. To the extent that amounts are so deducted and withheld by a Withholding Agent, such amounts shall be timely remitted by the Withholding Agent to the applicable Governmental Authority and treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made. The Withholding Agent is hereby authorized to sell or otherwise dispose of such portion of any Parent Shares or other security deliverable to such Person as is necessary to provide sufficient funds (after deducting commissions payable, fees and other third-party, out-of-pocket costs and expenses) to such payor to enable it to comply with such deduction or withholding requirement and the payor shall notify such Person and remit the applicable portion of the net proceeds of such sale to the appropriate Governmental Authority and, if applicable, any portion of such net proceeds (after deduction of all fees, commissions or third-party, out-of-pocket costs in respect of such sale) that is not required to be so remitted shall be paid to such Person. Any such sale will be made in accordance with applicable Laws and at prevailing market prices and the payor shall not be under any obligation to obtain a particular price for the Parent Shares or other security, as applicable, so sold. Neither the payor, nor any other Person, will be liable for any loss arising out of any sale under this Section 2.15.

Section 2.16. **Lost Certificates**. If any certificate representing any Shares shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by Holdings to be lost, stolen or destroyed and, if required by Parent, the posting by Holdings of a bond, in such reasonable amount as Parent may direct, as indemnity against any claim that may be made against it with respect to such certificate, Parent shall issue, in exchange for such lost, stolen or destroyed certificate, the portion of the Closing Share Payment to be paid in respect of the Shares formerly represented by such certificate as contemplated under this Article II.

Section 2.17. **Closing Merger Consideration and Closing Share Payment Adjustment**.

(a) *Closing Adjustment*.

(i) At least three (3) Business Days prior to the Closing, Holdings shall prepare and deliver to Parent a statement (such statement, the "**Estimated Closing Statement**"), in reasonable detail, of Holdings' good faith estimated calculation of the Closing Merger Consideration, and each component thereof, as of the Closing Date (the "**Estimated Closing Merger Consideration**"), and the resulting Closing Share Payment, all prepared in all material respects in accordance with the Accounting Principles. The Estimated Closing Statement shall also contain an estimated consolidated balance sheet of the Acquired Companies as of the Closing Date and an estimated consolidated statement of income of the Holdings Entities for the prior twelve calendar months immediately preceding the Closing Date, and for the twelvemonth period ended December 31, 2024, in each case prepared in accordance with the Accounting Principles. Holdings shall provide Parent with reasonable access to the books and records of the Holdings Entities and shall cause the personnel of the Holdings Entities to reasonably cooperate with Parent for the purpose of enabling Parent to review Holdings' determination of all amounts and estimates in the Estimated Closing Statement and each component thereof, and such amounts shall be adjusted in response to any reasonable comments of Parent provided prior to the Closing.

(ii) Inventory Statement. At least three (3) Business Days prior to the Closing, Holdings shall deliver to Parent or a representative of Parent an Inventory estimate (the "**Inventory Statement**") that shall be included as part of the Estimated Closing Statement, in accordance with the definition of Inventory and in accordance with the inventory accounting principles set forth in **Exhibit G** (the "**Inventory Accounting Principles**"); provided that, to the extent the definition of Inventory conflicts with the Inventory Accounting Principles, the definition of Inventory shall supersede the Inventory Accounting Principles. The Inventory Statement shall contain a list by product category, item number, or as is otherwise customary, the number and cost of each item of Inventory, and the estimated cost for such Inventory, as of the Closing. Parent and Holdings shall conduct a physical review of the Inventory on the Closing Date in accordance with the definitions in this Agreement and the Inventory Accounting Principles, which Inventory results shall be used in the determination of the Final Closing Statement pursuant to Section 2.17(b).

(b) *Post-Closing Adjustment*. Within 90 days after the Closing Date, Parent shall prepare and deliver to the Member Representative a statement setting forth Parent's good faith calculation of, as of the Closing Date, (i) the Closing Cash, (ii) the Adjusted 280E Reserve and, without duplication, any 280E Tax Reserve Shortfall, (iii) the Closing Indebtedness and Assumed Indebtedness, (iv) the unpaid Transaction Expenses, if any, (v) the Closing Working Capital, (vi) the amount of any Pre-Closing Taxes, (vii) the Actual Closing Merger Consideration, determined based on the foregoing calculations of this Section 2.17(b)(i) through (vi), together with the amounts included in the Estimated Closing Statement for clauses (a) and (c) of the definition of "**Closing Merger Consideration**", and (viii) the Minimum Cash Amount (as finally determined pursuant to subsections (b) and (c), the "**Final Closing Statement**"), all calculated and prepared in all material respects accordance with the Accounting Principles.

(c) *Examination and Review*.

(i) *Examination.* After receipt of the Final Closing Statement, the Member Representative shall have 45 days (the "**Review Period**") to review the Final Closing Statement. During the Review Period and during the resolution of any dispute pursuant to this Section 2.17(c), the Member Representative and its accountants shall have full access to the books and records of the Surviving Companies, the personnel of, and work papers prepared by, Parent, Surviving Companies and/or their accountants to the extent that they relate to the Final Closing Statement and to such historical financial information (to the extent in Parent's possession) relating to the Final Closing Statement as the Member Representative may reasonably request for the purpose of reviewing the Final Closing Statement and to prepare a Statement of Objections (defined below), provided, that such access shall be in a manner that does not unreasonably interfere with the normal business operations of Parent or the Surviving Companies.

(ii) *Objection.* On or prior to the last day of the Review Period, the Member Representative may object to the Final Closing Statement by delivering to Parent a written statement setting forth its objections in reasonable detail, indicating each disputed calculation, item or amount and the basis for its disagreement therewith (the "**Statement of Objections**"). If the Member Representative fails to deliver the Statement of Objections before the expiration of the Review Period, Final Closing Statement shall be deemed to have been accepted by the Member Representative. If the Member Representative delivers the Statement of Objections before the expiration of the Review Period, Parent and the Member Representative shall negotiate in good faith to resolve such objections within 30 days after the delivery of the Statement of Objections (the "**Resolution Period**"), and, if the same are so resolved within the Resolution Period, the Final Closing Statement with such changes as may have been previously agreed in writing by Parent and the Member Representative, shall be final and binding.

(iii) *Resolution of Disputes.* If the Member Representative and Parent fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any matters remaining in dispute ("**Disputed Amounts**" and any matters not so disputed, the "**Undisputed Amounts**") shall be submitted for resolution to the office of Cohn Reznick or, if Cohn Reznick is unable to serve, Parent and the Member Representative shall appoint by mutual agreement the office of an impartial regionally recognized firm of independent certified public accountants that is not the Company Auditor (the "**Independent Accountant**") who, acting as experts and not arbitrators, shall resolve the Disputed Amounts only and make any adjustments to the Final Closing Statement. The parties hereto agree that all adjustments of Disputed Amounts shall be made without regard to materiality. The Independent Accountant shall only decide the specific calculations, items or amounts under dispute by the parties and their decision for each Disputed Amount must be within the range of values assigned to each such calculation, item or amount in the Final Closing Statement and the Statement of Objections, respectively.

(iv) *Fees of the Independent Accountant.* The fees and expenses of the Independent Accountant shall be paid by Holdings, on the one hand, and by Parent, on the other hand, based upon the percentage that the amount actually contested but not awarded to Holdings or Parent, respectively, bears to the aggregate amount actually contested by the Member Representative and Parent.

(v) *Determination by Independent Accountant.* The Independent Accountant shall make a determination as soon as practicable after their engagement, and their resolution of any disputed amount under this Agreement for which they are engaged, including the Disputed Amounts in this Section 2.17 or the written statement of objections to the Company Earn-Out Statement in Section 2.19 or E-Commerce Earn-Out Statement in Section 2.20, and their adjustments to the Final Closing Statement, Company Earn-Out Statement or E-Commerce Earn-Out Statement, as applicable, absent Fraud by any such Person or manifest mathematical error by the Independent Accountant, shall be conclusive and binding upon Holdings, the Parent Share Recipients, Parent and Surviving Companies. The Independent Accountant's resolution of the Disputed Amounts and their adjustments to the Final Closing Statement, or any adjustments to the Company Earn-Out Statement or E-Commerce Earn-Out Statement, as applicable, shall be treated as compromise and settlement negotiations for purposes of Rule 408 of the Federal Rules of Evidence and comparable state rules of evidence.

(d) *Merger Consideration Adjustment*.

(i) If the Actual Closing Merger Consideration as determined pursuant to Section 2.17(b) and (c) exceeds the Estimated Closing Merger Consideration as determined pursuant to Section 2.17(a) (such excess, the "**Upward Adjustment Amount**"), then at the election of Parent, within ten (10) Business Days of such determination, (A) Parent shall pay to Holdings, by wire transfer of immediately available funds the Upward Adjustment Amount, or (B) Parent shall issue Parent Shares (rounded up to the nearest whole number) to Holdings equal to the quotient of (I) the Upward Adjustment Amount, divided by (II) the Closing Share Price

(ii) If the Actual Closing Merger Consideration as determined pursuant to Section 2.17(b) and (c) is less than the Estimated Closing Merger Consideration as determined pursuant to Section 2.17(a) (such deficit, the "**Downward Adjustment Amount**"), then at the election of Holdings, within ten (10) Business Days of such determination, Holdings shall (A) pay to Parent in cash in immediately available funds the Downward Adjustment Amount, or (B) direct the Member Representative to direct the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole number) equal to the quotient of (I) the Downward Adjustment Amount, divided by (II) the Closing Share Price; provided, that (i) if Holdings elects cash payment under the foregoing clause (A), and Holdings does not pay any such excess amounts owed pursuant thereto within 30 days thereafter, Holdings shall, at the option of Parent, have such amounts settled in Escrow Shares pursuant to the foregoing clause (B) (or if the Escrow Shares are not sufficient, in accordance with the following clause (ii)), and (ii) in the event Holdings chooses settlement in Escrow Shares pursuant to the foregoing clause (B) but the Downward Adjustment Amount is in excess of the Escrow Shares, Holdings shall surrender to Parent a number of Parent Shares (rounded up to the nearest whole number) equal to the quotient of (I) such remaining excess, divided by (II) the Closing Share Price, and Parent shall cancel such surrendered Parent Shares.

(e) *Adjustments for Tax Purposes*. Any payments made pursuant to this Section 2.17 shall be treated as an adjustment to the Estimated Closing Merger Consideration by the parties for Tax purposes, unless otherwise required by Law.

Section 2.18. [Reserved.]

Section 2.19. Earn-Out; Forfeiture.

(a) As additional consideration for the Merger, following the Closing, contingent upon satisfaction of the criteria in this Section 2.19, Holdings shall be eligible to receive the Company Earn-Out Amount (if any), payable as set forth in Section 2.19(c) below. The parties acknowledge and agree that the right to receive the Company Earn-Out Amount, if any, pursuant to this Agreement is an integral part of the total consideration for the Shares and it is reasonable to assume that the Company Earn-Out Amount relates to underlying goodwill, the value of which cannot reasonably be expected to be agreed upon by the parties at the Closing Date.

(b) (i) No later than 60 days after the audited financial statements of Parent for its fiscal year ended December 31, 2026 (or, to the extent that Parent amends its fiscal year, 120 days after December 31, 2026) (the "**Company Earn-Out Period Financial Statements**") are completed, Parent shall deliver to the Member Representative a statement containing the calculation of the Company Earn-Out Amount, if any, including the components thereof, and the Earn-Out Share Price, all in reasonable detail and together with reasonable backup for such calculations made therein and/or, if applicable, the Forfeiture Amount, if any, in reasonable detail and together with reasonable backup for such calculations made therein (the "**Company Earn-Out Statement**"). The Company Earn-Out Statement shall be prepared by Parent in all material respects in accordance with the Company Earn-Out Accounting Principles based upon the Company Earn-Out Period Financial Statements (absent manifest error), and other books and records of Surviving Companies and the other Acquired Companies (or, with respect to applicable portions of the Forfeiture Amount, the third party data and information specified in the definition thereof).

(ii) The Member Representative may object to the Company Earn-Out Statement by delivering to Parent a written statement setting forth the Member Representative's objections in reasonable detail, indicating each disputed calculation, item or amount and the basis for the Member Representative's disagreement therewith, within 30 days of receipt thereof from Parent. If the Member Representative fails to deliver such written statement within such time period, then the Company Earn-Out Statement (and the calculations, items and amounts contained therein) shall be deemed to have been accepted by the Member Representative and shall be final and binding on the Surviving Companies, Holdings, the Parent Share Recipients, Parent, Merger Sub 1 and Merger Sub 2. If the Member Representative delivers a written statement of objections to Parent within such 30-day timeframe, then Parent and the Member Representative shall negotiate in good faith to resolve such objections within 30 days after the delivery of the Member Representative's written statement of objections, and, if the same are so resolved within such period, the Company Earn-Out Statement (and the calculations, items and amounts contained therein) with such changes as may have been agreed in writing by Parent and the Member Representative , shall be final and binding. In the event Parent and the Member Representative are unable to agree within 30 days after the Member Representative's delivery of such written statement of objections (or such longer period as the Member Representative and Parent shall mutually agree), Parent and the Member Representative shall engage the Independent Accountant to resolve the dispute in accordance with the guidelines and principles set forth in this Agreement and to make any adjustments to the Company Earn-Out Statement. In resolving any dispute with respect to the Company Earn-Out Statement, the Independent Accountant (A) may not assign a value to any calculation, item or amount greater than the highest value claimed for such calculation, item or amount or less than the lowest value for such calculation, item or amount claimed by either Parent or the Member Representative and (B) shall restrict its decision to such calculations, items and amounts included in the objection(s) which are then in dispute. The fees and expenses of the Independent Accountant shall be paid by Holdings, on the one hand, and by Parent, on the other hand, based upon the percentage that the amount actually contested but not awarded to Holdings or Parent, respectively, bears to the aggregate amount actually contested by Holdings and Parent. Any such fees and expenses payable by Holdings shall be paid from the Expense Fund to the extent available.

(c) Subject to Section 9.06, Parent will pay the Company Earn-Out Amount, if any, through the delivery of a number of Parent Shares, within twenty (20) Business Days of the final determination of the Company Earn-Out Amount as set forth in Section 2.19(b) calculated as set forth below (such shares, the "**Company Earn-Out Shares**"). The number of Company Earn-Out Shares to be so issued will be equal to the quotient of (i) the Company Earn-Out Amount, divided by (ii) the Earn-Out Share Price. The Company Earn-Out Shares issued to Holdings will be rounded up to the nearest whole number.

(d) Following the Closing and subject to the following, Parent and its Affiliates shall have sole discretion with regard to all matters relating to the operations of the Surviving Companies and the other Acquired Companies; provided, however, Parent agrees that Parent and its subsidiaries will act in good faith and with fair dealing so as to provide Holdings with a reasonable opportunity to maximize the Adjusted EBITDA of the Acquired Companies and to otherwise satisfy and achieve any conditions precedent to receipt of the Company Earn-Out Amount and the issuance and delivery of any Company Earn-Out Shares and to avoid the forfeiture of Parent Shares as contemplated by Section 2.19(g), and will not take any action with respect to the businesses of the Acquired Companies the primary purpose and intent of which is to minimize the Adjusted EBITDA of the Acquired Companies for calendar year 2026 or to cause a forfeiture of Parent Shares as contemplated by Section 2.19(g). Notwithstanding the foregoing, the parties agree that it will in no event be deemed to violate the immediately preceding sentence for Parent to (1) pledge any and all assets of the Acquired Companies, (2) refinance any indebtedness for borrowed money (including the Assumed Indebtedness) or (3) cause the Acquired Companies to incur new indebtedness for borrowed money; provided, that only Post-Closing Debt shall be included as a deduction for purposes of clause (b) of the definition of Company Earn-Out Amount or an addition for purposes of clause (b) of the definition of Forfeiture Amount. Without limiting the foregoing, during the period from and after the Closing through and including December 31, 2026 (the "**Earn-Out Period**"), Parent covenants to and in favor of Holdings and the Parent Share Recipients, that it shall, and shall cause the Acquired Companies, to:

(i) in order to permit the accurate preparation of the Company Earn-Out Statement, and an accurate determination of any issuance and delivery of Company Earn-Out Shares (or a forfeiture of Parent Shares) pursuant to this Section 2.19, maintain books and records of the Acquired Companies sufficient to allow for the foregoing calculations as if the Acquired Companies were an independent business unit;

(ii) subject to budgetary limits, allow for John Pennington and/or Craig Parker to make determinations regarding employment, engagement and termination of employees and contractors of the Acquired Companies to at their discretion (subject to Parent's right to require termination for cause);

(iii) maintain an amount of net working capital in the Acquired Companies sufficient for their operation in the ordinary course of business;

(iv) permit the inclusion of capital expenses in the annual budget of the Acquired Companies in an amount no less than the prior fiscal year's annual depreciation of the Acquired Companies' consolidated assets as available under the Code, and to consider, in good faith but without obligation and in Parent's sole and absolute discretion, any additional proposed capital expenses reasonably requested by the Acquired Companies for inclusion in the annual budget of the Acquired Companies; and

(v) not have any Acquired Company engage in any intercompany transaction or other transaction with an Affiliate of Parent (other than another Acquired Company), other than on commercially reasonable terms; and

(vi) use commercially reasonable efforts to maintain the listing of the Parent Shares on the Exchange, or a comparable (or superior) primary successor exchange.

(e) Each of the Companies, Holdings, Parent, Merger Sub 1 and Merger Sub 2 acknowledges and agrees (i) that this Section 2.19 is strictly a contractual relationship between and among such Persons and does not create any express or implied fiduciary or special relationship between or among such Persons or create any express or implied fiduciary or special duties on the part of the Acquired Companies, Parent or any of their Affiliates, to Holdings, (ii) that the contingent rights to receive all or any portion of the Company Earn-Out Amount shall not be represented by any form of certificate or other instrument, are not transferable except by operation of Laws relating to descent and distribution, divorce and community property, and do not constitute an equity or ownership interest in Parent, and (iii) that Holdings shall not have any rights as an stockholder of Parent as a result of Holdings' contingent right to receive all or any portion of the Company Earn-Out Amount hereunder. Without limitation of the foregoing and without limiting the provisions of subsection (d) above, Holdings and each Parent Share Recipient acknowledges that neither Parent nor the Acquired Companies or their respective Affiliates will be required to expend any funds or incur any liabilities in order to increase the likelihood of receiving the Company Earn-Out Amount or to decrease the likelihood of a forfeiture of Parent Shares on the part of Holdings or the Parent Share Recipients pursuant to Section 2.19(g). Holdings and each of the Parent Share Recipients acknowledges that neither the Acquired Companies or Parent, nor any of their respective Affiliates has or will have any duties, covenants or obligations (express or implied) to Holdings with respect to the foregoing other than as expressly set forth in this Section 2.19.

(f) Any Company Earn-Out Shares issued pursuant to this Section 2.19 (or any forfeited Shares and other payments (if any) pursuant to Section 2.19(g)) shall constitute an adjustment of the Actual Closing Merger Consideration for Tax purposes, unless otherwise required by applicable Law. To the extent any Escrow Shares or Earn-Out Shares issued to Holdings or a Parent Share Recipient are required to be treated as interest pursuant to Treasury Regulations Section 1.483-4(b) or other applicable Tax law, then such Escrow Shares and Earnout-Shares, as applicable, representing the principal component (with a value equal to the principal component) and the interest component (with a value equal to the interest component) will be represented by separate book entries, if requested by Holdings or a Parent Share Recipient.

(g) In the event that:

(i) (A) the higher of (I) the Acquired Companies' consolidated trailing twelve (12) month Adjusted EBITDA for the twelve full calendar months ending December 31, 2026, and (II) the Acquired Companies' consolidated trailing nine (9) month Adjusted EBITDA for the last nine (9) months of calendar year 2026, such amount annualized to reflect a full 12-month period,

is less than

(B) ninety-six and one-half percent (96.5%) of the Closing EBITDA ((the absolute value of the amount of the deficiency of Section 2.19(g)(i)(A) to the amount calculated in this Section 2.19(g)(i)(B), if any, the "**EBITDA Deficiency**");

and

(ii) (A) the Acquired Companies' consolidated Market Share for the year ended December 31, 2026, is less than the Holding Entities' consolidated Market Share for the year ended December 31, 2024, or (B) the Acquired Companies' consolidated EBITDA Margin for the year ended December 31, 2026, is less than the Holdings Entities' consolidated EBITDA Margin for the year ended December 31, 2024,

and

(iii) the 20-day volume weighted average price per Parent Share on the Exchange (converted to United States Dollars based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during such 20-day period, as reported by Bloomberg Finance L.P. over the twenty (20) consecutive trading day period ending on the trading day immediately prior to December 31, 2026, is greater than $1.05 per Parent Share, then, Holdings and each Parent Share Recipient will, within ten (10) Business Days of such determination, transfer to Parent a number of Parent Shares, rounded up to the nearest whole number, held by such Person equal to its Pro Rata Share of the quotient of the Forfeiture Amount divided by the Closing Share Price. Notwithstanding anything contained herein to the contrary, in no event shall the total number of Parent Shares forfeited under this Section 2.19(g) in the aggregate be in excess of 50% of the total Parent Shares issued as Actual Closing Merger Consideration (excluding, for purposes of this calculation, any Parent Shares issued as consideration for the Arches Value Amount).

Section 2.20. E-Commerce Earn-Out.

(a) As additional consideration for the Merger, following the Closing, contingent upon satisfaction of the criteria in this Section 2.20, Holdings shall be eligible to receive the E-Commerce Earn-Out Amount (if any), payable as set forth in Section 2.20(c) below. The parties acknowledge and agree that the right to receive the E-Commerce Earn-Out Amount, if any, pursuant to this Agreement is an integral part of the total consideration for the Shares and it is reasonable to assume that the E-Commerce Earn-Out Amount relates to underlying goodwill, the value of which cannot reasonably be expected to be agreed upon by the parties at the Closing Date.

(b) (i) No later than 60 days after the audited financial statements of Parent for its fiscal year ended December 31, 2026 (or, to the extent that Parent amends its fiscal year, 120 days after December 31, 2026) (the "**E-Commerce Earn-Out Period Financial Statements**") are completed, Parent shall deliver to the Member Representative a statement containing the calculation of the E-Commerce Earn-Out Amount, if any, including the components thereof, and the Earn-Out Share Price, all in reasonable detail and together with reasonable backup for such calculations made therein (the "**E-Commerce Earn-Out Statement**"). The E-Commerce Earn-Out Statement shall be prepared by Parent in all material respects in accordance with the E-Commerce Accounting Principles based upon the E-Commerce Earn-Out Period Financial Statements (absent manifest error), and other books and records of Arches.

(ii) The Member Representative may object to the E-Commerce Earn-Out Statement by delivering to Parent a written statement setting forth the Member Representative's objections in reasonable detail, indicating each disputed calculation, item or amount and the basis for the Member Representative's disagreement therewith, within 30 days of receipt thereof from Parent. If the Member Representative fails to deliver such written statement within such time period, then the E-Commerce Earn-Out Statement (and the calculations, items and amounts contained therein) shall be deemed to have been accepted by the Member Representative and shall be final and binding on the Surviving Companies, Holdings, the Parent Share Recipients, Parent, Merger Sub 1 and Merger Sub 2. If the Member Representative delivers a written statement of objections to Parent within such 30-day timeframe, then Parent and the Member Representative shall negotiate in good faith to resolve such objections within 30 days after the delivery of the Member Representative's written statement of objections, and, if the same are so resolved within such period, the E-Commerce Earn-Out Statement (and the calculations, items and amounts contained therein) with such changes as may have been agreed in writing by Parent and the Member Representative , shall be final and binding. In the event Parent and the Member Representative are unable to agree within 30 days after the Member Representative's delivery of such written statement of objections (or such longer period as the Member Representative and Parent shall mutually agree), Parent and the Member Representative shall engage the Independent Accountant to resolve the dispute in accordance with the guidelines and principles set forth in this Agreement and to make any adjustments to the E-Commerce Earn-Out Statement. In resolving any dispute with respect to the E-Commerce Earn-Out Statement, the Independent Accountant (A) may not assign a value to any calculation, item or amount greater than the highest value claimed for such calculation, item or amount or less than the lowest value for such calculation, item or amount claimed by either Parent or the Member Representative and (B) shall restrict its decision to such calculations, items and amounts included in the objection(s) which are then in dispute. The fees and expenses of the Independent Accountant shall be paid by Holdings, on the one hand, and by Parent, on the other hand, based upon the percentage that the amount actually contested but not awarded to Holdings or Parent, respectively, bears to the aggregate amount actually contested by Holdings and Parent. Any such fees and expenses payable by Holdings shall be paid from the Expense Fund to the extent available.

(c) Subject to Section 9.06, Parent will pay the E-Commerce Earn-Out Amount, if any, through the delivery of a number of Parent Shares, within twenty (20) Business Days of the final determination of the E-Commerce Earn-Out Amount as set forth in Section 2.20(b) (such shares, the "**E-Commerce Earn-Out Shares**"). The number of E-Commerce Earn-Out Shares to be so issued will be equal to the quotient of (i) the E-Commerce Earn-Out Amount, divided by (ii) the Earn-Out Share Price; provided, however, that, notwithstanding the foregoing or any other provision of this Agreement to the contrary, (A) in no event shall the number of E-Commerce Earn-Out Shares exceed the E-Commerce Earn-Out Share Cap Amount and (B) in no event shall the number of Earn-Out Shares exceed, in the aggregate, the Closing Share Payment. The E-Commerce Earn-Out Shares issued to Holdings will be rounded up to the nearest whole number.

(d) Each of the Companies, Holdings, Parent, Merger Sub 1 and Merger Sub 2 acknowledges and agrees (i) that this Section 2.20 is strictly a contractual relationship between and among such Persons and does not create any express or implied fiduciary or special relationship between or among such Persons or create any express or implied fiduciary or special duties on the part of the Acquired Companies, Parent or any of their Affiliates, to Holdings, (ii) that the contingent rights to receive all or any portion of the E-Commerce Earn-Out Amount shall not be represented by any form of certificate or other instrument, are not transferable except by operation of Laws relating to descent and distribution, divorce and community property, and do not constitute an equity or ownership interest in Parent, and (iii) that Holdings shall not have any rights as a stockholder of Parent as a result of Holdings' contingent right to receive all or any portion of the E-Commerce Earn-Out Amount hereunder. Without limitation of the foregoing, Holdings and each Parent Share Recipient acknowledges that neither Parent nor the Acquired Companies or their respective Affiliates will be required to expend any funds or incur any liabilities in order to increase the likelihood of receiving the E-Commerce Earn-Out Amount. Holdings and each Parent Share Recipient acknowledges that neither the Acquired Companies or Parent, nor any of their respective Affiliates has or will have any duties, covenants or obligations (express or implied) to Holdings with respect to the foregoing other than as expressly set forth in this Section 2.20.

(e) Any E-Commerce Earn-Out Shares issued pursuant to this Section 2.20 shall constitute an adjustment of the Actual Closing Merger Consideration for Tax purposes, unless otherwise required by applicable Law.

Section 2.21. Parent Shares.

(a) Issuances of Parent Shares. All Parent Shares issued pursuant to this Agreement will be evidenced by direct book-entry registration only, without the issuance of certificates representing such Parent Shares. Parent's transfer agent shall document the terms, conditions and restrictions set forth in this Section 2.21. Holdings, on its own behalf and on behalf of the Parent Share Recipients, confirms, acknowledges and agrees that (i) Parent has advised Holdings that Parent is relying on an exemption from the requirements to provide Holdings with a prospectus and to sell securities through a person registered to sell securities under applicable Canadian securities laws and, as a consequence of acquiring the Parent Shares pursuant to this exemption, certain protections, rights and remedies provided by Canadian securities laws, including statutory rights of rescission or damages, will not be available to Holdings, and (ii) there may be restrictions on Holdings' ability to resell the Parent Shares and it is the responsibility of Holdings to find out what those restrictions are and to comply with them before selling them. At Closing and until issued and delivered or the later expiration of the Earn-Out Period without any Earn-Out Shares eligible to be issued to Holdings, to the extent necessary under its organizational documents, Parent shall reserve Parent Shares sufficient for the issuance of the Earn-Out Shares as contemplated hereby.

(b) Registration. The Parent Shares to be issued pursuant to this Agreement (i) will not, subject to any applicable provisions of the Investor Rights Agreement, be registered under the Securities Act in reliance upon the exemption from registration requirements of Section 5 of the Securities Act as set forth in Section 4(a)(2) thereof, and (ii) will be distributed pursuant to the exemption set out in Section 2.11 of National Instrument 45-106 – *Prospectus Exemptions*.

(c) **Legend.** The Parent Shares to be issued pursuant to this Agreement shall be characterized as "restricted securities" for purposes of Rule 144 under the Securities Act, and such shares shall, until such time as the shares are not so restricted under the Securities Act, bear a legend identical or similar in effect to the following legend (together with any legend required by applicable Securities Laws to the extent such Laws are applicable to the Parent Shares issued pursuant to this Agreement):

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING THESE SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ENCUMBERED, ABSENT AN EFFECTIVE REGISTRATION STATEMENT FILED BY THE CORPORATION UNDER THE SECURITIES ACT, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S ("REGULATION S") UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN ACCORDANCE WITH (1) RULE 144A UNDER THE SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, OR IN ANY OTHER CASE AS REQUIRED BY THE TRANSFER AGENT, A LEGAL OPINION SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO THE CORPORATION AND THE TRANSFER AGENT, IF ANY, OF THE CORPORATION STATING THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR SUCH OTHER APPLICABLE LAWS".

(d) **Securities Laws**.

(i) Notwithstanding anything to the contrary in this Agreement, the issuance and delivery of Parent Shares pursuant to this Agreement, including any Earn-Out Shares, shall require the approval of and/or be issued and delivered in accordance with the rules, policies and directives of the Exchange and any other applicable regulatory body, and must be made in compliance with Securities Laws and any other applicable Laws.

(ii) Holdings (on its own and on behalf of the Holdings Entities) consents: (A) to the disclosure of certain information regarding them and the transactions contemplated by this Agreement to the Exchange, the Canadian Securities Regulators and the SEC, including as required to be included in applicable Exchange issuance forms and as required by applicable Securities Laws, including pursuant to the filing of an exempt distribution report, and as may be required by the Securities Laws in any filing with the SEC, the Exchange, the Canadian Securities Regulators or other applicable securities regulators; and (B) to the collection, use and disclosure of their information by the Exchange, the SEC, the Canadian Securities Regulators or other applicable securities regulators or as otherwise identified by the Exchange, the SEC, the Canadian Securities Regulators or other applicable securities regulators, from time to time.

(iii) Holdings will, as a condition of receiving Parent Shares upon completion of the Mergers (or any Parent Shares included in any Earn-Out Amount), be required to confirm its status as an accredited investor as set forth in the Letter of Transmittal, and will deliver any other supporting information as reasonably requested by Parent in order to confirm its status and the availability of an exemption or exclusion from the registration requirements of the Securities Act and applicable state securities laws for the issuance of such Parent Shares to Holdings.

Section 2.22. Intended U.S. Tax Treatment.

(a) Merger. For U.S. federal and state income tax purposes, it is intended that each of the Mergers shall be treated as a "reorganization" within the meaning of Section 368(a) of the Code, and the parties hereby adopt this Agreement as a "plan of reorganization" within the meaning of Treasury Regulations Sections 1.368-2(g) and 1.368-3(a) (the "**Intended Merger Tax Treatment**"). The parties shall file all Tax Returns consistent with the Intended Merger Tax Treatment and shall not take, or cause to be taken, any position (whether on a Tax Return, in an audit, or otherwise) that is inconsistent with the Intended Merger Tax Treatment unless otherwise required by a final "determination" within the meaning of Section 1313 of the Code. No party shall take or fail to take any action or cause any action to be taken or fail to be taken, that could reasonably be expected to prevent the Mergers from qualifying for the Intended Merger Tax Treatment. Notwithstanding the foregoing, no party makes any representation, warranty or covenant to any other party or to any Parent Share Recipients or other holder of Holdings' or the Companies' securities (including, without limitation, stock options, warrants, subscription receipts, debt instruments or other similar rights or instruments) that the Mergers will qualify as a "reorganization" within the meaning of Section 368(a) of the Code.

(b) Holdings Restructure. Parent acknowledges and agrees that Holdings Entities intend to treat for U.S. federal and state income tax purposes: (i) the Holdings Restructure (excluding the contribution of Arches to MSA Newco, the distribution by Horizon LLC of all of its nonregulated assets to MSA Newco, the distribution by MSA Newco of all of its equity interests in Horizon LLC to Holdings, and the conversion of Horizon LLC into a corporation for federal and state income Tax purposes) as a transaction that qualifies as a "reorganization" within the meaning of Section 368(a)(1)(F) of the Code; (ii) the distribution by Horizon LLC of all of its nonregulated assets to MSA Newco as a distribution by a disregarded entity of such assets to its regarded Tax owner, (iii) the distribution by MSA Newco of all of its equity interests in Horizon LLC to Holdings as a taxable distribution pursuant Section 311(b) of the Code; (iv) the fair market value of Horizon LLC at the time of its distribution by MSA Newco to Holdings as part of the Holdings Restructuring to be an amount equal to the purchase price at which Parent will have the option to purchase all of Holdings' outstanding equity interests in and to New Growth Horizon under the Option Agreement; and (v) the election to convert Horizon LLC (by filing IRS Form 8832) to a corporation shall cause Horizon LLC to become taxable as an association taxable as a corporation (the "**Intended Restructure Tax Treatment**"). Subject to Parent's indemnification rights under this Agreement, the Parties shall file all Tax Returns consistent with the Intended Merger Tax Treatment and shall not take, or cause to be taken, any position (whether on a Tax Return, in an audit, or otherwise) that is inconsistent with the Intended Restructure Tax Treatment unless otherwise required by a final "determination" within the meaning of Section 1313 of the Code. Notwithstanding the foregoing, no Party makes any representation, warranty or covenant to any other party or to any Parent Share Recipients or other holder of Holdings of the Companies' securities (including, without limitation, stock options, warrants, subscription receipts, debt instruments or other similar rights or instruments) that the federal and state income tax treatment of the Holdings Restructure is consistent with the Intended Restructure Tax Treatment.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES OF HOLDINGS AND THE COMPANIES

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules or as contemplated by Section 5.17(a), Holdings and the Companies, jointly and severally, represent and warrant to Parent as follows:

Section 3.01. Organization and Qualification of the Holdings Entities. Holdings is a limited liability company duly formed, validly existing and in good standing under the Laws of the State of Missouri and has full limited liability company 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 currently conducted. NGH is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Missouri 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 currently conducted, except under Federal Cannabis Laws. MSA Newco is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Missouri 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 currently conducted, except under Federal Cannabis Laws. Each other Holdings Entity is a corporation or limited liability company, duly incorporated or formed, as applicable, validly existing and in good standing under the Laws of the State of Missouri and has full corporate or limited liability company, as applicable, 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 currently conducted, except under Federal Cannabis Laws. No Holdings Entity is licensed or qualified to do business in any state or jurisdiction other than the State of Missouri, and each Holdings Entity is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary.

Section 3.02. Authority; Board Approval.

(a) Each of Holdings and each Company have full corporate power and authority to enter into and perform its obligations under this Agreement and the Ancillary Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by each of Holdings and each Company of this Agreement and any Ancillary Document to which it is a party and the consummation by each of Holdings and each Company of the transactions contemplated hereby and thereby have been duly authorized by all requisite limited liability company and corporate action, as a applicable, on the part of each of Holdings and each Company and no other corporate proceedings on the part of Holding or either Company are necessary to authorize the execution, delivery and performance of this Agreement or to consummate the Mergers and the other transactions contemplated hereby and thereby. Holdings, in its capacity as the sole shareholder of each Company, has approved and adopted this Agreement and the Ancillary Documents, and approved each Merger and the other transactions contemplated by this Agreement. There is no vote or consent of the holders of any class or series of Holdings' equity capital required to approve and adopt this Agreement and the Ancillary Documents, approve the Mergers and consummate the Mergers and the other transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by Holdings and the Companies, and (assuming due authorization, execution and delivery by each other party hereto) this Agreement constitutes a legal, valid and binding obligation of each of Holdings and each Company enforceable against each of Holdings and each Company in accordance with its terms, except as such enforceability may be limited by applicable Laws, including Federal Cannabis Laws, and by general principles of equity. When each Ancillary Document to which Holdings or a Company is or will be a party has been duly executed and delivered by Holdings or such Company (assuming due authorization, execution and delivery by each other party thereto), such Ancillary Document will constitute a legal and binding obligation of Holdings or such Company, as applicable, enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, may be granted only in the discretion of a court of competent jurisdiction, except as such enforceability may be limited by applicable Laws, including Federal Cannabis Laws, and by general principles of equity.

(b) The Holdings Board, by resolutions duly adopted by unanimous written consent, has, as of the date hereof (i) determined that this Agreement and the transactions contemplated hereby, including each Merger, are fair to, and in the best interests of, Holdings and its Members, and (ii) approved and declared advisable the transactions contemplated by this Agreement, including each Merger, in accordance with the Missouri Act.

Section 3.03. No Conflicts; Consents. The execution, delivery and performance by Holdings and each Company of this Agreement and the Ancillary Documents to which Holdings or such Company is a party, and the consummation of the transactions contemplated hereby and thereby, including the Mergers, do not and will not: (i) conflict with or result in a violation or breach of, or default under, any provision of the articles of organization, operating agreement, articles of incorporation, by-laws or other organizational documents of either Company or Holdings ("**Company Charter Documents**"); (ii) subject to obtaining the consents, authorizations, Governmental Orders and approvals from the Governmental Authorities set forth in Section 3.03(a)(ii) of the Disclosure Schedules, including, without limitation, the Cannabis Consents (the "**Regulatory Consents**"), and the expiration or termination of any waiting or review period, and any extensions thereof, under the HSR Act, conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to any Holdings Entity; (iii) except for the Regulatory Consents and as set forth in Section 3.03(a)(iii) of the Disclosure Schedules (the items set forth on Section 3.03(a)(iii) of the Disclosure Schedules, the "**Third-Party Consents,**" and, together with the Regulatory Consents, and the expiration or termination of any waiting or review period, and any extensions thereof, under the HSR Act, the "**Required Consents**"), 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 Material Contract to which any Acquired Company is a party or by which any Acquired Company 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 Acquired Company, except for Federal Cannabis Laws; or (iv) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on any properties or assets of any Acquired Company, except, in the case of clause (iii), for any consents, conflicts, violations, breaches, defaults, accelerations, terminations, modifications, or cancellations that, or where the failure to obtain or provide any such consents, notices or take any other actions, in each case, would not have a Material Adverse Effect. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to any Holdings Entity in connection with the execution, delivery and performance by the Holdings Entities of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby by the Holdings Entities, except for (A) the Regulatory Consents, (B) the filing of the Articles of Merger with the Secretary of State of Missouri, and (C) such filings as may be required under the HSR Act or other antitrust or similar laws.

Section 3.04. Capitalization.

(a) The authorized capital stock of NGH consists of (i) 100 shares of Common Stock, of which 100 shares are issued and outstanding as of the close of business on the date of this Agreement (the "**NGH Shares**"). Holdings is the registered and beneficial owner of all right, title and interest in and to the NGH Shares. Except for the Common Stock, there are no other classes or series of capital stock of NGH. The authorized capital stock of MSA Newco consists of (i) 100 shares of Common Stock, of which 100 shares are issued and outstanding as of the close of business on the date of this Agreement (the "**MSA Newco Shares**"). Holdings is the registered and beneficial owner of all right, title and interest in and to the MSA Newco Shares. Except for the Common Stock, there are no other classes or series of capital stock of MSA Newco.

(b) Section 3.04(b) of the Disclosure Schedules sets forth, with respect to each of the Companies' Subsidiaries (i) its total authorized capital stock or equity interests, (ii) its shares of capital stock or other equity interests issued and outstanding as of the close of business on the date of this Agreement, and (iii) the name of each Person that is the registered and beneficial owner of such issued and outstanding shares of capital stock or other equity interests.

(c) Section 3.04(c) of the Disclosure Schedules sets forth, with respect to Arches (i) its total authorized capital stock or equity interests, (ii) its shares of capital stock or other equity interests issued and outstanding as of the close of business on the date of this Agreement, and (iii) the name of each Person that is the registered and beneficial owner of such issued and outstanding shares of capital stock or other equity interests.

(d) (i) No subscription, warrant, option, convertible or exchangeable security, or other right (contingent or otherwise) to purchase or otherwise acquire equity securities of any Acquired Company or Arches is authorized or outstanding, and (ii) there is no commitment by any Acquired Company or Arches to issue capital stock, membership interests, or other equity interests, subscriptions, warrants, options, convertible or exchangeable securities, or other such rights or to distribute to holders of any of its equity securities any evidence of indebtedness or asset, to repurchase or redeem any securities of any Acquired Company or Arches or to grant, extend, accelerate the vesting of, change the price of, or otherwise amend any warrant, option, convertible or exchangeable security or other such right. There are no declared or accrued unpaid dividends or distributions with respect to any capital stock, membership interests, or the equity interests of any Acquired Company or Arches.

(e) All issued and outstanding Shares and the equity interest of each Acquired Company Arches are (i) duly authorized, validly issued, and, to the extent applicable, fully paid and non-assessable; (ii) not subject to any preemptive rights created by statute, the Company Charter Documents or the equivalent organizational documents of each Acquired Company or Arches, or any agreement to which any Company or Arches is a party; and (iii) except as set forth on Section 3.04(d) of the Disclosure Schedules, free of any Encumbrances. All issued and outstanding Shares and the equity interests of each Acquired Company and Arches were issued in compliance with applicable Law in all material respects.

(f) Except as set forth on Section 3.04(e) of the Disclosure Schedules, no outstanding Share or any other equity interests in an Acquired Company or Arches is subject to vesting or forfeiture rights or repurchase rights. There are no outstanding or authorized stock or unit appreciation, dividend equivalent, phantom stock or units, profit participation or other similar rights with respect to any Acquired Company or Arches or any of their respective securities.

(g) All distributions, dividends, repurchases and redemptions of the capital stock, membership interests, or other equity interests of each Acquired Company were undertaken in compliance with the applicable Company Charter Documents or equivalent governing documents then in effect, any agreement to which such Acquired Company then was a party and in compliance with applicable Law.

Section 3.05. No Subsidiaries. No Company owns, or has any interest in any shares or other equity interests (including any option, warrant, convertible instrument or other right or obligation of any nature to acquire any equity interest) or has an ownership interest in any other Person other than another Acquired Company or Arches.

Section 3.06. Financial Statements. True and complete copies of the Holding's audited consolidated financial statements consisting of the balance sheet of Holdings as at December 31, 2022 and the related consolidated statements of income and retained earnings, members' equity and cash flow for the years then ended (the "**Audited Financial Statements**"), Holdings' unaudited consolidated financial statements consisting of the balance sheet of Holdings as at December 31 in each of the years 2023 and 2021, and the related consolidated statements of income and cash flow for the years then ended (the "**Unaudited Financial Statements**"), and unaudited financial statements consisting of the balance sheet of Holdings as at September 30, 2024, and the related statements of income and retained earnings and cash flow for the nine-month period then ended (the "**Interim Financial Statements**" and together with the Audited Financial Statements and the Unaudited Financial Statements, the "**Financial Statements**") have been delivered to Parent. The Financial Statements have been prepared in accordance with the Historical Accounting Principles. The Financial Statements are based on the books and records of Holdings, and fairly present, in all material respects, the consolidated financial position of Holdings as of the respective dates they were prepared and the consolidated results of the operations of Holdings for the periods indicated. The consolidated balance sheet of Holdings as of December 31, 2023 is referred to herein as the "**Balance Sheet**" and the date thereof as the "**Balance Sheet Date**" and the consolidated balance sheet of Holdings as of September 30, 2024, is referred to herein as the "**Interim Balance Sheet**" and the date thereof as the "**Interim Balance Sheet Date**".

Section 3.07. Undisclosed Liabilities. Except as set forth on Section 3.07 of the Disclosure Schedules, the Holdings Entities do not have any liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise ("**Liabilities**"), except (a) those which are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date and (b) those which have been incurred in the Ordinary Course of Business since the Balance Sheet Date, and which are not, individually or in the aggregate, material in amount.

Section 3.08. Absence of Certain Changes, Events and Conditions. Since the Balance Sheet Date, except as set forth in Section 3.08 of the Disclosure Schedules or pursuant to the Holdings Restructure, there has not been, with respect to any Holdings Entity, any:

(a) effect, event, development, occurrence, fact, condition or change that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(b) amendment of the Company Charter Documents or any organizational documents of any Acquired Company;

(c) split, combination or reclassification of any shares of capital stock or other equity capital;

(d) issuance, sale or other disposition of any of its capital stock or other equity interests;

(e) declaration or payment of any dividends or distributions on or in respect of any capital stock or other equity capital or redemption, purchase or acquisition of capital stock or other equity capital (other than in the Ordinary Course of Business consistent with past practice);

(f) material change in any method of accounting or accounting practice, except as required by GAAP or as disclosed in the notes to the Financial Statements;

(g) material change in cash management practices and policies, practices and procedures with respect to collection of accounts receivable, establishment of reserves for uncollectible accounts, accrual of accounts receivable, inventory control, prepayment of expenses, payment of trade accounts payable, accrual of other expenses, deferral of revenue and acceptance of customer deposits, except as required by the GAAP or as disclosed in the notes to the Financial Statements;

(h) entry into any Contract that would constitute a Material Contract;

(i) incurrence, assumption or guarantee of any indebtedness for borrowed money except unsecured current obligations and Liabilities incurred in the Ordinary Course of Business consistent with past practice;

(j) transfer, assignment, sale or other disposition of any of the assets shown or reflected in the Balance Sheet or cancellation of any debts or entitlements (other than in the Ordinary Course of Business consistent with past practice);

(k) transfer or assignment of or grant of any license or sublicense under or with respect to any Company Intellectual Property or Company IP Agreements;

(l) abandonment or lapse of or failure to maintain in full force and effect any Company IP Registration, or failure to take or maintain reasonable measures to protect the confidentiality or value of any Trade Secrets included in the Company Intellectual Property;

(m) material damage, destruction or loss (whether or not covered by insurance) to its property;

(n) any capital investment in, or any loan to, any other Person;

(o) acceleration, termination, material modification to or cancellation of any material Contract (including, but not limited to, any Material Contract) to which any Holdings Entity is a party or by which it is bound;

(p) any material capital expenditures;

(q) imposition of any Encumbrance upon any properties, capital stock or assets, tangible or intangible;

(r) other than in the Ordinary Course of Business consistent with past practice, (i) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of its current or former employees, officers, directors, independent contractors or consultants, other than as provided for in any written agreements or required by applicable Law, (ii) change in the terms of employment for any employee or any termination of any employees for which the aggregate costs and expenses exceed $100,000, or (iii) action to accelerate the vesting or payment of any compensation or benefit for any current or former employee, officer, director, independent contractor or consultant, other than as provided for in any written agreements provided to Parent prior to the date hereof;

(s) hiring or promoting any person as or to (as the case may be) the position of an officer or hiring or promoting any employee below officer except in the Ordinary Course of Business;

(t) adoption, modification or termination of any: (i) employment, severance, retention or other agreement with any current or former employee, officer, director, independent contractor or consultant, except in the Ordinary Course of Business, (ii) Benefit Plan or (iii) collective bargaining or other agreement with a Union, in each case whether written or oral;

(u) any loan to (or forgiveness of any loan to), or entry into any other transaction with, any of its equity holders or current or former directors, officers and employees;

(v) entry into a new line of business or abandonment or discontinuance of existing lines of business;

(w) other than this Agreement, adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;

(x) purchase, lease or other acquisition of the right to own, use or lease any property or assets for an amount in excess of $100,000, individually (in the case of a lease, per annum) or $250,000 in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term), except for purchases of inventory or supplies in the Ordinary Course of Business consistent with past practice;

(y) acquisition by merger or consolidation with, or by purchase of a substantial portion of the assets or stock of, or by any other manner, any business or any Person or any division thereof;

(z) other than in connection with the Holdings Restructure, Tax election made, modified or revoked except as required by applicable Law, adoption or change in any Tax accounting method except as required by applicable Law, amendment to any material Tax Return, consent to any extension (other than in connection with the filing of a Tax Return in the ordinary course) or waiver of the limitation period applicable to any Tax claim or assessment, surrender any right to a refund of Taxes, or any closing agreement entered into; or

(aa) any Contract to do any of the foregoing.

Section 3.09. Material Contracts.

(a) Section 3.09(a) of the Disclosure Schedules lists each of the following current and active Contracts of each Holdings Entity as of the date of this Agreement (such Contracts, together with all Contracts listed or otherwise disclosed in Section 3.10(b) of the Disclosure Schedules and all Company IP Agreements set forth in Section 3.12(b) of the Disclosure Schedules, being "**Material Contracts**"):

(i) each Contract involving aggregate consideration in excess of $100,000, and which, in each case, cannot be cancelled by the Holdings Entity without penalty or without more than 30 days' notice;

(ii) all Contracts that require a Holdings Entity to purchase its total requirements of any product or service from a third party or that contain "take or pay" provisions;

(iii) all Contracts that provide for the indemnification by a Holdings Entity of any Person, other than Contracts entered into in the Ordinary Course of Business the primary purpose of which is not to provide for the indemnification by the Company of any Person, or the assumption of any Tax, environmental or other Liability of any Person;

(iv) all Contracts that relate to the acquisition or disposition of any business, a material amount of stock or assets of any other Person or any real property (whether by merger, sale of stock, sale of assets or otherwise);

(v) all broker, distributor, dealer, manufacturer's representative, franchise, agency, sales promotion, market research, marketing consulting and advertising Contracts involving aggregate consideration in excess of $100,000;

(vi) all employment agreements and Contracts with independent contractors or consultants (or similar arrangements) and which are not cancellable without material penalty or without more than 90 days' notice;

(vii) except for Contracts relating to trade payables, all Contracts relating to indebtedness (including, without limitation, guarantees);

(viii) all Contracts with any Governmental Authority;

(ix) all Contracts that limit or purport to limit the ability of a Holdings Entity to compete in any line of business, with respect to any product with any Person or in any geographic area or market or during any period of time;

(x) any Contracts that provide for any joint venture, partnership or similar arrangement;

(xi) all collective bargaining agreements or Contracts with any Union;

(xii) any Contracts with dispensaries or other potential customers for future supply of cannabis and related products to such Persons, containing covenants to supply such Persons with cannabis or related products in an amount in excess of $100,000; and

(xiii) any other Contract that is material to any Holdings Entity and not previously disclosed pursuant to this Section 3.09.

(b) Each Material Contract is valid and binding on the applicable Holdings Entity in accordance with its terms and is in full force and effect, except to the extent that a Material Contract has expired according to its terms, in which case, such Material Contract remains valid and binding and in full force and effect with respect to the provisions that survive the expiration or termination thereof. None of the Holdings Entities or, to the Company's Knowledge, any other party thereto, is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of any intention to terminate, any Material Contract. No event or circumstance has occurred that, with notice or lapse of time or both, would, with respect to any Holdings Entity, or to the Company's Knowledge, any other party thereto, constitute an event of default under any Material Contract, result in a termination thereof or cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Parent.

(c) Except as set forth on Schedule 3.09(a), no Holdings Entity is currently party to any Material Contract with any party for the supply of cannabis or related products.

Section 3.10. Title to Assets; Real Property.

(a) The Holdings Entities have good and valid (and, in the case of owned Real Property, good and marketable fee simple) title to, or a valid leasehold interest in, all Real Property and personal property and other assets reflected in the Balance Sheet or acquired after the Balance Sheet Date, other than properties and assets (not including Real Property) sold or otherwise disposed of in the Ordinary Course of Business consistent with past practice since the Balance Sheet Date. All such properties and assets (including leasehold interests) are free and clear of Encumbrances except for the items set forth in Section 3.10(a) of the Disclosure Schedules and the following (collectively referred to as "**Permitted Encumbrances**"):

(i) Encumbrances for Taxes not yet due and payable or that are being contested in good faith for which appropriate reserves have been established in accordance with GAAP;

(ii) mechanics, carriers', workmen's, repairmen's or other like liens arising or incurred in the Ordinary Course of Business or amounts that are not delinquent, or, if delinquent, that are being contested in good faith and are not, individually or in the aggregate, material to the business of the Holdings Entities;

(iii) easements, rights of way, covenants, restrictions of record, maps, zoning ordinances and other similar Encumbrances affecting Real Property which do not interfere with the use or operation of such Real Property as such Real Property is presently used or operated;

(iv) other than with respect to owned Real Property, Encumbrances arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the Ordinary Course of Business which are not, individually or in the aggregate, material to the business of the Holdings Entities; or

(v) Encumbrances arising under or in connection with (A) the Assumed Indebtedness or (B) Indebtedness that will be discharged at Closing.

(b) Section 3.10(b) of the Disclosure Schedules lists (i) the street address of each parcel of Real Property; (ii) if such property is leased or subleased by a Holdings Entity, the landlord under the lease, the rental amount currently being paid, and the expiration of the term of such lease or sublease for each leased or subleased property; and (iii) the current use of such Real Property. Except as set forth in a lease applicable to leased Real Property, no Holdings Entity is a party to any agreement or option to purchase any Real Property or interest therein. With respect to owned Real Property, the Holdings Entities have delivered or made available to Parent true, complete and correct copies of the deeds and other instruments (as recorded) by which the Holdings Entity acquired such Real Property, and copies of all title insurance policies, opinions, abstracts and surveys in the possession of the Holdings Entities and relating to the Real Property. With respect to leased Real Property, the Company has delivered or made available to Parent true, complete, and correct copies of any leases affecting such leased Real Property. No Holdings Entity is a sublessor or grantor under any sublease or other instrument granting to any other Person any right to the possession, lease, occupancy or enjoyment of any Real Property. The Holdings Entities' present use and operation of the Real Property in the conduct of the Holdings Entities' business as presently conducted do not violate in any material respect (I) any Law (other than Federal Cannabis Laws), or (II) to the Company's Knowledge, covenant, condition, restriction, easement, license, permit or agreement, applicable to the Real Property. To the Company's Knowledge, no material improvements constituting a part of the Real Property encroach on real property owned or leased by a Person other than a Holdings Entity. There are no Actions pending nor, to the Company's Knowledge, threatened against or affecting the owned Real Property or any portion thereof or interest therein in the nature or in lieu of condemnation or eminent domain proceedings.

Section 3.11. Condition and Sufficiency of Assets. Except as set forth in Section 3.11 of the Disclosure Schedules, the buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property of the Holdings Entities are structurally sound, are in good operating condition and repair, and are adequate for the uses to which they are being put, and none of such buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property (including Company Intellectual Property) owned by the Acquired Companies are sufficient for the continued conduct of the Holdings Entities' business after the Closing in substantially the same manner as the business was conducted prior to the Closing, and (b) the property and assets reflected in the Balance Sheet, or acquired by the Acquired Companies after the Balance Sheet Date, and any other property or assets currently leased by the Acquired Companies, constitute all of the property and assets presently used by the Holdings Entities to conduct the Holdings Entities' business as currently conducted.

Section 3.12. Intellectual Property.

(a) Section 3.12(a) of the Disclosure Schedules contains a correct, current, and complete list of: (i) all Company IP Registrations, specifying as to each, as applicable: the title, mark, or design; the record owner and inventor(s), if any; the jurisdiction by or in which it has been issued, registered, or filed; the patent, registration, or application serial number; the issue, registration, or filing date; and the current status; (ii) all unregistered Trademarks included in the Company Intellectual Property; (iii) all proprietary software of the Holdings Entities; and (iv) all other material Company Intellectual Property used or held for use in the Holdings Entities' business as currently conducted and as proposed to be conducted.

(b) Section 3.12(b) of the Disclosure Schedules contains a correct, current and complete list of all Company IP Agreements, specifying for each the date, title and parties thereto, and separately identifying the Company IP Agreements: (i) under which a Holdings Entity is a licensor or otherwise grants to any Person any right or interest relating to any Company Intellectual Property; (ii) under which a Holdings Entity is a licensee or otherwise granted any right or interest relating to the Intellectual Property of any Person; and (iii) which otherwise relate to the Holdings Entities' ownership or use of Intellectual Property, in each case identifying the Intellectual Property covered by such Company IP Agreement. Holdings has provided Parent with true and complete copies (or in the case of any oral agreements, a complete and correct written description) of all Company IP Agreements, including all modifications, amendments and supplements thereto and waivers thereunder. Each Company IP Agreement is valid and binding on the applicable Holdings Entity in accordance with its terms and is in full force and effect. No Holdings Entity is, and, to Holding's Knowledge, no other party thereto is, or is alleged to be, in breach of or default under, and, no Holdings Entity has provided or received any notice of breach of, default under, or intention to terminate (including by non-renewal), any Company IP Agreement.

(c) Except as set forth in Section 3.12(c) of the Disclosure Schedules, one of the Holdings Entities is the sole and exclusive legal and beneficial, and with respect to the Company IP Registrations, record, owner of all right, title, and interest in and to the Company Intellectual Property, and has the valid and enforceable right to use all other Intellectual Property used or held for use by the Holdings Entities in the conduct of the Holdings Entities' business as currently conducted and as proposed to be conducted, in each case, free and clear of Encumbrances other than Permitted Encumbrances. Except as set forth in Section 3.12(c) of the Disclosure Schedules, the Holdings Entities have, and enforce, a policy requiring their employees to execute a non-competition, proprietary information and assignment agreement and has provided Parent with the form of such Contract.

(d) Other than the Required Consents, neither the execution, delivery or performance of this Agreement, nor the consummation of the transactions contemplated hereunder, will result in the loss or impairment of, or require the consent of any other Person in respect of, the Holdings Entities' rights to own or use any Company Intellectual Property or Licensed Intellectual Property.

(e) All Company IP Registrations are subsisting and in full force and effect. The Holdings Entities have taken all necessary steps to maintain and enforce the Company Intellectual Property, which is registered or for which an application for registration has been filed, and taken all reasonable steps to preserve the confidentiality of all Trade Secrets included in the Company Intellectual Property. All required filings and fees related to the Company IP Registrations have been timely submitted with and paid to the relevant Governmental Authorities and authorized registrars. The Holdings Entities have made available to Parent true and complete copies of all file histories, documents, certificates, office actions, correspondence, assignments, and other instruments relating to the Company IP Registrations.

(f) The conduct of the Holdings Entities' business as currently and formerly conducted and as proposed to be conducted, including the use of the Company Intellectual Property and Licensed Intellectual Property in connection therewith, and the products, processes and services of the Holdings Entities have not infringed, misappropriated or otherwise violated, the Intellectual Property or other rights of any Person. To the Company's Knowledge, no Person has infringed, misappropriated or otherwise violated any Company Intellectual Property or Licensed Intellectual Property.

(g) There are no Actions (including any opposition, cancellation, revocation, review or other proceeding), whether settled, pending or threatened in writing (including in the form of offers to obtain a license): (i) alleging any infringement, misappropriation, or other violation by any Holdings Entity of the Intellectual Property of any Person; (ii) challenging the validity, enforceability, registrability, patentability, or ownership of any Company Intellectual Property or the Holdings Entities' right, title, or interest in or to any Company Intellectual Property or Licensed Intellectual Property; or (iii) by any Holdings Entity or, to the Company's Knowledge, by the owner of any Licensed Intellectual Property alleging any infringement, misappropriation or other violation by any Person of the Company Intellectual Property or such Licensed Intellectual Property. To the Company's Knowledge, no facts or circumstances exist that could reasonably be expected to give rise to such Action. No Holdings Entity is subject to any outstanding or, to the Company's Knowledge, prospective Governmental Order (including any motion or petition therefor) that does or could reasonably be expected to restrict or impair the use of any Company Intellectual Property or Licensed Intellectual Property.

(h) Section 3.12(h) of the Disclosure Schedules contains a correct, current, and complete list of all social media accounts used in the Holdings Entities' business. The Holdings Entities have complied in all material respects with all terms of use, terms of service, and other Contracts and all associated policies and guidelines relating to its use of any social media platforms, sites, or services (collectively, "**Platform Agreements**"). There are no Actions, whether settled, pending, or, to the Company's Knowledge, threatened, against any Holdings Entity alleging any (A) breach or other violation of any Platform Agreement by any Holdings Entity; or (B) defamation, violation of publicity rights of any Person, or any other violation of applicable Law by any Holdings Entity in connection with its use of social media.

(i) All Company IT Systems are in good working condition and are all of the Company IT Systems used in the operation of the Holdings Entities' business as currently conducted and as proposed to be conducted. In the past six years, there has been no malfunction, failure, continued substandard performance, denial-of-service, or other cyber incident, including any cyberattack, or other impairment of the Company IT Systems that has not been remedied. The Holdings Entities have taken commercially reasonable steps to safeguard the confidentiality, availability, security, and integrity of the Company IT Systems, including implementing and maintaining commercially reasonable backup, disaster recovery, and software and hardware support arrangements.

(j) The Holdings Entities have complied in all material respects with all applicable Laws and all internal or publicly posted policies, notices, and statements concerning the collection, use, processing, storage, transfer, and security of personal information in the conduct of the Holdings Entities' business. In the past six years, no Holdings Entity has (i) experienced any known actual, alleged, or suspected data breach or other security incident involving personal information in its possession or control or (ii) been subject to or received any notice of any audit, investigation, complaint, or other Action by any Governmental Authority or other Person concerning the Holdings Entity's collection, use, processing, storage, transfer, or protection of personal information or actual, alleged, or suspected violation of any applicable Law concerning privacy, data security, or data breach notification, and there are no facts or circumstances that could reasonably be expected to give rise to any such Action.

Section 3.13. Inventory. All inventory of the Holdings Entities, whether or not reflected in the Balance Sheet, (a) except as set forth in Section 3.13(b) of the Disclosure Schedules, consists of a quality and quantity usable or salable consistent with good and accepted practices in the cannabis industry and in the Ordinary Course of Business, except for spoiled, obsolete, damaged, contaminated, defective or slow-moving items that have been written off or written down to fair market value or for which adequate reserves have been established, (b) except as set forth in Section 3.13(b) of the Disclosure Schedules, is of a quantity usable or saleable consistent with good and accepted practices in the cannabis industry and in the Ordinary Course of Business, (c) was cultivated, harvested, produced, tested, handled and delivered in accordance with all applicable Laws (except for the Federal Cannabis Laws), and (d) does not contain any prohibited pesticides, contaminants or any other substance at levels or tolerances or in amounts prohibited by applicable Laws. Other than such inventory sold or otherwise disposed of in the Ordinary Course of Business, all such inventory is owned by the Holdings Entities free and clear of all Encumbrances, other than Permitted Encumbrances, and no such inventory is held on a consignment basis.

Section 3.14. Accounts Receivable. Except as set forth in Section 3.14 of the Disclosure Schedules, the accounts receivable reflected on the Interim Balance Sheet and the accounts receivable arising after the date thereof (a) have arisen from bona fide transactions entered into by the Holdings Entities involving the sale of goods or the rendering of services in the Ordinary Course of Business; and (b) constitute only valid, undisputed claims of the Holdings Entities not subject to claims of set-off or other defenses or counterclaims, other than normal cash discounts accrued in the Ordinary Course of Business. The reserve for bad debts shown on the Interim Balance Sheet on the accounting records of the Holdings Entities have been determined in accordance with the Accounting Principles, and, with respect to accounts receivable arising after the Interim Balance Sheet Date have been determined in accordance in all material respects with the Accounting Principles, both consistently applied, and both subject to normal year-end adjustments and the absence of disclosures normally made in footnotes.

Section 3.15. Customers and Suppliers.

(a) Section 3.15(a) of the Disclosure Schedules sets forth (i) each customer who has paid aggregate consideration to any Holdings Entity for goods or services rendered in an amount greater than or equal to $100,000 for each of 2022 and 2023 (collectively, the "**Material Customers**"); and (ii) the amount of consideration paid by each Material Customer during such periods. Except as set forth in Section 3.15(a) of the Disclosure Schedules, no Material Customer has ceased, and no Holdings Entity has received any notice that any Material Customer intends to cease after the Closing, and no Holdings Entity has Knowledge of such intent to cease, to use its goods or services or to otherwise terminate or materially reduce its relationship with the Holdings Entities.

(b) Section 3.15(b) of the Disclosure Schedules sets forth (i) each supplier to whom any Holdings Entity has paid consideration for goods or services rendered in an amount greater than or equal to $100,000 for each of 2022 and 2023 (collectively, the "**Material Suppliers**"); and (ii) the amount of purchases from each Material Supplier during such periods. Except as set forth in Section 3.15(b) of the Disclosure Schedules, no Material Supplier has ceased, and no Holdings Entity has received any notice that any Material Supplier intends to cease after the Closing, and no Holdings Entity has Knowledge of such intent to cease, to supply goods or services to the Holdings Entity or to otherwise terminate or materially reduce its relationship with the Holdings Entity.

Section 3.16. Insurance. Section 3.16 of the Disclosure Schedules sets forth a true and complete list of all current policies or binders of fire, liability, product liability, umbrella liability, real and personal property, workers' compensation, vehicular, directors' and officers' liability, fiduciary liability and other casualty and property insurance maintained by Holdings Entities and relating to the assets, business, operations, employees, officers and directors of the Holdings Entities (collectively, the "**Insurance Policies**") and true and complete copies of such Insurance Policies have been made available to Parent. Such Insurance Policies are in full force and effect and, subject to the Required Consents, shall remain in full force and effect following the consummation of the transactions contemplated by this Agreement. No Holdings Entity has received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such Insurance Policies. All premiums due on such Insurance Policies have either been paid or, if due and payable prior to Closing, will be paid prior to Closing in accordance with the payment terms of each Insurance Policy. The Insurance Policies do not provide for any retrospective premium adjustment or other experience-based liability on the part of any Holdings Entity. All such Insurance Policies (a) are valid and binding in accordance with their terms; (b) to the Company's Knowledge, are provided by carriers who are financially solvent; and (c) have not been subject to any lapse in coverage. Except as set forth on Section 3.16 of the Disclosure Schedules, there are no claims related to the business of the Holdings Entities pending under any such Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. No Holdings Entity is in default under, and has not otherwise failed to comply with, in any material respect, any provision contained in any such Insurance Policy. The Insurance Policies are of the type and in the amounts customarily carried by Persons conducting a business similar to the Holdings Entities and are for coverage in amounts in compliance with all applicable Laws and Material Contracts to which any Holdings Entity is a party or by which it is bound.

Section 3.17. Legal Proceedings; Governmental Orders.

(a) Except as set forth in Section 3.17(a) of the Disclosure Schedules, as of the date hereof and as of January 1, 2025 there are no Actions pending or, to the Company's Knowledge, threatened (i) against or by any Holdings Entity affecting any of its properties or assets; or (ii) against or by any Holdings Entity that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. As of the date hereof and as of January 1, 2025, to the Company's Knowledge, no event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

(b) Except as set forth in Section 3.17(b) of the Disclosure Schedules, there are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting any Holdings Entity or any of its properties or assets. Each Holdings Entity is in compliance with the terms of each Governmental Order set forth in Section 3.17(b) of the Disclosure Schedules. No event has occurred or circumstances exist that may constitute or result in (with or without notice or lapse of time) a violation of such Governmental Order.

Section 3.18. Compliance With Laws; Permits.

(a) Except as set forth in Section 3.18(a) of the Disclosure Schedules and with respect to Federal Cannabis Laws, each Holdings Entity has complied, and is now complying, in all material respects with all Laws applicable to it or its business, properties or assets.

(b) Each Holdings Entity is in compliance in all material respects with all applicable state and local Laws, and, other than Federal Cannabis Laws, Laws and regulatory systems controlling the cultivation, harvesting, production, handling, storage, distribution, sale and possession of cannabis or medical marijuana. No Holdings Entity imports or exports cannabis products from or to any foreign country.

(c) All Permits required for any Holdings Entity to conduct its business as presently conducted have been obtained by it and are valid and in full force and effect.

(d) All fees and charges with respect to such Permits as of the date hereof have been paid in full. Section 3.18(d) of the Disclosure Schedules lists all current Permits issued to any Holdings Entity, including the names of the Permits and their respective dates of issuance and expiration. Except as set forth in Section 3.18(d) of the Disclosure Schedules, no event has occurred, or failed to occur, that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse, surrender or limitation of any Permit set forth in Section 3.18(d) of the Disclosure Schedules.

Section 3.19. Environmental Matters.

(a) Each Holdings Entity is currently and has been in compliance in all material respects with all Environmental Laws and has not received from any Person any: (i) Environmental Notice or Environmental Claim; or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements.

(b) Each Holdings Entity has obtained and is in material compliance with all Environmental Permits (each of which is disclosed in Section 3.19(b) of the Disclosure Schedules) necessary for the ownership, lease, operation or use of the business or assets of such Holdings Entity as presently conducted and all such Environmental Permits are in full force and effect and shall be maintained by the Holdings Entity through the Closing Date in accordance with Environmental Law, and, to the Company's Knowledge, no condition, event or circumstance exists with respect to any Holdings Entity, or its business or operations as presently conducted, that constitutes a material violation of any Environmental Permit.

(c) No real property currently or formerly owned, operated or leased by any Holdings Entity is listed on, or has been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA, or any similar state list.

(d) There has been no Release of Hazardous Materials in contravention of Environmental Law with respect to the business or assets of the Holdings Entities, or, by any Holdings Entity with respect to any real property currently owned, operated or leased by the Company, or, to the Company's Knowledge, formerly owned, operated or leased by any Holdings Entity, and no Holdings Entity has received an Environmental Notice that any real property currently or formerly owned, operated or leased in connection with the business of the Holdings Entities (including soils, groundwater, surface water, buildings and other structure located on any such real property) has been contaminated with any Hazardous Material which could reasonably be expected to result in an Environmental Claim against, or a violation of Environmental Law or term of any Environmental Permit by, any Holdings Entity.

(e) Section 3.19(e) of the Disclosure Schedules contains a complete and accurate list of all active or abandoned aboveground or underground storage tanks for Hazardous Materials owned or operated by any Holdings Entity.

(f) Section 3.19(f) of the Disclosure Schedules contains a complete and accurate list of all off-site Hazardous Materials treatment, storage, or disposal facilities or locations used by any Holdings Entity and any predecessors as to which any Holdings Entity may retain liability, and, to the Company's Knowledge, none of these facilities or locations has been placed or proposed for placement on the National Priorities List (or CERCLIS) under CERCLA or any similar state list, and no Holdings Entity has received any Environmental Notice regarding potential liabilities with respect to such off-site Hazardous Materials treatment, storage or disposal facilities or locations used by any Holdings Entity.

(g) No Holdings Entity has retained or assumed, by contract or operation of Law, any liabilities or obligations of third parties under Environmental Law.

(h) The Holdings Entities have provided or otherwise made available to Parent: (i) 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 any Holdings Entity or any currently or formerly owned, operated or leased real property which are in the possession or control of any Holdings Entity related to compliance with Environmental Laws, Environmental Claims or an Environmental Notice or the Release of Hazardous Materials; and (ii) 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 (including, without limitation, costs of remediation, pollution control equipment and operational changes).

(i) To the Company's Knowledge, no condition, event or circumstance concerning the Release or regulation of Hazardous Materials exists that could reasonably be expected to prevent, impede or materially increase the costs associated with the ownership, lease, operation, performance or use of the business or assets of any Holdings Entity as currently carried out.

(j) No Holdings Entity possesses, and is not entitled to, any Environmental Attributes.

Section 3.20. Employee Benefit Matters.

(a) Section 3.20(a) of the Disclosure Schedules contains a true and complete list of each pension, benefit, retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock-based, change in control, retention, severance, vacation, paid time off (PTO), medical, vision, dental, disability, welfare, Code Section 125 cafeteria, fringe-benefit and other similar agreement, plan, policy, program or arrangement (and any amendments thereto), in each case whether or not reduced to writing and whether funded or unfunded, including each "employee benefit plan" within the meaning of Section 3(3) of ERISA, whether or not tax-qualified and whether or not subject to ERISA, which is or has been maintained, sponsored, contributed to, or required to be contributed to by any Holdings Entity for the benefit of any current or former employee, officer, director, retiree, independent contractor or consultant of any Holdings Entity or any spouse or dependent of such individual, or under which any Holdings Entity or any of its ERISA Affiliates has or may have any Liability, or with respect to which Parent or any of its Affiliates would reasonably be expected to have any Liability, contingent or otherwise (as listed on Section 3.20(a) of the Disclosure Schedules, each, a "**Benefit Plan**").

(b) With respect to each Benefit Plan, the Company has made available to Parent accurate, current and complete copies of each of the following: (i) where the Benefit Plan has been reduced to writing, the plan document together with all amendments; (ii) where the Benefit Plan has not been reduced to writing, a written summary of all material plan terms; (iii) where applicable, copies of any trust agreements or other funding arrangements, custodial agreements, insurance policies and contracts, administration agreements and similar agreements, and investment management or investment advisory agreements, now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise; (iv) copies of any summary plan descriptions, summaries of material modifications, summaries of benefits and coverage, COBRA communications, employee handbooks and any other written communications (or a description of any oral communications) relating to any Benefit Plan; (v) in the case of any Benefit Plan that is intended to be qualified under Section 401(a) of the Code, a copy of the most recent determination, opinion or advisory letter from the Internal Revenue Service and any legal opinions issued thereafter with respect to such Benefit Plan's continued qualification; (vi) in the case of any Benefit Plan for which a Form 5500 must be filed, a copy of the two most recently filed Forms 5500, with all corresponding schedules and financial statements attached; (vii) actuarial valuations and reports related to any Benefit Plans with respect to the two most recently completed plan years, if any; (viii) the most recent nondiscrimination tests performed under the Code, if any; and (ix) copies of any material notices, letters or other correspondence from the Internal Revenue Service, Department of Labor, Department of Health and Human Services, Pension Benefit Guaranty Corporation or other Governmental Authority relating to the Benefit Plan.

(c) Except as set forth in Section 3.20(c) of the Disclosure Schedules, each Benefit Plan and any related trust (other than any multiemployer plan within the meaning of Section 3(37) of ERISA (each a "**Multiemployer Plan**")) has been established, administered and maintained in accordance with its terms and in compliance with all applicable Laws (including ERISA and the Code). Each Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code (a "**Qualified Benefit Plan**") is so qualified and received a favorable and current determination letter from the Internal Revenue Service with respect to the most recent five year filing cycle, or with respect to a prototype or volume submitter plan, can rely on an opinion letter from the Internal Revenue Service to the prototype plan or volume submitter plan sponsor, to the effect that such Qualified Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and, to the Company's Knowledge, no event or circumstance has occurred that could reasonably be expected to adversely affect the qualified status of any Qualified Benefit Plan. No event or circumstance has occurred with respect to any Benefit Plan that has subjected or, to the Company's Knowledge, could reasonably be expected to subject any Holdings Entity or any of its ERISA Affiliates or, with respect to any period on or after the Closing Date, Parent or any of its Affiliates, to a penalty under Section 502 of ERISA or to tax or penalty under Sections 4975 or 4980H of the Code. Except as set forth in Section 3.20(c) of the Disclosure Schedules, all benefits, contributions and premiums relating to each Benefit Plan have been timely paid in accordance with the terms of such Benefit Plan and all applicable Laws and the Historical Account Principles, and all benefits accrued under any unfunded Benefit Plan have been paid, accrued or otherwise adequately reserved to the extent required by, and in accordance with, the Historical Accounting Principles.

(d) Neither any Holdings Entity nor any of its ERISA Affiliates has (i) incurred or reasonably expects to incur, either directly or indirectly, any material Liability under Title I or Title IV of ERISA or related provisions of the Code or applicable local Law relating to any Benefit Plan; (ii) failed to timely pay any premiums to the Pension Benefit Guaranty Corporation; (iii) withdrawn from any Benefit Plan; (iv) engaged in any transaction which would give rise to liability under Section 4069 or Section 4212(c) of ERISA; (v) incurred taxes under Section 4971 of the Code with respect to any Single Employer Plan; or (vi) participated in a multiple employer welfare arrangements (MEWA).

(e) Except as set forth on Section 3.20(e) of the Disclosure Schedule, with respect to each Benefit Plan (i) no such plan is a Multiemployer Plan; (ii) no such plan is a "**multiple employer plan**" within the meaning of Section 413(c) of the Code or a "**multiple employer welfare arrangement**" (as defined in Section 3(40) of ERISA); (iii) no Action has been initiated by the Pension Benefit Guaranty Corporation to terminate any such plan or to appoint a trustee for any such plan; (iv) no such plan or the plan of any ERISA Affiliate maintained or contributed to within the last six (6) years is a Single Employer Plan subject to Title IV of ERISA; and (v) no "**reportable event,**" as defined in Section 4043 of ERISA, with respect to which the reporting requirement has not been waived, has occurred with respect to any such plan. Neither any Holdings Entity nor any ERISA Affiliate has incurred any withdrawal liability under Title IV of ERISA which remains unsatisfied.

(f) Each Benefit Plan can be amended, terminated or otherwise discontinued after the Closing in accordance with its terms. No Holdings Entity has any commitment or obligation and has not made any representations to any employee, officer, director, independent contractor or consultant, whether or not legally binding, to adopt, amend, modify or terminate any Benefit Plan, in connection with the consummation of the transactions contemplated by this Agreement or otherwise.

(g) Other than as required under Sections 601 to 608 of ERISA or other applicable Law, no Benefit Plan provides post-termination or retiree health benefits to any individual for any reason, and neither any Holdings Entity nor any of its ERISA Affiliates has any Liability to provide post-termination or retiree health benefits to any individual or ever represented, promised or contracted to any individual that such individual would be provided with post-termination or retiree health benefits.

(h) There is no pending or, to the Company's Knowledge, threatened Action relating to a Benefit Plan (other than routine claims for benefits), and no Benefit Plan has within the three years prior to the date hereof been the subject of an examination or audit by a Governmental Authority or the subject of an application or filing under or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Authority.

(i) There has been no amendment to, announcement by any Holdings Entity or any of its Affiliates relating to, or change in employee participation or coverage under, any Benefit Plan that would increase the annual expense of maintaining such plan above the level of the expense incurred for the most recently completed fiscal year (other than on a de minimis basis and other than increases to expenses to provide of maintain a Benefit Plan incurred in the Ordinary Course of Business) with respect to any director, officer, employee, independent contractor or consultant, as applicable. Neither any Holdings Entity nor any of its Affiliates has any commitment or obligation or has made any representations to any director, officer, employee, independent contractor or consultant, whether or not legally binding, to adopt, amend, modify or terminate any Benefit Plan.

(j) Each Benefit Plan that is subject to Section 409A of the Code has been administered in compliance with its terms and the operational and documentary requirements of Section 409A of the Code and all applicable regulatory guidance (including notices, rulings and proposed and final regulations) thereunder. No Holdings Entity has any obligation to gross up, indemnify or otherwise reimburse any individual for any excise taxes, interest or penalties incurred pursuant to Section 409A of the Code.

(k) Each individual who is classified by a Holdings Entity as an independent contractor has been properly classified for purposes of participation and benefit accrual under each Benefit Plan.

(l) Except as set forth in Section 3.20(l) of the Disclosure Schedules, neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events) entitle any current or former director, officer, employee, independent contractor or consultant of any Holdings Entity to severance pay or any other payment or accelerate the time of payment, funding or vesting, or increase the amount of compensation (including stock-based compensation) due to any such individual. Except as set forth in Section 3.20(l) of the Disclosure Schedules neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events): (i) limit or restrict the right of any Holdings Entity to merge, amend or terminate any Benefit Plan; (ii) increase the amount payable under or result in any other material obligation pursuant to any Benefit Plan; (iii) result in "**excess parachute payments**" within the meaning of Section 280G(b) of the Code; or (iv) require a "**gross-up**" or other payment to any "**disqualified individual**" within the meaning of Section 280G(c) of the Code.

Section 3.21. Employment Matters.

(a) Section 3.21(a) of the Disclosure Schedules contains a list of all persons who are employees of each Holdings Entity, or independent contractors or consultants regularly engaged in the business or operations of the Holdings Entities, as of the date hereof, including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full-time or part-time); (iii) hire or retention date; (iv) current annual base compensation rate or contract fee; (v) commission, bonus or other incentive-based compensation; and (vi) a description of the fringe benefits provided to each such individual as of the date hereof. Except as set forth in Section 3.21(a) of the Disclosure Schedules, as of the date hereof, all compensation, including wages, commissions, bonuses, fees and other compensation, payable to all employees, independent contractors or consultants of each Holdings Entity for services performed on or prior to the date hereof have been paid in full (or, as of the Closing Date, will be included as Current Liabilities in the estimated Closing Working Capital). Except as set forth in Section 3.21(a) of the Disclosure Schedules, there are no outstanding agreements, understandings or commitments of each Holdings Entity with respect to any increases to compensation, commissions, bonuses or fees payable to employees, independent contractors or consultants of the Holdings Entity for services performed after Closing, except as provided in the Benefit Plans or in the Ordinary Course of Business.

(b) No Holdings Entity is, and has not been, a party to, bound by, or negotiating any collective bargaining agreement or other Contract with a union, works council or labor organization (collectively, "**Union**"), and there is not, and has not been, any Union representing or purporting to represent any employee of any Holdings Entity, and, to the Company's Knowledge, no Union or group of employees is seeking or has sought to organize employees for the purpose of collective bargaining. There has never been, nor, to the Company's Knowledge, has there been any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor disruption or dispute affecting any Holdings Entity or any of its employees. No Holdings Entity has a duty to bargain with any Union.

(c) Each Holdings Entity is and has been in compliance in all material respects with all applicable Laws pertaining to employment and employment practices to the extent they relate to employees, consultants and independent contractors of the Holdings Entity, including all Laws relating to labor relations, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers' compensation, leaves of absence, paid sick leave and unemployment insurance. All individuals characterized and treated by the Holdings Entities as independent contractors or consultants are properly treated as independent contractors under all applicable Laws. All employees of the Holdings Entities classified as exempt under the Fair Labor Standards Act and state and local wage and hour laws are properly classified in all material respects. Each Holdings Entity is and has been in compliance in all material respects with all applicable immigration laws, including Form I-9 requirements. Except as set forth in Section 3.21(c), there are no, and in the past three years there have not been any, Actions against any Holdings Entity 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 or independent contractor of any Holdings Entity, including, without limitation, any charge, investigation or claim relating to unfair labor practices, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, employee classification, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers' compensation, leaves of absence, paid sick leave, unemployment insurance or any other employment-related matter arising under applicable Laws.

(d) Each Holdings Entity has complied in all material respects with the WARN Act, and it has no plans to undertake any action in the future that would trigger the WARN Act.

(e) The Holdings Entities have not received written notice of the intent of any Governmental Authority responsible for the enforcement of labor or employment Law to conduct an investigation with respect to or relating to employees and, to the Knowledge of Holdings, no such investigation is in progress.

(f) Section 3.21(f) of the Disclosure Schedules sets forth a true and complete list as of the date hereof of each separate written employment, consulting, severance, retention, indemnification, termination or change-of-control Contract between each Holdings Entity and any individual employee, officer, manager, or director of the Holdings Entity.

Section 3.22. Taxes. Except as set forth in Section 3.22 of the Disclosure Schedules:

(a) All income and other material Tax Returns required to be filed on or before the Closing Date by the Holdings Entities have been, or will be, timely filed with the appropriate taxing authorities. Such Tax Returns are, or will be, true, complete and correct in all material respects. All income and other material Taxes due and owing by the Company on or before the Closing Date (whether or not shown on any Tax Return) have been, or will be, timely and properly paid.

(b) Each Holdings Entity has timely and properly withheld and paid all material Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, customer, Member or other party, and complied in all material respects with all information reporting and backup withholding provisions of applicable Law.

(c) No claim has been made in writing by any taxing authority in any jurisdiction where any Holdings Entity does not file Tax Returns that it is, or may be, subject to Tax by that jurisdiction.

(d) No waiver, extension or comparable consent given by the Holdings Companies regarding the application of the statute of limitations with respect to any Taxes or Tax Returns is outstanding, nor is any request for any such waiver or consent pending, in each case other than as a result of automatic, six-month extensions granted in connection with the filing of an originally-filed Tax Return.

(e) The amount of the Holdings Entities' Liability for unpaid Taxes for all periods ending on or before the Interim Balance Sheet Date does not, in the aggregate, exceed the amount of accruals for Taxes (excluding reserves for deferred Taxes) reflected on the Interim Financial Statements. The amount of the Holdings Entities' Liability of unpaid Taxes for all periods following the end of the recent period covered by the Financial Statements shall not, in the aggregate, exceed the amount of accruals for Taxes (excluding reserves for deferred Taxes) as adjusted for the passage of time in accordance with the past custom and practice of the Company.

(f) Except as set forth on Section 3.22(f) of the Disclosure Schedules, no deficiency for, or request for information relating to, any Taxes has been proposed, asserted or assessed against any Holdings Entity in writing that has not been fully resolved.

(g) Except as set forth on Section 3.22(g) of the Disclosure Schedules, there is no pending Tax audit or other administrative proceeding or court proceeding with regard to any Taxes or Tax Returns of any of the Holdings Entities, nor has there been any written notice to any of the Holdings Entities by any taxing authority regarding any such potential or threatened Tax audit or other proceeding.

(h) Holdings has made available or will make available to Parent correct and complete copies of all federal, state, local and foreign income, franchise and similar Tax Returns, examination reports, and statements of deficiencies assessed against, or agreed to by, any Holdings Entity for all Tax periods ending after December 31, 2019.

(i) There are no Encumbrances for Taxes (other than for current Taxes not yet due and payable) upon the assets of any Holdings Entity.

(j) No Holdings Entity is a party to, or bound by, any Tax indemnity, Tax sharing or Tax allocation agreement.

(k) No Holdings Entity has requested or received a ruling from any taxing authority or signed any binding agreement with any taxing authority that might affect the amount of Tax due from any of the Holdings Entities after the Closing Date. Other than powers of attorney executed by a Holdings Entity in the Ordinary Course of Business for the purposes of filing Tax Returns and responding to inquiries related thereto all of which may be terminated after the Closing, no power of attorney with respect to Taxes has been executed or filed with any taxing authority by or on behalf of any of the Holdings Entities that will remain in effect at the Closing.

(l) No Holdings Entity has been a member of an affiliated, combined, consolidated or unitary Tax group for Tax purposes (other than any such group of which the Company is the common parent). No Holdings Entity has any Liability for Taxes of any Person (other than another Holdings Entity) under Treasury Regulations Section 1.1502-6 (or any corresponding provision of state, local or foreign Law), as transferee or successor or by contract.

(m) No Holdings Entity will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for taxable period or portion thereof ending after the Closing Date as a result of:

(i) any change in a method of accounting under Section 481 of the Code (or any comparable provision of state, local or foreign Laws relating to Taxes), or use of an improper method of accounting, for a taxable period ending on or prior to the Closing Date;

(ii) an installment sale or open transaction occurring on or prior to the Closing Date;

(iii) a prepaid amount received on or before the Closing Date outside of the Ordinary Course of Business; or

(iv) any closing agreement under Section 7121 of the Code, or similar provision of state, local or foreign Law.

(n) No Holdings Entity has been a "**distributing corporation**" or a "**controlled corporation**" in connection with a distribution described in Section 355 of the Code.

(o) No Holdings Entity is, and has not been, a party to, or a promoter of, a "**listed transaction**" within the meaning of Section 6707A(c)(2) of the Code and Treasury Regulations Section 1.6011-4(b)(2).

(p) Each of the Companies will be classified as of the Closing as an association taxable as a corporation for U.S. federal and applicable state and local income Tax purposes. No Holdings Entity has ever been or has filed any Tax Return as an S corporation (within the meaning of Sections 1361 and 1362 of the Code) or as a "**qualified subchapter S subsidiary**" (within the meaning of Section 1361(b)(3)(B) of the Code).

(q) To the Knowledge of Holdings, there are no facts, circumstances or plans that, either alone or in combination, could reasonably be expected to prevent either or both of the Mergers from qualifying for the Intended Merger Tax Treatment.

(r) To the Knowledge of Holdings, there are no facts, circumstances or plans that, either alone or in combination, could reasonably be expected to prevent the Holdings Restructure (excluding the contribution of Arches to MSA Newco, the distribution by Holdings LLC of all of its nonregulated assets to MSA Newco, and the distribution by MSA Newco of all of its equity interests in Horizon LLC to Holdings) from qualifying for the Intended Restructure Tax Treatment.

Section 3.23. Books and Records. The minute books of the Acquired Companies, all of which have been made available to Parent, are complete and correct in all material respects and have been maintained in accordance with sound business practices. The minute books of the Acquired Companies contain, in all material respects, accurate and complete records of all meetings, and actions taken by written consent of, the equity holders of the Acquired Companies, and any boards of directors or equivalent governing body and any committees thereof of each Acquired Company, as applicable. The equity record books of the Acquired Companies, all of which have been made available to Parent, are complete and correct and have been maintained in accordance with sound business practices. At the Closing, all of those books and records will be in the possession of the Acquired Companies.

Section 3.24. Related Party Transactions. Except as set forth on Section 3.24 of the Disclosure Schedules, no executive officer or director of any Holdings Entity or any person owning 5% or more of the Shares (or any of such person's immediate family members or Affiliates or associates) is a party to any Contract with or binding upon any Holdings Entity or any of its assets, rights or properties or has any interest in any property owned by any Holdings Entity or has engaged in any transaction with any of the foregoing within the last twelve (12) months.

Section 3.25. Brokers. Other than Lineage Merchant Partners, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Ancillary Document based upon arrangements made by or on behalf of any Holdings Entity.

Section 3.26. Securities Law Matters. The Acquired Companies are not required to register any securities with the SEC under the Exchange Act or file reports with the SEC pursuant to Section 12(g) or Section 12(b) of the Exchange Act, is not in default under applicable Securities Laws, and the Company has complied in all material respects with applicable Securities Laws. No Acquired Company is an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

Section 3.27. Investor Sophistication. Holdings is an "accredited investor", as such term is defined in Rule 501(a) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating independently the merits and risks of its investment in the Parent Shares and is able to bear the economic risk of loss of its investment in the Parent Shares.

Section 3.28. No Other Representations and Warranties. The representations and warranties contained in this Article III constitute the sole and exclusive representations and warranties of Holdings and the Companies to Parent, Merger Sub 1 and Merger Sub 2 in connection with the transactions contemplated hereby, and Parent, Merger Sub 1 and Merger Sub 2 understand, acknowledge and agree that all other representations and warranties of any kind or nature expressed or implied (including (a) any relating to the future or historical financial condition, results of operations, assets or liabilities of the Acquired Companies, the Holding Entities or their business or operations, or (b) as to the accuracy or completeness of any information regarding the Holdings Entities furnished or made available to Parent, Merger Sub or their representatives) are specifically disclaimed by Holdings and Companies.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUBS

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules or as contemplated by Section 5.17(b), Parent, Merger Sub 1 and Merger Sub 2 represent and warrant to the Companies as follows:

Section 4.01. Organization and Authority of Parent, Merger Sub 1 and Merger Sub 2. Each of Parent, Merger Sub 1 and Merger Sub 2 is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation. Each of Parent, Merger Sub 1 and Merger Sub 2 has full corporate power and authority to enter into and (subject to obtaining the Exchange Approval and subject to obtaining the Parent Shareholder Approval) perform its obligations under this Agreement and the Ancillary Documents to which it is a party and to consummate the transactions contemplated hereby and thereby, except with respect to the impact of any Federal Cannabis Laws. The execution, delivery and performance by Parent, Merger Sub 1 and Merger Sub 2 of this Agreement and any Ancillary Document to which they are a party and the consummation by Parent, Merger Sub 1 and Merger Sub 2 of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Parent, Merger Sub 1 and Merger Sub 2, subject to obtaining the Parent Shareholder Approval, and no other corporate proceedings on the part of Parent, Merger Sub 1 and Merger Sub 2 are necessary to authorize the execution, delivery and performance of this Agreement or to consummate the Mergers and the other transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by Parent, Merger Sub 1 and Merger Sub 2, and (assuming due authorization, execution and delivery by each other party hereto) this Agreement constitutes a legal, valid and binding obligation of Parent, Merger Sub 1 and Merger Sub 2 enforceable against Parent, Merger Sub 1 and Merger Sub 2 in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, may be granted only in the discretion of a court of competent jurisdiction, except as such enforceability may be limited by applicable Laws, including Federal Cannabis Laws, and by general principles of equity. When each Ancillary Document to which Parent, Merger Sub 1 or Merger Sub 2 is or will be a party has been duly executed and delivered by Parent, Merger Sub 1 or Merger Sub 2 (assuming due authorization, execution and delivery by each other party thereto), such Ancillary Document will constitute a legal and binding obligation of Parent, Merger Sub 1 or Merger Sub 2 enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable Laws, including Federal Cannabis Laws, and by general principles of equity, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, may be granted only in the discretion of a court of competent jurisdiction.

Section 4.02. No Conflicts; Consents. The execution, delivery and performance by Parent, Merger Sub 1 and Merger Sub 2 of this Agreement and the Ancillary Documents to which they are a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the notice of articles and articles or articles of incorporation, and by-laws, as applicable, or other organizational documents of Parent, Merger Sub 1 or Merger Sub 2; (b) subject to Parent's prior delivery and receipt of notices and approvals required by the Parent Cannabis Laws and the Missouri Cannabis Laws, and the approval by the shareholders of Parent and the Exchange Approval, and assuming Holdings qualifies for a valid exemption under applicable Securities Laws with respect to receipt of any Parent Shares, conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Parent, Merger Sub 1 or Merger Sub 2 (except for Federal Cannabis Laws); or (c) except as set forth in Section 4.02 of the Disclosure Schedules, require the consent, notice or other action by any Person under any Contract to which Parent, Merger Sub 1 or Merger Sub 2 is a party. The Parent Board, by resolutions duly adopted by unanimous written consent of the Parent Board, has, as of the date hereof (i) determined that this Agreement and the transactions contemplated hereby, including the issuance of Parent Shares, are fair to, and in the best interests of, the shareholders of Parent, (ii) approved and declared advisable the transactions contemplated by this Agreement, including the issuance of Parent Shares, (ii) directed that the transactions contained in this Agreement be submitted to the shareholders of the Parent entitled to vote thereon for adoption as required by the policies of the Exchange, and (iii) resolved to recommend that the shareholders of the Parent entitled to vote thereon adopt the Parent Resolution set forth in this Agreement (collectively, the "**Parent Board Recommendation**") and directed that such matter be submitted for consideration of the shareholders of Parent. Other than notice and approvals required by the Parent Cannabis Laws and Missouri Cannabis Laws, and the approval by the shareholders of Parent and the Exchange Approval, no consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Parent, Merger Sub 1 or Merger Sub 2 in connection with the execution, delivery and performance of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby, except for the filing of the Articles of Merger with the Secretary of State of Missouri and such filings and approvals as may be required under the HSR Act and under Securities Laws.

Section 4.03. No Prior Merger Sub Operations. Merger Sub 1 and Merger Sub 2 were formed solely for the purpose of effecting the Mergers and has not engaged in any business activities or conducted any operations other than in connection with the transactions contemplated hereby.

Section 4.04. Brokers. Except for Moelis & Company, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Parent, Merger Sub 1 or Merger Sub 2.

Section 4.05. Solvency. Parent, Merger Sub 1 and Merger Sub 2 are solvent as of the date of this Agreement and, Parent, Merger Sub1, Merger Sub 2, and their subsidiaries and Affiliates (excluding the Company) will, immediately prior to Closing but after giving effect to the transactions contemplated by this Agreement (and assuming the accuracy of the representations and warranties in Article III), and taking into account all other amounts required to be paid, borrowed or refinanced in connection with the transactions contemplated by this Agreement and all related fees and expenses, be solvent.

Section 4.06. Legal Proceedings. Except as disclosed in Section 4.06 of the Disclosure Schedules, as of the date hereof, there are no Actions pending or, to Parent's Knowledge, threatened against or by Parent, Merger Sub 1, Merger Sub 2 or any of their respective Affiliates that (i) materially affect any of their properties or assets or (ii) challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. As of the date hereof, to Parent's Knowledge, no event has occurred or circumstances exist that may give rise or serve as a basis for any such Action.

Section 4.07. Capitalization.

(a) As of the close of business on November 25, 2024, the issued and outstanding share capital of Parent consists of (i) 200,464,196 Parent Shares, (ii) 298,314 Parent Multiple Voting Shares, and (iii) nil super voting shares. In addition, as of the close of business on November 25, 2024, an aggregate of 36,648,077 Parent Shares are issuable upon the exercise of outstanding equity award options and 19,134,522 Parent Shares are issuable upon the exercise of outstanding warrants to purchase Parent Shares.

(b) The Parent Shares issuable to Holdings pursuant to this Agreement will, when issued (i) be duly authorized, validly issued, fully paid and non-assessable; (ii) not be subject to any preemptive rights created by statute, the articles of incorporation, by-laws or other organizational documents of Parent, or any agreement to which Parent is a party; (iii) except as set forth on Section 4.07(b) of the Disclosure Schedules, be free of any Encumbrances created by Parent in respect thereof; (iv) be issued in compliance with applicable Laws; and (v) except as otherwise contemplated hereby, entitle the holder thereof to all of the same special rights and restrictions accorded to holders of the Parent Shares in the notice of articles, articles and other organizational documents of Parent.

Section 4.08. Financial Statements.

(a) Complete copies of Parent's unaudited financial statements consisting of the balance sheet of Parent as of September 30, 2024 and the related statements of income and retained earnings for the three and nine-month periods then ended (the "**Parent Financial Statements**") have been made available via public filing on sec.gov. The Parent Financial Statements fairly present, in all material respects, the financial position of Parent as of the date thereof and the results of the operations of Parent for the periods indicated thereby, subject to normal and recurring year-end adjustments and the absence of notes.

(b) Neither Parent, Merger Sub 1 nor Merger Sub 2, has any material Liabilities, except (a) those which are reflected or reserved against in the Parent Financial Statements, or the audited financial statements consisting of the balance sheet of Parent, and the related statements of income and retained earnings, including any footnotes thereto, made available via public filing on as of November 13, 2024, and which are accessible at www.sec.gov, (b) those which are incurred in the Ordinary Course of Business since the date of the Parent Financial Statements, (c) those in connection with or contemplated by this Agreement, and (d) as disclosed in Section 4.08(b) of the Disclosure Schedules.

Section 4.09. Absence of Certain Changes, Events and Conditions. Since the date of the Parent Financial Statements, except as set forth on Section 4.09 of the Disclosure Schedules, in connection with the execution and delivery of this Agreement and the other documents and agreements entered into in connection herewith and the consummation of the transactions contemplated hereby and thereby, the business of Parent and each of its subsidiaries has been conducted in the Ordinary Course of Business and there has not been or occurred any event, condition, change, or effect that has resulted in a Parent Material Adverse Effect or any event, condition, change, or effect that could reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 4.10. Compliance With Laws. Each of Parent, Merger Sub 1 and Merger Sub 2 has complied, and are now complying, in all material respects with all Laws applicable to it or its business, properties or assets except as would not have a Parent Material Adverse Effect.

Section 4.11. Securities Law Matters.

(a) Parent is a "reporting issuer" or the equivalent thereof and is not on the list of reporting issuers in default under applicable Canadian provincial Securities Laws in the provinces of British Columbia, Alberta and Ontario. Parent files reports with the SEC pursuant to Section 12(g) of the Exchange Act. No delisting, suspension of trading in or cease trading order with respect to any securities of Parent and, to the Knowledge of Parent, no inquiry or investigation (formal or informal) of Parent or the public disclosure record of the Parent by any Securities Authority or the SEC, is in effect or ongoing or, to the Knowledge of Parent, is threatened or expected to be implemented or undertaken. Parent has not taken any action to cease to be a reporting issuer in any such province or to deregister the Parent Shares under the Exchange Act, nor has Parent received notification from any Canadian Securities Regulators seeking to revoke the reporting issuer status of Parent or from the SEC seeking to deregister the Parent Shares under the Exchange Act. The Parent Shares are listed and posted for trading on the Exchange. Parent is in compliance with applicable requirements of the Exchange, except where noncompliance would not result in a Parent Material Adverse Effect or prevent or materially delay the consummation of the transactions contemplated by this Agreement or the Merger. Merger Sub is not a reporting issuer (or its equivalent) in any jurisdiction.

(b) Parent has timely filed or furnished all material filings required to be filed or furnished by Parent with any Governmental Authority in accordance with applicable Securities Laws or the requirements of the Exchange prior to the date of this Agreement. Each of such material filings has complied as filed in all material respects with applicable Laws as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such filing).

(c) As of the date of this Agreement, Parent has not filed any confidential material change report (which at the date of this Agreement remains confidential) or any other confidential filings filed to or furnished with, as applicable, any Canadian Securities Regulators or the SEC. As of the date of this Agreement, there are no outstanding or unresolved comments in comment letters from any Canadian Securities Regulators or the SEC with respect to any of filings by Parent and, to Parent's Knowledge, none of Parent, Merger Sub or any filing by Parent is the subject of an ongoing audit, review, comment or investigation by any Canadian Securities Regulators, the SEC or other Governmental Authority.

Section 4.12. Taxes.

(a) Parent is presently, and upon the Closing will be, treated as a United States domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Code.

(b) Parent has not taken and shall not take (or cause to be taken) any action that could reasonably be expected to prevent the Merger from qualifying for the Intended Tax Treatment.

Section 4.13. No Other Representations and Warranties. The representations and warranties made by Parent, Merger Sub 1 and Merger Sub 2 contained in this Article IV constitute the sole and exclusive representations and warranties of Parent, Merger Sub 1 and Merger Sub 2 in connection with the transactions contemplated hereby, and Holdings and the Companies understand, acknowledge and agree that all other representations and warranties of any kind or nature expressed or implied (including (a) any relating to the future or historical financial condition, results of operations, assets or liabilities of Parent, Merger Sub 1 and Merger Sub 2 or its business or operations, or (b) as to the accuracy or completeness of any information regarding Parent, Merger Sub 1 and Merger Sub 2 furnished or made available to the Companies, the Parent Share Recipients or their representatives) are specifically disclaimed by Parent, Merger Sub 1 and Merger Sub 2.

Section 4.14. Acknowledgement and Representations by Parent. Parent acknowledges and agrees that it (a) has conducted its own independent review and analysis of, and, based thereon, has formed an independent judgment concerning, the business, assets, condition, operations and prospects of the Holdings Entities, and (b) has been furnished with or given full access to all information about the Holdings Entities and their respective businesses and operations as Parent and its representatives and advisors have requested. In entering into this Agreement, Parent has relied solely upon its own investigation and analysis and the representations and warranties of Holdings and the Companies set forth in this Agreement, and Parent acknowledges that, other than as set forth in this Agreement and in the certificates or other instruments delivered pursuant hereto (including, for avoidance of doubt, any Ancillary Documents), neither the Companies nor any other Holdings Entity nor any of their respective directors, officers, managers, members, employees, affiliates, Members, equity holders, agents or representatives makes or has made any representation or warranty, either express or implied, (x) as to the accuracy or completeness of any of the information provided or made available to Parent or any of its respective agents, representatives, lenders or affiliates prior to the execution of this Agreement, or (y) with respect to any projections, forecasts, estimates, plans or budgets of future revenues, expenses or expenditures, future results of operations (or any component thereof), future cash flows (or any component thereof) or future financial condition (or any component thereof) of any Holdings Entity heretofore or hereafter delivered to or made available to Parent or any of its respective agents, representatives, lenders or Affiliates.

ARTICLE V.
COVENANTS

Section 5.01. Reasonable Commercial Efforts. During the period from the date hereof and continuing until the earlier of the termination of this Agreement or the Closing Date (but subject to Section 5.08):

(a) Each party will cooperate with the other parties and use its commercially reasonable efforts to promptly (i) take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable under this Agreement and the Ancillary Documents and applicable Law to consummate and make effective the Mergers as soon as practicable, including preparing and filing promptly and fully all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents, (ii) 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 Mergers (including the expiration or termination of any applicable waiting period under the HSR Act) and (iii) execute and deliver such documents, certificates and other papers as a party may reasonably request to evidence the other party's satisfaction of its obligations hereunder.

(b) Without limiting the forgoing, the parties will: (i) cooperate with one another promptly 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) cooperate in promptly making any such filings, furnishing information required in connection therewith and seeking to obtain timely any such consents, permits, authorizations or approvals.

(c) Each party will keep the other party reasonably apprised of the status of matters relating to the completion of the Merger and work cooperatively in connection with obtaining all required approvals or consents of any Governmental Authority (whether domestic, foreign or supranational). In that regard, each party will 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 orally of) any communications from or with any Governmental Authority with respect to the Mergers, (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) 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 Document and the Mergers and (iv) 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.

Section 5.02. Conduct of Business Prior to the Closing. From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by Parent (which consent shall not be unreasonably withheld, conditioned or delayed), Holdings and the Companies shall (x) conduct the business of the Holdings Entities in the Ordinary Course of Business; and (y) use commercially reasonable efforts to maintain and preserve intact the current organization, business and franchise of the Holdings Entities and to preserve the rights, franchises, goodwill and relationships of their employees, customers, lenders, suppliers, regulators and others having business relationships with the Holdings Entities. Without limiting the foregoing, from the date hereof until the Closing Date, Holdings and the Companies shall:

(a) preserve and maintain all Permits;

(b) pay debts, Taxes and other obligations when due, except as may be contested by either Company in good faith;

(c) maintain the properties and assets owned, operated or used in the same condition as they were on the date of this Agreement, subject to reasonable wear and tear;

(d) continue in full force and effect without modification all Insurance Policies, except as required by applicable Law;

(e) defend and protect their properties and assets from infringement or usurpation;

(f) perform all of their obligations, in all material respects, under all Contracts relating to or affecting its properties, assets or business, except such obligations as may be contested in good faith by the Holdings Entities;

(g) maintain its books and records in accordance with past practice;

(h) comply in all material respects with all applicable Laws; and

(i) not take or permit any action that would cause any of the changes, events or conditions described in Section 3.08 (as if set forth herein) to occur.

Section 5.03. Access to Information.

(a) From the date hereof until the Closing, Holdings and the Companies shall (i) afford Parent and its Representatives full and free access to and the right to inspect all of the Real Property, properties, assets, premises, books and records, Contracts and other documents and data related to the Holdings Entities; (ii) furnish Parent and its Representatives with such financial, operating and other data and information related to the Holdings Entities as Parent or any of its Representatives may reasonably request; and (iii) instruct the Representatives of the Holdings Entities to cooperate with Parent in its investigation of the Holdings Entities. Without limiting the foregoing, Holdings and the Companies shall permit Parent and its Representatives to conduct non-intrusive environmental due diligence on the Holdings Entities and the Real Property. Any investigation pursuant to this Section 5.03 shall be conducted in such manner as not to interfere unreasonably with the conduct of the business of the Holdings Entities. No investigation by Parent or other information received by Parent shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Holdings Entities in this Agreement.

(b) The Member Representative shall hold in confidence all documents and information furnished to it in connection with the transactions contemplated hereby. Notwithstanding anything herein to the contrary, following Closing, the Member Representative shall be permitted to disclose information as required by Law or to advisors and representatives of the Member Representative and to Holdings and the Members, in each case who have a need to know such information, provided that such persons are subject to confidentiality obligations with respect thereto.

Section 5.04. No Solicitation of Other Bids.

(a) Each of Holdings and each Company shall not, and shall not authorize or permit any of its Affiliates or any of its or their Representatives to, directly or indirectly, (i) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. Holdings and each Company shall immediately cease and cause to be terminated, and shall cause its Affiliates and all of its and their Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. For purposes hereof, "**Acquisition Proposal**" shall mean any inquiry, proposal or offer from any Person (other than Parent or any of its Affiliates) concerning (i) a merger, consolidation, liquidation, recapitalization, share exchange or other business combination transaction involving any Holdings Entity; (ii) the issuance or acquisition of membership interests, shares of capital stock or other equity securities of any Holdings Entity; or (iii) the sale, lease, exchange or other disposition of any significant portion of any Holdings Entity's properties or assets.

(b) In addition to the other obligations under this Section 5.04, Holdings and the Companies shall promptly (and in any event within two (2) Business Days after receipt thereof by any Holdings Entity or its Representatives) advise Parent orally and in writing of any Acquisition Proposal, any request for information with respect to any Acquisition Proposal, or any inquiry with respect to or which could reasonably be expected to result in an Acquisition Proposal, the material terms and conditions of such request, Acquisition Proposal or inquiry, and the identity of the Person making the same.

(c) Each of Holdings and each Company agrees that the rights and remedies for noncompliance with this Section 5.04 shall include having such provision specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to Parent and that money damages would not provide an adequate remedy to Parent.

Section 5.05. Occidental Payments. The Parties acknowledge and agree that Holdings' Subsidiary, New Growth Horizon, is party to that certain Asset Purchase Agreement between New Growth Horizon and Occidental ("**Occidental Purchase Agreement**"). Holdings' Subsidiary, New Growth Horizon, previously submitted the necessary request with the Missouri Department of Health and Senior Services, Division of Cannabis Regulation ("**DHSS**") to approve the transfer of the licenses owned by Occidental and currently managed by New Growth Horizon pursuant to that certain Management Services Agreement between New Growth Horizon and Occidental. Notwithstanding anything to the contrary contained herein, in the event Holdings and/or its Subsidiary, New Growth Horizon, obtains approval from DHSS prior to Closing to complete the acquisition of licenses pursuant to the Occidental Purchase Agreement, Parent shall ensure that it makes funds available to Holdings and/or its Subsidiary, New Growth Horizon, to pay any outstanding amounts due by New Growth Horizon to Occidental pursuant to the Occidental Purchase Agreement and if any such amount is advanced by Parent prior to Closing hereunder, it shall be deemed Assumed Indebtedness for all purposes of this Agreement, and such amount will be evidenced by a promissory note (and for avoidance of doubt, if this Agreement is terminated, such advanced amount shall be repaid pursuant to the terms of the applicable promissory note). If DHSS approval is not obtained prior to Closing, the outstanding amounts due by New Growth Horizon to Occidental pursuant to the Occidental Purchase Agreement shall remain as Assumed Indebtedness and shall be paid by Parent when required pursuant to the terms of the Occidental Purchase Agreement.

Section 5.06. Notice of Certain Events.

(a) From the date hereof until the Closing, Holdings and the Companies shall promptly notify Parent in writing of:

(i) any fact, circumstance, event or action the existence, occurrence or taking of which (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or could reasonably be expected to result in, any representation or warranty made by Holdings and the Companies hereunder not being true and correct or (C) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 8.02 to be satisfied;

(ii) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(iii) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; and

(iv) any Actions commenced or, to the Company's Knowledge, threatened against, relating to or involving or otherwise affecting any Holdings Entity that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.17 or that relates to the consummation of the transactions contemplated by this Agreement.

(b) Parent's receipt of information pursuant to this Section 5.06 shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Holdings or any Company in this Agreement (including Section 8.02 and Section 9.01) and shall not be deemed to amend or supplement the Disclosure Schedules.

Section 5.07. Resignations. Unless otherwise requested by Parent, Holdings shall deliver to Parent written resignations, effective as of the Closing Date, of the managers and directors of the Acquired Companies.

Section 5.08. Governmental Approvals and Consents.

(a) Each party hereto shall, as promptly as reasonably practicable, (i) make, or cause or be made, all filings and submissions (including those under the HSR Act) required under any Law applicable to such party or any of its Affiliates; and (ii) use commercially reasonable efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary, in each case, for the performance of its obligations pursuant to this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby. Each party shall reasonably cooperate with the other party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals.

(b) Each of the Companies and Parent shall use commercially reasonable efforts to give all notices to, and obtain all consents from, all third parties that are described in Section 3.02, Section 3.03 and Section 4.02 of the Disclosure Schedules.

(c) Without limiting the generality of the parties' undertakings pursuant to subsections (a) and (b) above, each of the parties hereto shall use commercially reasonable efforts to:

(i) respond to any inquiries by any Governmental Authority regarding antitrust or other matters with respect to the transactions contemplated by this Agreement or any Ancillary Document;

(ii) avoid the imposition of any order or the taking of any action that would restrain, alter or enjoin the transactions contemplated by this Agreement or any Ancillary Document; and

(iii) in the event any Governmental Order adversely affecting the ability of the parties to consummate the transactions contemplated by this Agreement or any Ancillary Document has been issued, have such Governmental Order vacated or lifted.

(d) Notwithstanding the foregoing, nothing in this Agreement shall require, or be construed to require, Parent or any of its Affiliates to agree to (i) sell, hold, divest, discontinue or limit, before or after the Closing Date, any assets, businesses or interests of Parent, any Holdings Entity, or any of their respective Affiliates (or agree to or permit or require any Holdings Entity to do any of the foregoing); (ii) any conditions relating to, or changes or restrictions in, the operations of any such assets, businesses or interests which, in either case, could reasonably be expected to result in a material adverse effect on Parent and its Affiliates or materially and adversely impact the economic or business benefits to Parent of the transactions contemplated by this Agreement or any Ancillary Document; or (iii) any material modification or waiver of the terms and conditions of this Agreement or any Ancillary Document.

Section 5.09. Directors' and Officers' Indemnification and Insurance.

(a) Parent, Merger Sub 1 and Merger Sub 2 agree that all rights to indemnification, advancement of expenses and exculpation by the Companies now existing in favor of each Person who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Time an officer or director of the Companies (each a "**D&O Indemnified Party**") as provided in the Company Charter Documents, in each case as in effect on the date of this Agreement, or pursuant to any other Contracts in effect on the date hereof, shall be assumed by the Surviving Companies in the Mergers, without further action, at the Effective Time and shall survive the Mergers and shall remain in full force and effect in accordance with their terms, and, in the event that any proceeding is pending or asserted or any claim made during such period that would be covered thereunder, until the final disposition of such proceeding or claim.

(b) For six (6) years after the Effective Time, to the fullest extent permitted under applicable Law, the Surviving Companies (the "**D&O Indemnifying Parties**") shall indemnify, defend and hold harmless each D&O Indemnified Party against all losses, claims, damages, liabilities, fees, expenses, judgments and fines arising in whole or in part out of actions or omissions in their capacity as such occurring at or prior to the Effective Time (including in connection with the transactions contemplated by this Agreement) (each, a "**D&O Claim**"), and shall reimburse each D&O Indemnified Party for any legal or other expenses reasonably incurred by such D&O Indemnified Party in connection with investigating or defending any such losses, claims, damages, liabilities, fees, expenses, judgments and fines related to or arising under any such D&O Claim as such expenses are incurred, subject to the Surviving Companies' receipt of an undertaking by such D&O Indemnified Party to repay such legal and other fees and expenses paid in advance if it is ultimately determined in a final and non-appealable judgment of a court of competent jurisdiction that such D&O Indemnified Party is not entitled to be indemnified under applicable Law; provided, however, that the Surviving Companies will not be liable for any settlement effected without the Surviving Companies' prior written consent.

(c) The obligations of Parent and the Surviving Companies under this Section 5.09 shall survive the consummation of the Mergers and shall not be terminated or modified in such a manner as to adversely affect any D&O Indemnified Party to whom this Section 5.09 applies without the consent of such affected D&O Indemnified Party (it being expressly agreed that the D&O Indemnified Parties to whom this Section 5.09 applies shall be third-party beneficiaries of this Section 5.09, each of whom may enforce the provisions of this Section 5.09).

(d) In the event the Surviving Companies or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in either such case, proper provision shall be made so that the successors and assigns of the Surviving Companies, as the case may be, shall assume all of the obligations set forth in this Section 5.09. The agreements and covenants contained herein shall not be deemed to be exclusive of any other rights to which any Indemnified Party is entitled, whether pursuant to Law, Contract or otherwise. Nothing in this Agreement is intended to, shall be construed to or shall release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to the Companies or its officers, directors and employees, it being understood and agreed that the indemnification provided for in this Section 5.09 is not prior to, or in substitution for, any such claims under any such policies.

Section 5.10. Public Announcements. Parent, Holdings and each Company shall mutually agree on the initial press release or releases with respect to the execution of this Agreement. Thereafter, so long as this Agreement is in effect, unless otherwise required by applicable Law or stock exchange or trading market requirements (based upon the reasonable advice of counsel) or otherwise permitted by this Agreement, no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby without the prior written consent of the other party (which consent shall not be unreasonably withheld, conditioned or delayed), and the parties shall cooperate as to the timing and contents of any such announcement; provided, that no separate approval will be required in respect of any press release or public announcement to the extent such content is substantially replicated in a subsequent press release or other announcement or substantially consistent with a previously approved press release or announcement. Notwithstanding anything herein to the contrary, following Closing and after the initial press release, the Member Representative shall be permitted to announce that it has been engaged to serve as the Member Representative in connection herewith as long as such announcement does not disclose any of the other terms hereof.

Section 5.11. HSR Act. Without limiting the generality of anything contained in Section 5.01, each party agrees to: (a) within 10 Business Days after the execution of this Agreement, make an appropriate filing of a Notification and Report Form pursuant to the HSR Act (including seeking early termination of the waiting period under the HSR Act) with respect to the Mergers, (b) supply as promptly as reasonably practicable any additional information and documentary material that may be requested pursuant to the HSR Act by the United States Federal Trade Commission or the United States Department of Justice and (c) use its commercially reasonable efforts to take or cause to be taken all other actions necessary, proper or advisable consistent with this Section 5.11 to cause the expiration or termination of the applicable waiting periods under the HSR Act as soon as practicable. Parent will be entitled to devise the strategy for all filings and communications in connection with any filing pursuant to the HSR Act or other applicable competition Law, and otherwise to direct the antitrust defense of the Mergers, or negotiations with, any Governmental Authority or other third party relating to the Mergers or regulatory filings under applicable competition Law, subject to the provisions of this Section 5.11, provided that Parent will consult and cooperate with Holdings, and consider in good faith the views of Holdings, in connection with any such antitrust defense. Holdings and the Companies will use commercially reasonable efforts to provide full and effective support of Parent in all such negotiations and other discussions or actions to the extent requested by Parent. Holdings and the Companies will not make any offer, acceptance or counteroffer to or otherwise engage in negotiations or discussions with any Governmental Authority with respect to any proposed settlement, consent decree, commitment or remedy, or, in the event of litigation, discovery, admissibility of evidence, timing or scheduling of any matters contemplated by this Section 5.11, except as specifically requested by or agreed with Parent. Holdings and the Companies will not commit to or agree with any Governmental Authority to stay, toll or extend any applicable waiting period under the HSR Act or applicable competition Law, without the prior written consent of Parent. If any request for additional information and documents, including a "**second request**" under the HSR Act, is received from any Governmental Authority, then the parties will substantially comply with any such request at the earliest practicable date.

Section 5.12. Reserved.

Section 5.13. Preparation of Proxy Statement/Circular; Parent Shareholder Approval.

(a) As promptly as reasonably practicable following the date hereof, Parent shall prepare (and Holdings will reasonably cooperate with Parent in preparing) a management information circular, which will also constitute the proxy statement containing the information specified in Schedule 14A under the Exchange Act relating to the matters to be submitted to the shareholders of Parent at the Parent Shareholder Meeting (together with any amendments or supplements thereto, the "**Proxy Statement/Circular**") in compliance with all applicable Laws and in accordance with Exchange policies and Parent shall file, in all jurisdictions where the same is required to be filed, including with the Exchange (and including any preliminary filings with the SEC required to be made in accordance with applicable Laws) such Proxy Statement/Circular in accordance with applicable Laws. Parent shall use reasonable best efforts to have the preliminary Proxy Statement/Circular cleared by the SEC (and, if applicable, any other Governmental Authority) as promptly as practicable. As promptly as practicable after such clearance and other required approvals therefor, Parent shall cause the Proxy Statement/Circular and other documentation required in connection with the Parent Shareholder Meeting to be mailed or otherwise distributed to such Persons as required by applicable Laws. The Proxy Statement/Circular shall include the Parent Board Recommendation and a statement that each director and senior officer of Parent intends to vote all of their Parent Shares and, as may be applicable, any other Parent Shares in favor of the Parent Resolution and any other resolution presented at the Parent Shareholder Meeting required to give effect to this Agreement and the Mergers.

(b) Each party shall promptly advise the other party after receipt thereof of any comments (written or oral) received by such party with respect to the Proxy Statement/Circular received from the SEC, the Exchange or any of the Canadian Securities Regulators or any other Governmental Authority or their respective staff for amendments or supplements to the Proxy Statement/Circular or for additional information and shall supply each other with copies of all material correspondence between it or any of its Representatives, on the one hand, and the SEC, the Exchange or any of the Canadian Securities Regulators or any other Governmental Authority or their respective staff, on the other hand, with respect to the Proxy Statement/Circular. Each party shall use reasonable best efforts to respond promptly to any comments of the SEC, the Exchange or any of the Canadian Securities Regulators or any other Governmental Authority or their respective staff with respect to the Proxy Statement/Circular; provided, that each party will provide the other party with a reasonable opportunity to participate in preparing any proposed response by such party to any such comments.

(c) Parent shall use its reasonable best efforts to ensure that the Proxy Statement/Circular complies in all material respects with applicable Laws, the rules and regulations of the SEC and Canadian Securities Regulators or any other Governmental Authority applicable thereto, and the rules and regulations of the Exchange, and each party shall make available to the other party such information as is reasonably necessary to comply therewith, including with respect to the preparation and inclusion of any required pro forma or audited financial information.

(d) If, at any time prior to the Parent Shareholder Meeting, any information relating to any of the parties or their respective Affiliates, officers or directors is discovered by any party, and either party reasonably believes that such information is required to be or should be set forth in an amendment or supplement to the Proxy Statement/Circular so that the Proxy Statement/Circular would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party that discovers such information shall promptly notify the other party and, to the extent required by applicable Law or the rules and regulations of the SEC or any relevant Canadian Securities Regulators, an appropriate amendment or supplement describing such information, Parent shall cause to be promptly filed with the SEC and Canadian Securities Regulators (or, if applicable, any other Governmental Authority) and, to the extent required by Law, disseminated to the shareholders of Parent, provided that the delivery of such notice and the filing of any such amendment or supplement shall not affect or be deemed to modify any representation or warranty made by any party or otherwise affect the remedies available hereunder to any party.

(e) Parent shall use commercially reasonable efforts to obtain approval of the Exchange, including providing or submitting on a timely basis all documentation and information that is reasonably required or advisable in connection with obtaining such approvals and the Company shall provide such assistance as may be reasonably required in connection therewith. Upon reasonable request of Parent, the Company will cause its directors and executive officers who are required or requested by a Governmental Authority to deliver personal information forms under the rules of the SEC or the Exchange to complete and deliver such forms in a timely manner.

(f) Parent shall keep the Company reasonably apprised of the status of obtaining the approvals of the Exchange, SEC and Canadian Securities Regulators, and of filings with the Exchange, SEC and Canadian Securities Regulators related to, and the date and status of, the Parent Shareholder Meeting.

(g) Subject to the terms of this Agreement, following the date on which the SEC clears the Proxy Statement/Circular, Parent shall give notice of, convene and conduct a special meeting of shareholders of Parent to be called and held for, among other things, the purpose of obtaining the Parent Shareholder Approval (the "**Parent Shareholder Meeting**") in accordance with Parent's notice of articles and articles, Exchange policies and applicable Securities Laws as soon as reasonably practicable. Thereafter, subject to the terms of this Agreement, Parent shall use reasonable best efforts to solicit proxies in favor of the Parent Shareholder Approval and against any resolution submitted by a shareholder of Parent that is inconsistent with the Parent Resolution and the completion of the transactions contemplated by this Agreement and take all other actions reasonably necessary to obtain the Parent Shareholder Approval and all other matters to be brought before the Parent Shareholder Meeting intended to facilitate and complete the transactions contemplated by this Agreement.

(h) Notwithstanding the foregoing, the shareholders of Parent may authorize and approve the Parent Shareholder Approval by written consent in lieu of holding the Parent Shareholder Meeting in accordance with the rules and policies of the Exchange; however, should Parent obtain approval of the Parent Shareholder Approval by written consent of fewer than all shareholders entitled to vote on the Parent Shareholder Approval, Parent shall comply with applicable Securities Laws requiring the preparation and filing of an information statement related to the approval of the Parent Shareholder Approval, including any requirement to file a preliminary information statement related to the approval of the Parent Shareholder Approval.

(i) Without limitation of any of the foregoing, Holdings and the Companies shall cooperate with Parent as reasonably required for Parent to comply with its obligations under this Section 5.14, including by providing all necessary information in connection with obtaining the Parent Shareholder Approval. Notwithstanding anything to the contrary and for the avoidance of doubt, for purposes of this Section 5.14, the terms "party" and "parties" shall not include the Member Representative.

Section 5.15. Further Assurances. At and after the Effective Time, the officers and managers of the Surviving Companies shall be authorized to execute and deliver, in the name and behalf of the Companies or each Merger Sub, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of the Surviving Companies, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Companies any and all right, title and interest in, to and under any of the rights, properties or assets of the Company acquired or to be acquired by the Surviving Companies as a result of, or in connection with, the Mergers.

Section 5.16. Takeover Statutes. If any state antitakeover statute, "moratorium," "control share acquisition," "business combination," "fair price" or similar statute or regulation (collectively, "**Takeover Laws**") is or may become applicable to the transactions contemplated by this Agreement, the Company and its Affiliates shall use reasonable best efforts to (a) grant such approvals and take all such actions as are legally permissible so that the transactions contemplated hereby may be consummated as promptly as practicable on the terms contemplated hereby and (b) otherwise act to eliminate or minimize the effects of any Takeover Laws on the transactions contemplated hereby.

Section 5.17. Disclosure Schedules Updates.

(a) Without limiting Section 5.06, from and after the date of this Agreement until the Closing Date, Holdings and the Companies may prepare and deliver to Parent supplements and/or amendments to the Disclosure Schedules (which may contain additional disclosures that are not in existence as of the date hereof relating to any of the provisions contained in Article III, such supplement, amendment or new Disclosure Schedule being referred to as a "**Holdings Update**"), with respect to matters (i) first arising or of which Holdings and the Companies first obtain knowledge after the date hereof, (ii) which were not included in the Disclosure Schedules as of the date hereof, but were matters in the Ordinary Course of Business and are in an aggregate amount for all such Company Updates pursuant to this subsection (ii) not in excess of $150,000, and each such Holdings Update shall be deemed to be an amendment to this Agreement for all purposes hereof other than for purposes of the conditions set forth in Section 8.02(a); *provided* that a Holdings Update pursuant to subsection (ii) above shall be deemed to be an amendment to this Agreement for purposes of the conditions set forth in Section 8.02(a); provided further that, in the event that the disclosure of the facts, circumstances and events included in such Holdings Update relate to a fact, circumstance or event having (or which could reasonably have) an adverse effect on the Holdings Companies, or their business or operations, with respect to matters updated pursuant to subsection (i) above, in an aggregate amount in excess of $500,000 for all Holdings Updates, such Holdings Update shall not be deemed to be an amendment to this Agreement. Without limiting the foregoing, Holdings and the Companies shall use commercially reasonable efforts to provide prior to the Closing a schedule of the powers of attorney with respect to Taxes described in Section 3.22(k) that will remain in effect at the Closing.

(b) From and after the date of this Agreement until the Closing Date, Parent may prepare and deliver to Holdings supplements and/or amendments to the Disclosure Schedules (which may contain additional disclosures that are not in existence as of the date hereof relating to any of the provisions contained in Article IV, such supplement, amendment or new Disclosure Schedule being referred to as a "**Parent Update**"), with respect to matters (i) first arising or of which Parent first obtains knowledge after the date hereof, and (ii) which were not included in the Disclosure Schedules as of the date hereof, but were matters in the Ordinary Course of Business and are in an aggregate amount for all such Parent Updates pursuant to this subsection (ii) not in excess of $150,000, and each such Parent Update shall be deemed to be an amendment to this Agreement for all purposes hereof other than for purposes of the conditions set forth in Section 8.03(a); *provided* that, a Parent Update pursuant to subsection (ii) above shall be deemed to be an amendment to this Agreement for purposes of the conditions set forth in Section 8.03(a); provided further that in the event that the disclosure of the facts, circumstances and events included in such Parent Update relate to a fact, circumstance or event having (or which could reasonably have) an adverse effect on Parent, Merger Sub 1, or Merger Sub 2, or their business or operations, with respect to matters updated pursuant to subsection (i) above in an aggregate amount in excess of $500,000 for all Parent Updates, such Parent Update shall not be deemed to be an amendment to this Agreement.

Section 5.18. Retention and Distribution of Parent Shares. Until the final determination of the Actual Closing Merger Consideration as contemplated in Section 2.19 (and, if applicable, payment of any Upward Adjustment Amount or Downward Adjustment Amount in respect thereof), Holdings will retain all Parent Shares issued in respect of the Closing Share Payment (the "**Consideration Shares**") and not distribute or otherwise deliver any such Consideration Shares to any of its Members or any other Person to which Holdings has agreed to distribute or otherwise deliver any such Consideration Shares (each, a "**Parent Share Recipient**") without Parent's prior written consent (in Parent's discretion which shall not be unreasonably withheld or delayed). Thereafter, any subsequent distribution of such Consideration Shares or any additional Parent Shares issued by Parent to Holdings in respect of the Total Merger Consideration under the terms of this Agreement, including the Company Earn-Out Shares and the E-Commerce Earn-Out Shares (the "**Additional Shares**" and, collectively with the Consideration Shares, the "**Aggregate Issued Parent Shares**") shall comply with applicable securities laws and exemptions; provided that Holdings shall cause any Parent Share Recipient that would receive any such Aggregate Issued Parent Shares in connection with any such distribution or delivery to execute and deliver to Parent (i) a joinder (each, a "**Joinder**") to this Agreement in the form reasonably agreed upon by Holdings and Parent (and which will contain the necessary representations and warranties, and other matters substantially equivalent to those in the Letter of Transmittal), (ii) an Investor Rights Agreement, and (iii) a Lock-Up Letter. Parent will reasonably cooperate with Holdings' distribution of Aggregate Issued Parent Shares to the Parent Share Recipients, including, but not limited to, providing any required written consent of Parent to Holdings or the Parent Share Recipient, as applicable, allowing for such distribution in addition to any documents required by Parent's transfer agent. Without limiting the foregoing, each Parent Share Recipient will, as a condition of receiving any such Aggregate Issued Parent Shares from Holdings, either (i) be required to make the necessary representations and warranties contained in the Letter of Transmittal to ensure compliance with applicable US federal and state securities laws or (ii) be deemed to confirm that such Parent Share Recipient is outside the United States, and will deliver any other supporting information as reasonably requested by Parent in order to confirm their status and the availability of an exemption or exclusion from the registration requirements of the Securities Act and applicable state securities laws for the transfer of such Parent Shares to such holder. In the event that, as of the time of desired transfer by Holdings of any Aggregate Issued Parent Shares under this Agreement to a Parent Share Recipient, a Parent Share Recipient does not qualify for the applicable exemptions under federal and state securities Laws required for Holdings to distribute or otherwise deliver Aggregate Issued Parent Shares to such Parent Share Recipient, then Holdings shall hold the Aggregate Issued Parent Shares on behalf of and for the benefit of such Parent Share Recipient. Holdings shall thereafter be permitted to effect transfer of such Aggregate Issued Parent Shares to such Parent Share Recipient if and to the extent permitted under applicable securities Laws, with such compliance with securities Laws demonstrated to the satisfaction of counsel to Parent, or may, after the expiration of any applicable lock up periods for such Aggregate Issued Parent Shares contemplated under the Lock-Up Letter, sell such Aggregate Issued Parent Shares as permitted under applicable securities Laws and transfer applicable proceeds to the applicable Parent Share Recipient.

Section 5.19. Holdings Restructuring. Holdings shall cause the Holdings Restructuring to be completed prior to Closing in all respects consistent with the steps set forth in the recitals.

ARTICLE VI.
TAX MATTERS

Section 6.01. Tax Covenants and Transfer Taxes.

(a) Without the prior written consent of Parent (such consent not to be unreasonably withheld, conditioned or delayed), and except as set forth on Section 6.01 of the Disclosure Schedules or as a result of the implementation of the Holdings Restructure in all respects consistent with the steps set forth in the recitals, prior to the Closing, the Holdings Entities shall not make, change or rescind any Tax election, amend any Tax Return, or take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the Tax liability or reducing any Tax asset of Parent or the Surviving Companies in respect of any Post-Closing Tax Period, in each case, outside the Ordinary Course of Business and without departure from the Holdings Entities' historic practices and except as required by applicable Law.

(b) All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest and any real property transfer Tax and any other similar Tax) incurred in connection with this Agreement and the Ancillary Documents and the transactions contemplated hereby and thereby, shall be borne and paid equally by Parent or the Surviving Companies, on the one hand, and Holdings and the Parent Share Recipients (in accordance with their Pro Rata Shares), on the other hand, when due. Holdings and the Parent Share Recipients, as necessary, shall reasonably cooperate with Parent in connection with the filing of any Tax Returns with respect thereto as necessary.

Section 6.02. Termination of Existing Tax Sharing Agreements. Any and all existing Tax sharing agreements (whether written or not) binding upon the Holdings Entities shall be terminated as of the Closing Date. After such date, none of the Holdings Entities (or, after the Closing, the Surviving Companies) nor any of their Representatives shall have any further rights or liabilities thereunder.

Section 6.03. Tax Indemnification. Subject to Section 9.04(c) and excluding all Excluded Taxes, Holdings and the Parent Share Recipients shall, severally and not jointly (in accordance with their Pro Rata Shares), indemnify the Parent Indemnitees and hold them harmless from and against (a) all Taxes of any Holdings Entity and all Parent Share Recipients required to be withheld by any Holding Entity as a result of the distributions or other payments contemplated by Section 2.02(b) hereof; (b) all Taxes of the Acquired Companies for all Pre-Closing Tax Periods (including any income Taxes attributable to 280E which are, in the aggregate, in excess of the 280E Tax Reserve without duplication thereof, but subject, without duplication, to Section 6.10) including, without limitation, all Taxes arising from or relating to the Holdings Restructure; (c) all Taxes of any member of an affiliated, consolidated, combined or unitary group of which such Holdings Entity (or any predecessor of such Holdings Entity) is or was a member on or prior to the Closing Date by reason of a liability under Treasury Regulation Section 1.1502-6 or any comparable provisions of foreign, state or local Law; (d) any and all Taxes of any person imposed on any Holdings Entity arising under the principles of transferee or successor liability or by contract, in each case relating to an event or transaction occurring before the Closing Date; and (e) all Taxes resulting from the failure to deliver the certificate and required notice, properly completed and executed, as contemplated by Section 2.03(a)(vi) hereof (the foregoing, collectively, "**Indemnified Taxes**"). In each of the above cases, the term "Taxes" shall include Losses arising from or relating to such Taxes including, without limitation, the nonpayment thereof. Further, in each of the above cases, within ten (10) Business Days after payment of such Indemnified Taxes by Parent or its Affiliates, Holdings shall either (A) release to Parent an amount of cash equal to such Indemnified Taxes that are the responsibility of Holdings or the Parent Share Recipients pursuant to this Section 6.03, with any excess of the amount of Indemnified Taxes over the amount of such release to be paid, at the election of the Member Representative, by (I) directing the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole number) equal to the quotient of (1) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (2)) of the Indemnified Taxes, divided by (2) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange, as reported by Bloomberg Finance L.P., or (II) Holdings and the Parent Share Recipients paying to Parent in cash in immediately available funds in the amount of their respective Pro Rata Shares thereof, severally and not jointly, or (B) direct the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole number) in an amount of such Indemnified Taxes equal to the quotient of (I) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (II)) of such Indemnified Taxes, divided by (II) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange, as reported by Bloomberg Finance L.P.; provided, that (i) if the Member Representative elects cash payment under the foregoing clause (A)(II), and Holdings or any Parent Share Recipient does not pay any such Indemnified Taxes owed pursuant thereto within 30 days thereafter, such Person shall, at the option of Parent, have such amounts settled in Escrow Shares pursuant to the foregoing clause (A)(I) (or if the Escrow Shares are not sufficient, in accordance with the following clause (ii)), and (ii) in the event the Member Representative chooses settlement in Escrow Shares pursuant to the foregoing clauses (A)(I) or (B), but the amount of Indemnified Taxes (or amount of excess Indemnified Taxes, in the case of the foregoing clause (A)(I)) are in excess of the Escrow Shares, Holdings and the Parent Share Recipients shall transfer to Parent a number of Parent Shares (rounded up to the nearest whole share) equal to the quotient of (I) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (II)) of such remaining excess Indemnified Taxes, divided by (II) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange), as reported by Bloomberg Finance L.P., in accordance with their respective Pro Rata Shares, severally and not jointly. Notwithstanding the foregoing, any claim for indemnification by the Parent Indemnitees pursuant to Section 6.03 for Indemnified Taxes, Section 9.02(a) for any breach of a representation contained in Section 3.22, or Section 9.02(b) for any breach of a covenant, undertaking, agreement or obligation contained in this Article VI, in each case, other than those arising out of or related to 280E for Pre-Closing Tax Periods, to the extent asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the Indemnified Party to the Indemnifying Party on or prior to the applicable expiration date of the applicable survival period shall not thereafter be barred by the expiration of such survival period and such claims shall survive until finally resolved. Notwithstanding anything to the contrary in this Agreement, Parent shall pay or cause to be paid pursuant to the Management Services Agreement Taxes payable by Horizon LLC following the Closing; provided that, to the extent such Taxes are the subject of any claim for indemnification by any Parent Indemnitee pursuant to Section 6.03 for Indemnified Taxes, Section 9.02(a) for any breach of a representation contained in Section 3.22 or Section 9.02(b) for any breach of a covenant contained in this Article VI, Holdings and the Parent Share Recipients shall cause to be paid and/or released to Parent an amount equal to such payments made by Parent in a manner consistent with the payment of Indemnified Taxes owed to Parent under the preceding provisions of this Section 6.03.

Section 6.04. Tax Returns.

(a) The Holdings Entities shall prepare and timely file, or cause to be prepared and timely filed, at the Holdings Entities' expense, all Tax Returns required to be filed by the Holdings Entities that are due on or before the Closing Date (taking into account any extensions), and shall timely pay all Taxes that are shown as due and payable on such Tax Returns. Holdings shall also prepare, or cause to be prepared, all income Tax Returns of the Companies for periods that end on or before the Closing Date that are due after the Closing Date (taking into account applicable extensions). Any Tax Return prepared, or caused to be prepared, by Holdings under this Section 6.04(a) shall be prepared in a manner consistent with past practice of the Holdings Entities (unless otherwise required by Law), *provided, however,* that (i) Holdings may file such Tax Returns by taking the position that Section 280E does not apply to Horizon LLC (including any of its predecessors), or any Acquired Company if Holdings receives a tax opinion of counsel that is reasonably acceptable to Parent, with respect to such position provided that, after the date hereof, there is no subsequent change in applicable Tax law or regulation or the interpretation thereof by official IRS guidance, or a judicial decision published by a United States federal court, including the United States Tax Court (for the avoidance of doubt, disregarding any dicta or footnotes in any such decision), in each case, that materially and adversely affects such position; and (ii) the Holdings Restructure (excluding the contribution of Arches to MSA Newco) shall be reported consistent with the Intended Restructure Tax Treatment and the conversion of NGH Investments, LLC into NGH Investments, Inc. shall be reported as a transaction that qualifies under Section 351(a) of the Code. Holdings shall submit to Parent any income Tax Return (together with schedules, statements and, to the extent requested by Parent, supporting documentation) prepared, or caused to be prepared, by Holdings at least 30 days prior to the due date (including extensions) of such Tax Return for Parent's review and comment, and Holdings and Parent shall reach agreement on such Tax Returns prior to the filing thereof. Should Holdings and Parent disagree on any matter in any such Tax Return, Holdings and Parent shall cooperate in good faith to resolve such dispute and, to the extent Holdings and Parent are unable to resolve any such dispute, such items then-remaining in dispute shall be submitted to the Independent Accountant for resolution in accordance with the provisions of Section 2.17(c)(iii)-(v). Within ten (10) Business Days after payment by Parent (in accordance with the last sentence of this Section 6.04(a)) of Taxes due with respect to any such income Tax Return that relates to Pre-Closing Tax Periods ending on or before the Closing Date, but only to the extent such Taxes due were not treated as a liability or otherwise taken into account in the calculation of the Closing Working Capital or the Actual Closing Merger Consideration, Holdings shall cause to be paid and/or released such amounts to Parent in a manner consistent with the payment of Indemnified Taxes owed to Parent under Section 6.03 hereof. Notwithstanding anything to the contrary in the Management Services Agreement, Parent shall pay or cause to be paid pursuant to the Management Services Agreement Taxes payable by Horizon LLC following the Closing with respect to all Tax Returns of the Companies that are due after the Closing Date (taking into account applicable extensions) for periods that end on or before the Closing Date subject to Holdings' indemnification obligations in accordance with the immediately preceding sentence.

(b) For U.S. federal and applicable state and local income tax purposes, as a result of the Merger, the taxable year of the Companies shall end on the Closing Date and the Companies shall become a member of the consolidated group of which Parent is the common parent beginning on the date following the Closing Date. Parent shall, at its expense, other than Tax Returns that are governed by Section 6.04(a), prepare and timely file, or cause to be prepared and timely filed, all Tax Returns required to be filed by the Acquired Companies that are due after the Closing Date. Any such Tax Returns shall be prepared in a manner consistent with past practice of the Acquired Companies (unless otherwise required by Law) and consistent with the Intended Restructure Tax Treatment, and, if it is an income or other material Tax Return, shall be submitted by Parent to Member Representative (together with schedules, statements and, to the extent requested by Member Representative, supporting documentation) at least 30 days prior to the due date (including extensions) of such Tax Return for Member Representative's review and comment. Parent shall consider Member Representative's comments in good faith. The parties agree to treat any Transaction Tax Deductions as deductible in the Pre-Closing Tax Period ending on the Closing Date to the extent supported by a "more likely than not" or higher reporting basis. The parties shall cooperate in good faith to resolve any dispute regarding all such Tax Returns, and to the extent Parent and Member Representative are unable to resolve all disputes with respect to any such Tax Return, such items remaining in dispute shall be submitted to the Independent Accountant for resolution in accordance with the provisions of Section 2.17(c)(iii)-(v). The preparation and filing of any Tax Return of the Acquired Companies that does not relate in whole or in part to a Pre-Closing Tax Period shall be exclusively within the control of Parent. Within ten (10) Business Days after payment by Parent of Taxes due with respect to the filing of any such Tax Return that relates to Pre-Closing Tax Periods, but only to the extent such Taxes due were not Excluded Taxes, Parent shall pay or cause to be paid such Taxes to the appropriate taxing authority, and Holdings and the Parent Share Recipients shall cause to be paid and/or released to Parent the amount of Taxes shown as due on such Tax Return that are attributable to a Pre-Closing Tax Period (to the extent such Taxes due are not Excluded Taxes) in a manner consistent with the payment of any Indemnified Taxes owed to Parent under Section 6.03. Notwithstanding anything to the contrary in the Management Services Agreement, Parent shall pay or cause to be paid pursuant to the Management Services Agreement Taxes payable by Horizon LLC following the Closing with respect to all Tax Returns of the Companies that are due after the Closing Date (taking into account applicable extensions) for periods that end on or before the Closing Date subject to Holdings' indemnification obligations in accordance with the immediately preceding sentence.

Section 6.05. Straddle Period. In the case of Taxes that are payable with respect to a taxable period that begins on or before the Closing Date and ends after the Closing Date (each such period, a "**Straddle Period**"), the portion of any such Taxes that are allocable to the portion of such Straddle Period ending on the Closing Date for purposes of this Agreement shall be:

(a) in the case of Taxes (i) based upon, or related to, income, receipts, profits, wages, capital or net worth, (ii) imposed in connection with the sale, transfer or assignment of property, or (iii) required to be withheld, deemed equal to the amount which would be payable if the taxable year ended with the Closing Date; provided that any transactions or events undertaken, or caused to be undertaken, by Parent that are outside the Ordinary Course of Business and occur after the Closing on the Closing Date (other than any transactions or events taken pursuant to this Agreement) will be treated for all purposes under this Agreement as occurring in the portion of the Straddle Period beginning after the Closing Date; and

(b) in the case of other Taxes, deemed to be the amount of such Taxes for the entire period multiplied by a fraction the numerator of which is the number of days in the period ending on the Closing Date and the denominator of which is the number of days in the entire period.

Section 6.06. Contests. Parent shall give prompt written notice to Holdings and Member Representative (and in all events, within twenty (20) days of the receipt thereof) of the receipt of any written notice by the Surviving Companies, Parent or any of Parent's Affiliates (including, without limitation, the other Holdings Entities), which involves the assertion of any claim, or the commencement of any Action relating to Taxes in respect of which an indemnification claim may be made by any Parent Indemnitee pursuant to this Agreement (a "**Tax Claim**"); provided, that failure to comply with such notice provision shall not affect Parent's right to indemnification hereunder, except to the extent that Holdings and the Parent Share Recipients are materially prejudiced thereby. Holdings or Member Representative shall control the contest or resolution of any Tax Claim relating to any income Tax Returns of any Holdings Entity for periods that end on or before the Closing Date (other than a Tax Claim relating to 280E and which also relates to one or more income Tax Return(s) of Parent or one or more of Parent's Affiliates, a "**Combined Tax Claim**"); provided, however, that (i) Member Representative or Holdings, as applicable, shall provide Parent copies of all written correspondence related to such Tax Claim and otherwise keep Parent apprised of all material developments with respect to any Tax Claim, (ii) Holdings or Member Representative shall obtain the prior written consent of Parent (which consent shall not be unreasonably withheld, conditioned or delayed) before entering into any settlement of a claim or ceasing to defend such claim, and (iii) Parent shall be entitled to participate in the defense of such claim and to employ counsel of its choice for such purpose, the fees and expenses of which separate counsel shall be borne solely by Parent. Parent shall control the contest or resolution of any other Tax Claim including, without limitation, a Combined Tax Claim; provided, however, that (i) Parent shall provide Member Representative copies of all written correspondence related to such Tax Claim and otherwise keep Member Representative apprised of all material developments with respect to any Tax Claim, (ii) Parent shall obtain the prior written consent of Member Representative (which consent shall not be unreasonably withheld, conditioned or delayed) before entering into any settlement of a claim or ceasing to defend such claim, and (iii) Holdings or Member Representative shall be entitled to participate in the defense of such claim and to employ counsel of its choice for such purpose, the fees and expenses of which separate counsel shall be borne solely by Holdings.

Section 6.07. Cooperation and Exchange of Information. Holdings shall use its reasonable best efforts to provide Parent, prior to the Closing Date but effective as of the Closing Date, with customary representations and warranties in form and substance reasonably necessary or appropriate for Parent to comply with Section 2.22 hereof. The Member Representative, Holdings, the Surviving Companies and Parent shall provide each other with such cooperation and information as either of them reasonably may request of the others in filing any Tax Return pursuant to this Article VI or in connection with any audit or other proceeding in respect of Taxes of the Acquired Companies. Such cooperation and information shall include providing copies of relevant Tax Returns or portions thereof, together with accompanying schedules, related work papers and documents relating to rulings or other determinations by tax authorities. Each of Holdings, the Surviving Companies and Parent shall retain all Tax Returns, schedules and work papers, records and other documents in its possession relating to Tax matters of each Acquired Company for any taxable period beginning before the Closing Date until the expiration of the statute of limitations of the taxable periods to which such Tax Returns and other documents relate, without regard to extensions except to the extent notified by any of the other parties in writing of such extensions for the respective Tax periods. Prior to transferring, destroying or discarding any Tax Returns, schedules and work papers, records and other documents in its possession relating to Tax matters of each Acquired Company for any taxable period beginning before the Closing Date, Holdings, the Surviving Companies or Parent (as the case may be) shall provide the other parties with reasonable written notice and offer the other parties the opportunity to take custody of such materials.

Section 6.08. [Reserved].

Section 6.09. Section 280E of the Code. The parties acknowledge and agree that the Holdings Entities are engaged in the cannabis industry in the State of Missouri, which includes, as applicable, the businesses of operating licensed cannabis dispensaries, which includes the adult-use retail and medical sale of cannabis, and the cultivation, distribution and manufacturing of cannabis, which is currently classified as a Schedule I controlled substance under Section 812 of the Controlled Substances Act. As a result, for U.S. federal income tax purposes, the Holdings Entities are currently subject to Section 280E of the Code ("**280E**").

Section 6.10. Survival; Limited 280E Survival. The provisions of this Article VI shall survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof) plus 60 days. Notwithstanding the preceding sentence or Section 9.01 to the extent related to the survival period for representations in Section 3.22, any claim for indemnification by the Parent Indemnitees pursuant to Section 6.03 for Indemnified Taxes or Section 9.02(a) for any breach of a representation contained in Section 3.22, in each case, arising out of or related to 280E for Pre-Closing Tax Periods in excess of the 280E Tax Reserve shall be made on or prior to the date that is three (3) years from the Closing Date; provided that if New Horizon files one or more amended Tax Return(s) containing a change in position with respect to the applicability of 280E for a Pre-Closing Tax Period, the three (3) year period contained in this Section 6.10 shall be extended until the date that is three (3) years from the date of filing such amended Tax Return(s); provided further, that any such claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the Indemnified Party to the Indemnifying Party on or prior to such three-year anniversary (as may be extended pursuant to the terms hereof) shall not thereafter be barred by the expiration of the relevant survival period and such claims shall survive until finally resolved.

Section 6.11. Precedence. Notwithstanding anything to the contrary in this Agreement, Section 6.06 shall govern with respect to Tax Claims and, to the extent that any obligation or responsibility pursuant to Article IX may conflict with an obligation or responsibility pursuant to this Article VI, the provisions of this Article VI shall govern.

Section 6.12. Refunds. All refunds of Taxes of a Holdings Entity attributable to any Tax Return filed by or with respect to an Acquired Company or Horizon LLC (or any of its predecessors) for a Pre-Closing Tax Period (net of any documented, out-of-pocket expenses of Parent or its Affiliates (including the Surviving Corporation) reasonably incurred to obtain such refund and net of any portion of such Tax refund that is attributable (as determined on a with and without basis) to the carryback of a Tax attribute (including a net operating loss, net capital loss, foreign tax credit, or research and development credit) arising in a Post-Closing Tax Period) (a "**Pre-Closing Tax Refund**"), shall be the property of Holdings. All Pre-Closing Tax Refunds received by Horizon LLC shall be deposited in the account of Merger Sub 2 as agent of Horizon LLC to be held subject to the terms of this Section 6.12 unless and until such amounts are no longer subject to offset against, or retention by Parent in connection with, an indemnification claim by a Parent Indemnitee pursuant to the terms of this Section 6.12 (or, to the extent such Pre-Closing Tax Refund relates to 280E, until the expiration of the statute of limitations for an audit, review or other examination of such Tax Return underlying such 280E Pre-Closing Tax Refund by the applicable Governmental Authority (or the conclusion of any such audit, review or examination) all pursuant to the terms of this Section 6.12). To the extent such Pre-Closing Tax Refunds are subject to an indemnification claim by a Parent Indemnitee pursuant to the terms of Section 6.03, Merger Sub 2 shall be entitled to retain such amount. Promptly upon receipt of any Pre-Closing Tax Refund (other than a 280E Pre-Closing Tax Refund), and in no event later than ten (10) Business Days after such receipt by Parent or its Affiliates (including the Surviving Companies), Parent shall, at its sole option, pay the amount of such Pre-Closing Tax Refund to Holdings by (x) wire transfer of immediately available funds, or (y) issuance of Parent Shares (rounded up to the nearest whole number) equal to the quotient of (A) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (B)) of the Pre-Closing Tax Refund, divided by (B) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such issuance on the Exchange, as reported by Bloomberg Finance L.P.; provided that, for any such refund, if at the time such Pre-Closing Tax Refund would otherwise be payable to Holdings pursuant to this Section 6.12, without limiting the applicability of any survival periods or other limitations on the indemnification obligations pursuant to Section 6.03 or Article IX, it has been agreed or finally adjudicated that Parent Indemnitee is entitled to indemnification for a Loss under Section 6.03 or Article IX, Parent may retain such Pre-Closing Tax Refund, or a portion thereof, in the amount of such Loss, and the indemnification obligations under Section 6.03 and Article IX with respect to such Loss shall be reduced by the amount of such Pre-Closing Tax Refund retained pursuant to this Section 6.12. The amount of any Pre-Closing Tax Refund arising from any 280E Liability due to Holdings under this Section 6.12, including, without limitation, any such Pre-Closing Tax Refund arising from the Acquired Companies' filing of amended federal income Tax Returns for any Pre-Closing Period (a "**280E Pre-Closing Tax Refund**"), shall be retained and held by the Surviving Companies until the expiration of the statute of limitations for an audit, review or other examination of such Tax Return underlying such 280E Pre-Closing Tax Refund by the applicable Governmental Authority (or the conclusion of any such audit, review or examination) (each, a "**Refund Holding Period**"), at which time the amount of such 280E Pre-Closing Tax Refund, less any 280E Liability determined to be payable in connection with such 280E Pre-Closing Tax Refund taking into account any then-remaining 280E Tax Reserve and any other cash reserve specifically designated as being a reserve solely for unpaid Taxes, or other amounts payable in connection with any such audit, review or examination (the "**Net Pre-Closing Tax Refund**"), shall be (a) applied to the calculation and determination of the Earnout Amount and Forfeiture Amount and permanently retained by Parent and its Affiliates, or (b) to the extent that the Earnout Amount and Forfeiture Amount have previously been calculated and determined, paid not later than ten (10) Business Days after the expiration of the Refund Holding Period, by Parent to Holdings of the Net Pre-Closing Tax Refund by either, at Parent's sole option, (x) wire transfer of immediately available funds, or (y) issuance of Parent Shares (rounded up to the nearest whole number) equal to the quotient of (A) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (B)) of the Net Pre-Closing Tax Refund, divided by (B) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such issuance on the Exchange, as reported by Bloomberg Finance L.P. Parent shall, and shall cause each applicable Acquired Company to, reasonably cooperate with Holdings in filing any amended Tax Return with respect to New Horizon as necessary to claim Tax refunds, credits or other recoveries (including filing amended Tax Returns), it being acknowledged and agreed that the filing of such amended Tax Returns shall be solely within the control of Holdings and that Holdings may file such amended Tax Returns by taking the position that Section 280E does not apply to New Horizon (including any of its predecessors), or any Acquired Company if Holdings receives a tax opinion of counsel that is reasonably acceptable to Parent, with respect to such position, which opinion shall be based on the then applicable Tax law, including any statutes, regulations, and any interpretation of the forgoing by official IRS guidance, or a judicial decision published by a United States federal court, including the United States Tax Court (for the avoidance of doubt, disregarding any dicta or footnotes in any such decision).

Section 6.13. Prohibited Actions. Without the prior written consent of Holdings (which shall not be unreasonably withheld, conditioned, or delayed), following the Closing, Parent and its Affiliates (including the Surviving Companies) shall not (i) amend any previously filed Tax Return of an Acquired Company or waive or extend any statute of limitations period in respect of any Tax or Tax Return of the Acquired Companies for any Pre-Closing Tax Period, (ii) make or change any Tax election of an Acquired Company that would have the effect of increasing Taxes owed by the Acquired Company for a Pre-Closing Tax Period, or (iii) initiate discussions or examinations (including any voluntary disclosure proceedings) with any taxing authority regarding Taxes or Tax Returns of the Acquired Companies with respect to Pre-Closing Tax Periods. Parent and its affiliates shall not make any election under Section 338 of the Code with respect to the transactions contemplated by this Agreement.

Section 6.14. Cash Limitation. Notwithstanding anything to the contrary in this Agreement, the total amount of any and all cash consideration payable by Parent to or for the benefit of Holdings in connection with the Merger (including, without limitation, pursuant to Sections 2.17(d), 2.19, 6.12, and any cash payments by Parent in respect of the Dissenting Shares, if any) shall at no time exceed 49% of the fair market value of the Closing Share Payment (determined in accordance with Treasury Regulations Section 1.368-1(e)) and all other Parent Shares actually issued to Holdings as additional consideration in the Merger.

ARTICLE VII.
[RESERVED]

ARTICLE VIII.
CONDITIONS TO CLOSING

Section 8.01. Conditions to Obligations of All Parties. The obligations of each party to consummate the Mergers and the other transactions contemplated by this Agreement shall be subject to the fulfillment (or waiver, to the extent permitted by Law), at or prior to the Closing, of each of the following conditions:

(a) Parent Shareholder Approval shall have been obtained and shall be valid and in full force and effect.

(b) Filings of Parent and Holdings pursuant to the HSR Act if any, shall have been made and the applicable waiting period and any extensions thereof shall have expired or been terminated.

(c) No Governmental Authority of competent jurisdiction shall have commenced, and not terminated or withdrawn, any Action against Parent, Merger Sub 1, Merger Sub 2 or any Holdings Entities for the purpose of obtaining any Governmental Order that would have the effect of making the consummation of the Mergers or the other transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(d) No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Governmental Order after the date of this Agreement, and no Law shall have been enacted or promulgated after the date of this Agreement, in each case, which is in effect and has the effect of making the consummation of the Mergers or the other transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof, other than Federal Cannabis Laws.

(e) Parent shall have closed an equity investment in Parent from various investors in an aggregate amount at least equal to $75 million.

(f) Holdings, the Companies or Parent, as applicable, shall have received the Regulatory Consents, and Parent shall have received all required consents, authorizations, orders and approvals from the Governmental Authorities with respect to Parent Cannabis Laws and the Missouri Cannabis Laws referred to in Section 4.02, in each case, in form and substance reasonably satisfactory to the other party, and no such consent, authorization, order and approval shall have been revoked.

(g) The Holdings Restructuring shall have been completed in accordance with Section 5.19.

Section 8.02. Conditions to Obligations of Parent, Merger Sub 1 and Merger Sub 2. The obligations of Parent, Merger Sub 1 and Merger Sub 2 to consummate the Merger and the other transactions contemplated by this Agreement shall be subject to the fulfillment (or Parent's waiver, to the extent permitted by Law), at or prior to the Closing, of each of the following additional conditions:

(a) Other than the representations and warranties of Holdings and the Companies contained in Section 3.01, Section 3.02, Section 3.04, Section 3.06 and Section 3.25, the representations and warranties of Holdings and the Companies contained in this Agreement shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and, subject to Section 5.17(a)(ii), on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date shall be so true and correct as of such date). The representations and warranties of Holdings and the Companies contained in Section 3.01, Section 3.02, Section 3.04, Section 3.06 and Section 3.25 shall be true and correct in all respects (other than de minimis inaccuracy) on and as of the date hereof and, subject to Section 5.17(a)(ii), on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date).

(b) Holdings and the Companies shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the Ancillary Documents to be performed or complied with by Holdings and the Companies prior to or on the Closing Date; provided, that, with respect to agreements, covenants and conditions that are qualified by materiality, Holdings and the Companies shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

(c) The Holdings Entities' licenses set forth on Section 8.02(c) of the Disclosure Schedules shall each be valid and in full force and effect, with no violations having been experienced, noted or recorded, which violations have not been cured to the satisfaction of Parent in its sole discretion as of the Closing Date, and no Proceeding pending or threatened to revoke or limit such licenses on the Closing Date.

(d) From the date of this Agreement, there shall not have occurred any Material Adverse Effect, 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.

(e) Holdings or the Companies shall have delivered each of the closing deliverables set forth in Section 2.03(a).

(f) The Acquired Companies shall have Cash in an amount not less than the Minimum Cash Amount.

(g) The Exchange Approval shall have been received.

(h) Holdings shall have delivered to Parent a Letter of Transmittal properly completed and duly executed by Holdings with respect to all the Shares).

(i) The Third Party Consents shall have been received in form and substance reasonably satisfactory to Parent, and no such consent, authorization, order and approval shall have been revoked.

Section 8.03. Conditions to Obligations of Holdings and the Companies. The obligations of Holdings and the Companies to consummate the Mergers and the other transactions contemplated by this Agreement shall be subject to the fulfillment (or Holding's or a Company's waiver, to the extent permitted by Law), at or prior to the Closing, of each of the following additional conditions:

(a) Other than the representations and warranties of Parent, Merger Sub 1 and Merger Sub 2 contained in Section 4.01, Section 4.04 and Section 4.07, the representations and warranties of Parent, Merger Sub 1 and Merger Sub 2 contained in this Agreement shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and, subject to Section 5.17(b)(ii), on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be so true and correct as of such date). The representations and warranties of Parent, Merger Sub 1 and Merger Sub 2 contained in Section 4.01, Section 4.04 and Section 4.07 shall be true and correct in all respects (other than de minimis inaccuracy) on and as of the date hereof and, subject to Section 5.17(b)(ii), on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be so true and correct as of such date).

(b) Parent, Merger Sub 1 and Merger Sub 2 shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the Ancillary Documents to be performed or complied with by them prior to or on the Closing Date; provided, that, with respect to agreements, covenants and conditions that are qualified by materiality, Parent, Merger Sub 1 and Merger Sub 2 shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

(c) Parent shall have delivered each of the closing deliverables set forth in Section 2.03(b).

(d) From the date of this Agreement, there shall not have occurred a Parent Material Adverse Effect.

(e) John Pennington shall have been appointed by the board of directors of Parent as a director.

(f) John Mazarakis shall have been appointed by the board of directors of Parent as, and shall be serving as of Closing as, Chief Executive Officer and Co-Executive Chairman of Parent.

(g) Holdings shall have received satisfactory evidence that the CA Credit Agreement has been transferred to MSA Newco and NGH.

(h) Upon the closing of the transactions contemplated by this Agreement, Parent shall be, and will continue to be, treated as a United States domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Code.

ARTICLE IX.
INDEMNIFICATION

Section 9.01. Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing until the date that is 12 months from the Closing Date; provided, that the representations and warranties in Section 3.01, Section 3.02, Section 3.03, Section 3.04, Section 3.22, Section 3.25, Section 4.01, Section 4.02, Section 4.04, Section 4.07 and Section 4.12 (collectively, the "**Fundamental Representations**") shall survive Closing until the expiration of the applicable statute of limitations plus 60 days except as expressly otherwise set forth in Section 6.10. All covenants and agreements of the parties contained herein (other than any covenants or agreements contained in Article VI which are subject to the survival periods specified in Article VI) shall survive the Closing indefinitely or for the period explicitly specified therein; provided, that the covenant with respect to indemnification for Closing Indebtedness set forth in Section 9.02(g) shall survive the Closing for twenty-four (24) months. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the Indemnified Party to the Indemnifying 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.

Section 9.02. Indemnification By Holdings and the Parent Share Recipients. From and after the Closing, subject to the other terms and conditions of this Article IX, Holdings and the Parent Share Recipients, severally and not jointly (in accordance with their Pro Rata Shares, provided that, notwithstanding anything to the contrary set forth herein or in any Ancillary Document, for all breaches or defaults of any individual Parent Share Recipient's representations, warranties, covenants or agreements, the indemnification obligations of each Parent Share Recipient to the Parent Indemnitees shall be specific to such Parent Share Recipient in breach or default of any such representations, warranties, covenants or agreements), shall indemnify and defend each of Parent and its Affiliates (including the Acquired Companies) and their respective Representatives (collectively, the "**Parent Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Parent Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of the Companies, Holdings or any Parent Share Recipient contained in this Agreement or in any certificate or instrument delivered by or on behalf of the Companies, Holdings, or the Member Representative pursuant to this Agreement;

(b) any breach, violation or non-fulfillment of any covenant, agreement or obligation to be performed by Holdings, any Parent Share Recipient, the Companies (if before or at the Closing), the Member Representative (if after the Closing) or any Member pursuant to this Agreement or in any certificate or instrument delivered by or on behalf of Holdings, the Companies, any Parent Share Recipient, the Member Representative or any Member pursuant to this Agreement;

(c) any claim made by any Parent Share Recipient relating to such Person's rights with respect to distribution or other delivery by Holdings to any such Person of any portion of the Total Merger Consideration;

(d) any claims of any Member under the Company Charter Documents of Holdings or any claims of any Parent Share Recipient that the appointment of the Member Representative, or any indemnification or other obligations of such Parent Share Recipient under this Agreement or any Ancillary Document, is or was not enforceable against such Parent Share Recipient;

(e) any amounts paid or required to be paid by Parent or any of its Affiliates (including the Acquired Companies) pursuant to Section 5.09;

(f) the Holdings Restructuring; or

(g) any Transaction Expenses or Closing Indebtedness to the extent not paid or satisfied by the Companies at or prior to the Closing, or if paid by Parent, Merger Sub 1 or Merger Sub 2 at or prior to the Closing, to the extent not deducted in the determination of Closing Merger Consideration.

Section 9.03. Indemnification By Parent. From and after the Closing, subject to the other terms and conditions of this Article IX, Parent shall indemnify and defend Holdings and its Affiliates and their respective Representatives (collectively, the "**Holdings Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Holdings Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of Parent, Merger Sub 1 and Merger Sub 2 contained in this Agreement or in any certificate or instrument delivered by or on behalf of Parent, Merger Sub 1 or Merger Sub 2 pursuant to this Agreement; or

(b) any breach, violation or non-fulfillment of any covenant, agreement or obligation to be performed by Parent, Merger Sub 1 or Merger Sub 2 pursuant to this Agreement.

Section 9.04. Certain Limitations. The indemnification provided for in Section 9.02 and Section 9.03 (and, with respect to Section 9.04(c), Section 6.03) shall be subject to the following limitations and additional provisions:

(a) Except as set forth in Section 9.04(c), Holdings and the Parent Share Recipients shall not be liable to the Parent Indemnitees for indemnification under Section 9.02(a) until the aggregate amount of all Losses in respect of indemnification under Section 9.02(a) exceeds an amount equal to $463,101 (the "**Deductible**"), in which event Holdings and the Parent Share Recipients shall be required to pay or be liable for all such Losses in excess of the Deductible. Except as set forth in Section 9.04(c), the aggregate amount of all Losses for which Holdings and the Parent Share Recipients shall be liable pursuant to Section 9.02(a) shall not exceed an amount equal to $9,262,024 (the "**Cap**") (except for (i) any Losses related to any inaccuracy in or breach of any Fundamental Representations, which are subject to the limitation set forth in Section 9.04(c), and (ii) any Losses on the part of the Parent Indemnitee claiming indemnification hereunder resulting from Fraud, intentional misrepresentations and intentional misconduct, which shall not be subject to the Cap).

(b) Except as set forth in Section 9.04(c), Parent shall not be liable to the Holdings Indemnitees for indemnification under Section 9.03(a) until the aggregate amount of all Losses in respect of indemnification under Section 9.03(a) exceeds the Deductible, in which event Parent shall be required to pay or be liable for all such Losses in excess of the Deductible. Except as set forth in Section 9.04(c), the aggregate amount of all Losses for which Parent shall be liable pursuant to Section 9.03(a) shall not exceed the Cap (except for any Losses on the part of a Holdings Indemnitee claiming indemnification hereunder resulting from Fraud, intentional misrepresentations and intentional misconduct, which shall not be subject to the Cap).

(c) Notwithstanding anything to the contrary herein, (i) the limitations set forth in Section 9.04(a) and Section 9.04(b) shall not apply to Losses based upon, arising out of, with respect to or by reason of any inaccuracy in or breach of any Fundamental Representation, (ii) the aggregate amount of all Losses based upon, arising out of, with respect to or by reason of any inaccuracy in or breach of any Fundamental Representation, for which Holdings and the Parent Share Recipients shall be liable pursuant to Section 9.02(a), or for which Parent shall be liable pursuant to Section 9.03(a), shall not exceed one hundred percent (100%) of the Actual Closing Merger Consideration, (iii) in no event shall Holdings' and the Parent Share Recipients' liability pursuant to Article VI and this Article IX exceed the value (as if such amounts were all received as of Closing) of the Actual Closing Merger Consideration that Holdings and the Parent Share Recipients actually receive, and (iv) in no event shall Holdings or any Parent Share Recipient's liability pursuant to Article VI and this Article IX exceed the value (as if such amounts were all received as of Closing) of its Pro Rata Share of the Actual Closing Merger Consideration that Holdings actually received and did not distribute to the Parent Share Recipients or that any such Parent Share Recipient actually received.

(d) Notwithstanding anything to the contrary elsewhere in this Agreement, for purposes of calculating the amount of any Losses with respect to any inaccuracy in or breach of any representation or warranty related to Arches, the amount of such Losses shall first be multiplied by the Company Arches Percentage before determining what amounts are otherwise indemnifiable pursuant to Section 9.02, which resulting amounts shall remain subject to the other limitations set forth in this Section 9.04.

(e) For purposes of this Section 9.04, in determining the existence of an inaccuracy in or a breach of any representation or warranty and for purposes of calculating the amount of any Losses with respect to any inaccuracy in or breach of any representation or warranty, the amount of such Losses shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty.

(f) Any indemnification payment required under this Article IX shall be adjusted for the amount of any Losses that are actually recovered from any insurance proceeds (net of cost of enforcement and collection of insurance proceeds and deductibles and increases in insurance premiums) and any indemnity, contribution or similar payment received by the Indemnified Party in respect of any such Losses. Each party shall use commercially reasonable efforts to assert a claim where coverage for such claim may be available pursuant to applicable existing insurance policies; provided, that neither Parent Indemnitees nor Holdings Indemnitees will have any obligation to have any claims under such insurance policies finally resolved prior to making a claim for indemnification hereunder.

(g) No party shall be entitled to (i) double recovery for any indemnifiable Losses even though such Losses may have resulted from the breach of more than one of the representations, warranties, agreements and covenants in this Agreement or (ii) recover any Losses with respect to Excluded Taxes or, without duplication, any amounts to the extent such amounts were treated as liabilities or were otherwise specifically taken into account in computing the Total Merger Consideration.

(h) Nothing in this Agreement is intended to limit any obligation under applicable Law with respect to mitigation of damages.

Section 9.05. Indemnification Procedures. The party making a claim under this Article IX (whether Parent or Holdings) is referred to as the "**Indemnified Party**", and the party against whom such claims are asserted under this Article IX is referred to as the "**Indemnifying Party**" (whether Parent, Holdings, or any Parent Share Recipients). Any payment received by Holdings as the Indemnified Party shall be distributed to the Parent Share Recipients in accordance with this Agreement. For purposes of this Section 9.05, if Holdings is the Indemnified Party or if any Parent Share Recipients comprise the Indemnifying Party, then in each such case all references to such Indemnified Party or Indemnifying Party, as the case may be, (except for provisions relating to an obligation to make or a right to receive any payments) shall be deemed to refer to the Member Representative acting on behalf of such Indemnified Party or Indemnifying Party, as applicable.

(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 a Parent Share Recipient) 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, written notice shall promptly be given (but in any event not later than 30 calendar days after receipt of such notice of such Third Party Claim) to the Member Representative if the Third Party Claim is being made or brought against a Parent Indemnitee, and to Parent if the Third Party Claim is being made or brought against a Holdings Indemnitee. 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 or is otherwise adversely impacted thereby. 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 Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense; provided, that if the Indemnifying Party is Holdings or a Parent Share Recipient, such Indemnifying Party shall not have the right to defend or direct the defense of any such Third Party Claim (w) for which the Indemnified Party has been reasonably advised by counsel that there exists a reasonable likelihood of a conflict of interest between the Indemnified Party and the Indemnifying Party, (x) that is asserted directly by or on behalf of a Person that is a supplier or customer of the Holdings Entities, (y) that seeks an injunction or other equitable relief against the Indemnified Parties or (z) that is with respect to a criminal action against the Indemnified Parties. In the event that the Indemnifying Party assumes the defense of any Third Party Claim, subject to Section 9.05(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party, provided, that if the Indemnified Party has been reasonably advised by counsel that (A) there are legal defenses available to an Indemnified Party that are different from or additional to those available to the Indemnifying Party; or (B) there exists a reasonable likelihood of a conflict of interest between the Indemnifying Party and the Indemnified Party, the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party determines counsel is required. If the Indemnifying Party elects not to (or is not permitted to, as set forth above) assume the defense of, compromise or defend such Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third Party Claim, the Indemnified Party may, subject to Section 9.05(b), pay, compromise, settle and defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. The Member Representative, Holdings, each Parent Share Recipient, and Parent shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(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 will not be unreasonably withheld, conditioned or delayed). If the Indemnified Party has assumed the defense pursuant to Section 9.05(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed).

(c) Direct Claims. Any Action by an Indemnified Party on account of a 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 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 or is otherwise materially and adversely impacted thereby. 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 Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall reasonably assist the Indemnifying Party's investigation by giving such information and assistance as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30 day period, the Indemnifying Party shall be deemed to have accepted such claim.

Section 9.06. Setoff. Without limiting any other provision of this Article IX or any rights of setoff or other similar rights that an Indemnified Party may have at common law, (i) Parent will have the right to set-off, withhold and deduct, in accordance with this Section 9.06, from any payment of any Earn-Out Amount due to Holdings or a Parent Share Recipient hereunder, such Person's Pro Rata Share of any Losses determined, by final, non-appealable adjudication, to be owed by such Person to a Parent Indemnitee pursuant to such Parent Indemnitee's right to indemnification set forth in Article VI or this Article IX (or to which the Member Representative otherwise acknowledges is agreed to as an indemnifiable Loss, and the Member Representative will be deemed to agree to indemnifiable Losses in respect of any Third Party Claim for which a Parent Share Recipient or Holdings has assumed the defense as an Indemnifying Party); provided that Parent may set-off, withhold and deduct from any Earn-Out Amount any Losses or other amounts actually paid by Parent, the Surviving Corporation, or any Parent Indemnitee to (a) a D&O Indemnified Party in respect of a D&O Claim (including any payments or reimbursements in respect of any such D&O Indemnified Party's fees or expenses in connection with any such D&O Claim) indemnifiable under Section 9.02(f) and (b) any Person in respect of any of the matters that are indemnifiable as set forth in Section 9.02(c) and 9.02(d), and the Member Representative, Holdings, and each Parent Share Recipient will be deemed to accept the foregoing set-offs, withholdings, or deductions, set forth in (a) and (b) above, and no such set-off, withholding, or deduction set forth in (a) and (b) above shall be subject to any requirement to obtain a final, non-appealable adjudication (including as set forth in subsection (ii) of this sentence), in each case subject in all respects to the applicable limitations and other provisions set forth herein, including, without limitation (as applicable), Section 5.09, Article VI and this Article IX, and (ii) with respect to any matters for which the foregoing clause (i) does not apply, to the extent that a Parent Indemnitee suffers Losses or incurs any other amounts to which a Parent Indemnitee reasonably believes such Parent Indemnitee is entitled to indemnification under Article VI or this Article IX, Parent shall be entitled to submit (on behalf of the Parent Indemnitee) a notice of such good faith claim (each, a "**Set-Off Claim**") thereof to the Member Representative. Any Set-Off Claim shall be resolved in accordance with the procedures set forth in Article VI or this Article IX, as applicable, depending on the nature of the underlying claim; provided that in the event that Parent is unable to resolve any timely objections made by the Member Representative to such Set-Off Claim within thirty (30) days following the delivery of the notice of such Set-Off Claim, then Parent or the applicable Parent Indemnitee may seek judicial determination of such claim and upon a final, non-appealable determination of such Set-Off Claim (or upon agreement of the Member Representative), may set-off, withhold, and deduct such finally determined Losses and other amounts against the Earn-Out Amount. For the avoidance of doubt, (a) Parent may hold back and delay the issuance and delivery of any Earn-Out Shares in respect of any Earn-Out Amount that is subject to a Set-Off Claim pending final determination thereof (or agreement of the Member Representative) pursuant to subsection (ii) of the previous sentence, and (b) Parent shall issue and deliver to Holdings any Earn-Out Shares in respect of any Earn-Out Amounts (i) that are not subject to a Set-Off Claim pursuant to and in accordance with the terms and conditions of this Agreement, and (ii) that are subject to a Set-Off Claim that are finally determined to be issuable to Holdings promptly following their final determination pursuant to subsection (ii) of the previous sentence.

Section 9.07. Payments; Recovery.

(a) Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this Article IX, the Indemnifying Party shall satisfy its obligations within 15 Business Days of such agreement or such final, non-appealable adjudication by the methods set forth in Section 9.07(b)). The parties hereto agree that should an Indemnifying Party not make full payment of any such obligations within such 15 Business Day period, any amount payable shall accrue interest from the expiration of such 15 Business Day period at a rate per annum equal to the lesser of (1) the Prime Rate then in effect plus two percent (2%) per annum, or (2) ten percent (10%) per annum. Such interest shall be non-compounding and calculated daily on the basis of a 365 day year and the actual number of days elapsed.

(b) Without limitation of Section 9.06, any Losses determined to be payable to a Parent Indemnitee pursuant to Article IX shall be satisfied, at the election of Holdings and/or the Member Representative, as follows: Holdings shall release to Parent the amount of such Losses, with any excess of the foregoing amounts over the amount of such release to be paid, at the election of Holdings and/or the Member Representative, by (A) directing the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole share) equal to the quotient of (I) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (II)) of such amounts, divided by (II) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange), as reported by Bloomberg Finance L.P., or (B) Holdings and the Parent Share Recipients, severally and not jointly (in accordance with their Pro Rata Shares), to Parent in cash in immediately available funds the amount of their respective Pro Rata Shares thereof, severally and not jointly; provided, that (x) if Holdings and/or the Member Representative elects cash payment under the foregoing clause (B), and Holdings or any Parent Share Recipient does not pay any such excess amounts owed pursuant thereto within 30 days thereafter, such Person shall, at the option of Parent, have such amounts settled in Escrow Shares pursuant to the foregoing clause(A) (or if the Escrow Shares are not sufficient, in accordance with the following clause (y)), and (y) in the event Holdings and/or the Member Representative chooses settlement in Escrow Shares pursuant to the foregoing clause (A) but the foregoing amounts are in excess of the Escrow Shares, Holdings and the Parent Share Recipients shall transfer to Parent a number of Parent Shares (rounded up to the nearest whole share) equal to the quotient of (I) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (II)) of such remaining excess, divided by (II) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange), as reported by Bloomberg Finance L.P., in accordance with their respective Pro Rata Shares, severally and not jointly.

Section 9.08. Tax Treatment of Indemnification Payments. To the extent permitted by applicable Law, the parties agree to treat all payments made under this Article IX, or under any other indemnity provision contained in this Agreement, as adjustments to the Total Merger Consideration for all Tax purposes.

Section 9.09. Effect of Investigation. The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Indemnified Party's waiver of any condition set forth in Section 8.02 or Section 8.03, as the case may be.

Section 9.10. Exclusive Remedies. Subject to Section 2.17, Section 2.19, Section 11.01, and Section 11.12, the parties acknowledge and agree that, from and after the Closing, their sole and exclusive remedy with respect to any and all claims (other than claims arising from Fraud, intentional misrepresentation or intentional misconduct on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the provisions set forth in Article VI and this Article IX. Nothing in this Section 9.10 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any party's Fraud, intentional misrepresentation or intentional misconduct.

ARTICLE X.
TERMINATION

Section 10.01. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of Holdings and Parent; or

(b) by Parent by written notice to Holdings if:

(i) neither Parent, Merger Sub 1 nor Merger Sub 2 is then in material breach of any provision of this Agreement such that the conditions specified in Section 8.03(a) or Section 8.03(b) would not be satisfied and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Holdings or the Companies pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Section 8.02(a) or Section 8.02(b) and, to the extent curable, such breach, inaccuracy or failure has not been cured by Holdings or the Companies within 30 days of Holdings' receipt of written notice of such breach from Parent;

(ii) the Closing shall not have occurred by February 28, 2026 (the "**Outside Closing Date**"); provided, that the right of Parent to terminate this Agreement under this Section 10.01(b)(ii) shall not be available to Parent if Parent's failure to perform or comply with any of its covenants or agreements hereof in any material respect has been the principal cause of or principally resulted in the failure of the Closing to have occurred on or before the Outside Closing Date;

(iii) (A) all of the conditions set forth in Section 8.01 and Section 8.03 have been satisfied (other than those conditions which by their terms or nature are to be satisfied at the Closing, but which are capable of being satisfied as of the date of termination of this Agreement pursuant to this Section 10.01(b)(iii)), (B) Parent has given irrevocable written notice to Holdings that all the conditions set forth in Section 8.02 have been satisfied or waived (other than those conditions which by their terms or nature are to be satisfied at the Closing, but which are capable of being satisfied as of the date of termination of this Agreement pursuant to this Section 10.01(b)(iii)) and it is ready, willing, and able to consummate the Closing, and (C) Holdings has failed to consummate the transactions contemplated by this Agreement on or prior to the date which is two (2) Business Days following the date on which the Closing should have occurred pursuant to Section 2.02; or

(c) by Holdings by written notice to Parent if:

(i) neither Holdings nor the Companies are then in material breach of any provision of this Agreement such that the conditions specified in Section 8.02(a) or Section 8.02(b) would not be satisfied and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Parent, Merger Sub 1 or Merger Sub 2 pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Section 8.03(a) or Section 8.03(b) and, to the extent curable, such breach, inaccuracy or failure has not been cured by Parent, Merger Sub 1 or Merger Sub 2 within 30 days of Parent's or Merger Sub's receipt of written notice of such breach from Holdings;

(ii) the Closing shall not have occurred by the Outside Closing Date; provided, that the right of Holdings to terminate this Agreement under this Section 10.01(c)(ii) shall not be available to Holdings if Holdings' or the Companies' failure to perform or comply with any of its covenants or agreements hereof in any material respect has been the principal cause of or principally resulted in the failure of the Closing to have occurred on or before the Outside Closing Date;

(iii) (A) all of the conditions set forth in Section 8.01 and Section 8.02 have been satisfied (other than those conditions which by their terms or nature are to be satisfied at the Closing, but which are capable of being satisfied as of the date of termination of this Agreement pursuant to this Section 10.01(c)(iii)), (B) Holdings has given irrevocable written notice to Parent that all the conditions set forth in Section 8.03 have been satisfied or waived (other than those conditions which by their terms or nature are to be satisfied at the Closing, but which are capable of being satisfied as of the date of termination of this Agreement pursuant to this Section 10.01(c)(iii)) and it is ready, willing, and able to consummate the Closing, and (C) Parent has failed to consummate the transactions contemplated by this Agreement on or prior to the date which is two (2) Business Days following the date on which the Closing should have occurred pursuant to Section 2.02; or

(d) by Parent or Holdings if:

(i) any Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Governmental Order after the date of this Agreement, or any Law shall have been enacted or promulgated after the date of this Agreement, in each case, which is in effect and has the effect of making the consummation of the Mergers or the other transactions contemplated by this Agreement illegal (other than Federal Cannabis Laws), otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof, and in the case of a Governmental Order, such Governmental Order shall have become final and non-appealable; or

(ii) the Parent Shareholder Approval shall not have been obtained upon a vote taken thereon at the Parent Shareholder Meeting duly convened therefor or at any adjournment or postponement thereof at which a vote on the issuance of Parent Shares pursuant to this Agreement was taken.

Section 10.02. Effect of Termination. In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

(a) as set forth in this Article X, Section 5.03(b) and Article XI hereof, which shall survive such termination; and

(b) subject to Section 10.03, nothing in this Section 10.02 shall relieve any party hereto from liability or damages to the extent such liabilities or damages were the result of Fraud, intentional misconduct or intentional breach of such party of any of its representations, warranties, covenants or other agreements set forth in this Agreement prior to such termination.

Section 10.03. Fees Following Termination.

(a) If this Agreement is terminated by Parent pursuant to Section 10.01(b)(iii), then Holdings shall pay, or cause to be paid, to Parent (by wire transfer of immediately available funds), within five (5) Business Days after such termination, the Termination Fee, as Parent's sole and exclusive remedy; provided that, if (i) Holdings or the Companies violate their obligations of confidentiality pursuant to the Confidentiality Agreement, (ii) Holdings or the Companies violate the obligations under Section 5.04, or (iii) Holdings, the Companies or Parent Share Recipients otherwise commit Fraud or intentional misconduct (provided, that for purposes thereof, "intentional misconduct", with respect to a termination pursuant to Section 10.01(b)(iii), shall not include the failure by Holdings to close as described in Section 10.01(b)(iii)), then, in addition to any Termination Fee to which Parent was otherwise entitled, Parent may also pursue all other available legal rights and remedies.

(b) If this Agreement is terminated by Holdings pursuant to Section 10.01(c)(iii), then Parent shall pay to Holdings (by wire transfer of immediately available funds), within five (5) Business Days after such termination, the Termination Fee as Holdings' and the Companies' sole and exclusive remedy; provided that, if (i) Parent violates its obligations of confidentiality pursuant to the Confidentiality Agreement or (ii) Parent otherwise commits Fraud or intentional misconduct (provided, that for purposes thereof, "intentional misconduct", with respect to a termination pursuant to Section 10.01(c)(iii), shall not include the failure by Parent to close as described in Section 10.01(c)(iii), then, in addition to any Termination Fee to which Holdings and the Companies were otherwise entitled, Holdings or the Companies may also pursue all other available legal rights and remedies.

(c) If this Agreement is terminated by Parent for any reason other than as set forth in Section 10.03(a) and (i) Holdings or the Companies violated its obligations under Section 5.04 prior to the termination of this Agreement, and (ii) Holdings or the Companies proceed to enter into a definitive agreement with respect to an Acquisition Proposal (or otherwise effects a transaction with respect to an Acquisition Proposal) with a third party within fifteen (15) months of the termination of this Agreement, then Holdings shall pay Parent, the Termination Fee at the earlier of the entry of the definitive agreement with respect to an Acquisition Proposal or the consummation of a transaction with respect thereto.

(d) The parties acknowledge and hereby agree that: (i) the provisions of this Section 10.03 are an integral part of the transactions contemplated by this Agreement (including the Mergers), and that, without such provisions, the parties would not have entered into this Agreement, (ii) it is difficult or impossible to quantify the damages suffered by the non-breaching party and its representatives as the result of a termination of this Agreement as set forth in this Section 10.03, (iii) the Termination Fee is in the nature of liquidated damages, and not a penalty, and is fair and reasonable, and (iv) the Termination Fee represents a reasonable estimate of fair compensation for the losses that may reasonably be anticipated from such termination. If Holdings, on the one hand, or Parent, Merger Sub 1 and Merger Sub 2, on the other hand, shall fail to pay in a timely manner the amounts due pursuant to this Section 10.03, and, in order to obtain such payment, the other party makes a claim against the non-paying party that results in a judgment, the non-paying party shall pay to the other party the reasonable costs and expenses (including its reasonable attorneys' fees and expenses) incurred or accrued in connection with such suit. For avoidance of doubt, if a Termination Fee is payable under Section 10.03(c), such Termination Fee shall not be a limitation of Holdings' liability with respect to Section 10.03(c).

ARTICLE XI.
MISCELLANEOUS

Section 11.01. Member Representative.

(a) By approving this Agreement and the transactions contemplated hereby or by executing and delivering a Joinder, a Lock-Up Letter and the Investor Rights Agreement, or by receiving the benefits under this Agreement, including any consideration payable hereunder, each Parent Share Recipient shall have irrevocably authorized and appointed the Member Representative as of the Closing as such Person's agent, proxy, representative and attorney-in-fact to act on behalf of such Person and their successors and assigns for all purposes in connection with this Agreement and any related agreements, including to take any and all actions and make any decisions required or permitted to be taken by Member Representative, in its sole judgment and as it may deem to be in the best interests of Holdings and the Parent Share Recipients, pursuant to this Agreement, including, without limitation, the exercise of the power to:

(i) give and receive notices and communications;

(ii) agree to, negotiate, enter into settlements and compromises of, and comply with orders or otherwise handle any other matters described in Section 2.17, Section 2.19, and Section 2.20;

(iii) agree to, negotiate, enter into settlements and compromises of, and comply with orders of courts with respect to claims for indemnification made by Parent or a Parent Indemnitee pursuant to Article VI and Article IX;

(iv) litigate, arbitrate, resolve, settle or compromise any claim for indemnification pursuant to Article VI and Article IX;

(v) execute and deliver all documents necessary or desirable to carry out the intent of this Agreement and any Ancillary Document;

(vi) make all elections or decisions contemplated by this Agreement and any Ancillary Document;

(vii) engage, employ or appoint any agents or representatives (including attorneys, accountants and consultants) to assist Member Representative in complying with its duties and obligations; and

(viii) take all actions necessary or appropriate in the good faith judgment of Member Representative for the accomplishment of the foregoing or any other matters related to or arising from this Agreement or any Ancillary Document.

After the Closing, Parent shall be entitled to deal exclusively with Holdings and Member Representative (provided that with respect to payment of any amounts owed directly to Parent by Holdings or the Parent Share Recipients, Parent shall deal with either Holdings or the applicable Parent Share Recipient) on all matters relating to this Agreement (including Article VI and Article IX) and shall be entitled to shall rely conclusively (without further evidence of any kind whatsoever) on any document executed or purported to be executed on behalf of Holdings or any Parent Share Recipient by Member Representative, and on any other action taken or purported to be taken on behalf of Holdings or any Parent Share Recipient by Member Representative, as being fully binding upon such Person. After the Closing, notices or communications to or from Member Representative shall constitute notice to or from Holdings and each of the Parent Share Recipients. Any decision or action by Member Representative hereunder, including any agreement between Member Representative and Parent relating to the defense, payment or settlement of any claims for indemnification hereunder, shall constitute a decision or action of Holdings and all Parent Share Recipients and shall be final, binding and conclusive upon each such Person. Neither Holdings nor any Parent Share Recipient shall have the right to object to, dissent from, protest or otherwise contest the same. The provisions of this Section, including the power of attorney granted hereby, are independent and severable, are irrevocable and coupled with an interest and shall not be terminated (except as expressly set forth in subsection (b) below) by any act of Holdings, any one or more of the Parent Share Recipients, or by operation of Law, whether by death or other event.

(b) The Member Representative, by its signature below, agrees to serve in the capacities described in this Section 11.01 as of the Closing. The Member Representative may resign at any time, and may be removed for any reason or no reason by the vote or written consent of a majority in interest of the holders of the Holdings Membership Interests (the "**Majority Holders**"); provided, however, in no event shall Member Representative be removed by the Majority Holders without the Majority Holders having first appointed a new Member Representative who shall assume such duties immediately upon the removal of Member Representative. In the event of the death, incapacity, resignation or removal of Member Representative, a new Member Representative shall be appointed by the vote or written consent of the Majority Holders. Notice of such vote or a copy of the written consent appointing such new Member Representative shall be sent to Parent, such appointment to be effective upon the later of the date indicated in such consent or the date such notice is received by Parent; provided, that until such notice is received, Parent, Merger Sub and the Surviving Corporation shall be entitled to rely on the decisions and actions of the prior Member Representative as described in Section 11.01(a) above.

(c) The Member Representative shall not be liable to Holdings or the Parent Share Recipients for actions taken or omitted to be taken in connection with this Agreement or any Ancillary Document, and Holdings and each Parent Share Recipient forever voluntarily releases and discharges the Member Representative, its representatives, successors and assigns, from any and all losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, whether known or unknown, anticipated or unanticipated, arising as a result of or incurred in connection with any actions taken or omitted to be taken by the Member Representative in connection with this Agreement or any Ancillary Document, except to the extent such actions by the Member Representative shall have been determined by a court of competent jurisdiction to have constituted gross negligence, Fraud or willful misconduct. The Member Representative shall not be liable for any action or omission pursuant to the advice of counsel. Holding shall and the Parent Share Recipients shall severally and not jointly (in accordance with their Pro Rata Shares, but for the purpose of this calculation not taking into account any Aggregate Issued Parent Shares then issued to Holdings and not distributed to the Parent Share Recipients pursuant to and in accordance with the terms and conditions of this Agreement), indemnify and hold harmless Member Representative from and against, compensate it for, reimburse it for and pay any and all losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, whether known or unknown, anticipated or unanticipated, arising out of or in connection with this Agreement or any Ancillary Document (the "**Representative Losses**"), in each case as such Representative Loss is suffered or incurred; provided, that in the event it is finally adjudicated that a Representative Loss or any portion thereof was primarily caused by the gross negligence, Fraud or willful misconduct of Member Representative, Member Representative shall reimburse Holdings or the Parent Share Recipients the amount of such indemnified Representative Loss attributable to such gross negligence, Fraud or willful misconduct. The Representative Losses may be recovered by the Member Representative from (i) the Expense Fund (ii) Holdings, (iii) the Parent Share Recipients, severally and not jointly (in accordance with their Pro Rata Shares, but for the purpose of this calculation not taking into account any Aggregate Issued Parent Shares then issued to Holdings and not distributed to the Parent Share Recipients pursuant to and in accordance with the terms and conditions of this Agreement), and (iv) any other funds that become payable to Holdings or the Parent Share Recipient under this Agreement at such time as such amounts would otherwise be distributable to Holdings or the Parent Share Recipient; provided, that while the Member Representative may be paid from the aforementioned sources of funds, this does not relieve Holdings and the Parent Share Recipients (severally and not jointly in accordance with their Pro Rata Shares) from their respective obligation to promptly pay such Representative Losses as they are suffered or incurred. In no event will the Member Representative be required to advance its own funds on behalf of Holdings or the Members (including the Parent Share Recipients) or otherwise. Notwithstanding anything in this Agreement to the contrary, any restrictions or limitations on liability or indemnification obligations of, or provisions limiting the recourse against non-parties otherwise applicable to, Holdings or the Members (including the Parent Share Recipients) set forth elsewhere in this Agreement are not intended to be applicable to the indemnities provided to the Member Representative hereunder. The foregoing indemnities will survive the Closing, the resignation or removal of the Member Representative or the termination of this Agreement.

Section 11.02. Expenses. Except as otherwise expressly provided herein, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred; provided, however, (i) Parent and Holdings (with, in the case of Holdings, such amounts to be included as Transaction Expenses) shall be equally responsible for all filing and other similar fees payable in connection with (A) the first filing or submission under the HSR Act (thereafter, the parties agree that Parent shall be 100% responsible for all subsequent filings or submissions under the HSR Act), and (B) any filings required by the State of Missouri Department of Health and Human Services, Division of Cannabis Regulation.

Section 11.03. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission and copy by other method of notice provided by this Section 11.03) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 11.03):

If to the Companies:

Proper Holdings, LLC
2609 Rock Hill Industrial Ct.
St. Louis, MO 63144
Attention: John Pennington
Phone: 314-749-2677
Email:jpennington@properbrands.com

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

Snell & Wilmer L.L.P.
675 15th Street, Suite 2500
Denver, CO 80202
Attention: Marty Walsh
Phone: 303-634-2062
Email: mwalsh@swlaw.com

If to the Member Representative:

Shareholder Representative Services LLC
950 17th Street, Suite 1400
Denver, CO 80202
Attention: Managing Director
Phone: (303) 648-4085
Email: deals@srsacquiom.com

If to Parent, Merger Sub 1 or Merger Sub 2:

Vireo Growth Inc.
209 South 9th St.
Minneapolis, Minnesota 55402
Attention: Amber Shimpa
Phone: (612) 999-1606
Email: ambershimpa@vireohealth.com

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

Dorsey & Whitney LLP
2325 E. Camelback Road #300
Phoenix, Arizona 85016
Attention: Nicole Stanton
Phone: (602) 735-2700
Email: Stanton.Nicole@dorsey.com

Section 11.04. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 11.05. Entire Agreement. This Agreement and the Ancillary Documents (together with the Confidentiality Agreement) constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the Ancillary Documents, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 11.06. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 11.07. No Third-party Beneficiaries. Except as provided in Section 5.09, Section 6.03 and Article IX, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 11.08. Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by Parent, Merger Sub1, Merger Sub 2, Holdings, the Member Representative (only to the extent such amendment affects any duties, obligations, liabilities, or indemnification of the Member Representative) and the Companies at any time prior to the Effective Time. Any failure of Parent, Merger Sub 1 or Merger Sub 2, on the one hand, or the Companies, on the other hand, to comply with any obligation, covenant, agreement or condition herein may be waived by, if before the Closing, the Companies, or if after the Closing the Member Representative (with respect to any failure by Parent, Merger Sub 1 or Merger Sub 2) or by Parent, Merger Sub 1 or Merger Sub 2 (with respect to any failure by the Companies), respectively, only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

Section 11.09. Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction).

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE ANCILLARY DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MUST BE INSTITUTED IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE (OR, SOLELY TO THE EXTENT THAT SUCH COURT DOES NOT HAVE SUBJECT MATTER JURISDICTION, THE SUPERIOR COURT OF THE STATE OF DELAWARE AND THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE), 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.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE ANCILLARY DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE ANCILLARY DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.11(c).

Section 11.10. 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 shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity, in each case without the necessity of posting any bond or similar requirement in respect thereof (which each party hereby waives).

Section 11.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 11.12. Federal Cannabis Laws. THE PARTIES AGREE AND ACKNOWLEDGE THAT NO PARTY MAKES, WILL MAKE OR SHALL BE DEEMED TO MAKE OR HAVE MADE ANY REPRESENTATION OR WARRANTY OF ANY KIND REGARDING THE COMPLIANCE OF THIS AGREEMENT WITH ANY FEDERAL CANNABIS LAWS. NO PARTY SHALL HAVE ANY RIGHT OF RESCISSION OR AMENDMENT ARISING OUT OF OR RELATING TO ANY NONCOMPLIANCE WITH FEDERAL CANNABIS LAWS UNLESS SUCH NON-COMPLIANCE ALSO CONSTITUTES A VIOLATION OF APPLICABLE CANADIAN OR STATE LAW AS DETERMINED IN ACCORDANCE WITH THE ACT OR BY THE REGULATOR OR ANY OTHER A GOVERNMENTAL AUTHORITY.

Section 11.13. Regulatory Compliance. This Agreement is subject to strict requirements for ongoing regulatory compliance by the parties hereto, including, without limitation, requirements that the parties take no action in violation of either any state cannabis Laws (together with all related rules and regulations thereunder, and any amendment or replacement act, rules, or regulations, including, without limitation, Article XIV of the *Missouri Constitution*, and the rules and regulations adopted by DCR and/or any other state or local government agency with authority to regulate any cannabis operation (or proposed operation), together, the "**Act**") or the guidance or instruction of the DCR and any other state or local government agency with authority to regulate any cannabis operation (together with any successor or regulator with overlapping jurisdiction, the "**Regulator**"). The parties acknowledge and understand that the Act and/or the requirements of the Regulator are subject to change and are evolving as the marketplace for state-compliant cannabis businesses continues to evolve. Notwithstanding anything herein to the contrary, if necessary or desirable to comply with the requirements of the Act and/or the Regulator, the parties hereby agree to (and to cause their respective Affiliates and related parties and representatives to) use their respective commercially reasonable efforts to take all actions reasonably requested to ensure compliance with the Act and/or the Regulator, including, without limitation, negotiating in good faith to amend, restate, amend and restate, supplement, or otherwise modify this Agreement to reflect terms that most closely approximate the parties' original intentions but are responsive to and compliant with the requirements of the Act and/or the Regulator. In furtherance, not in limitation of the foregoing, the parties further agree to cooperate with the Regulator to promptly respond to any informational requests, supplemental disclosure requirements, or other correspondence from the Regulator and, to the extent permitted by the Regulator, keep all other parties hereto fully and promptly informed as to any such requests, requirements, or correspondence. Notwithstanding anything to the contrary and for the avoidance of doubt, for purposes of this Section 1.15, the terms "party" and "parties" shall not include the Member Representative.

Section 11.14. Privileged Matters.

(a) Each of the parties hereby agrees, on its own behalf and on behalf of its directors, officers, members, Parent Share Recipients, employees, agents and Affiliates, that Snell & Wilmer L.L.P. ("**Counsel**") may serve as counsel to Holdings, the Parent Share Recipients, Member Representative, and their Affiliates (individually and collectively, the "**Seller Group**"), on the one hand, and either Company, on the other hand, in connection with the negotiation, preparation, execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, and that, following consummation of the transactions contemplated hereby, Counsel (or any successor) may serve as counsel to Seller Group, or any director, officer, member, Parent Share Recipient, manager, member, partner, employee or Affiliate of any member of Seller Group, in connection with any litigation, claim or obligation arising out of or relating to this Agreement or the transactions contemplated by this Agreement notwithstanding such representation. In connection with any representation of the Companies expressly permitted pursuant to the prior sentence, Parent, Merger Sub 1 and Merger Sub 2 hereby irrevocably waive and agree not to assert, and agree to cause the Surviving Companies and their Affiliates to irrevocably waive and not to assert any conflict of interest arising from or in connection with (i) Counsel's prior representation of the Companies, and (ii) Counsel's representation of Seller Group prior to and after the Closing. As to any privileged attorney-client communications between Counsel and the Seller Group, Counsel and the Companies, or between Counsel and the Companies' Affiliates prior to the Closing (collectively, the "**Privileged Communications**"), Parent, Merger Sub 1, Merger Sub 2 and the Surviving Companies, together with any of their respective Affiliates, subsidiaries, successors or assigns, agree that no such party may use or rely on any of the Privileged Communications in any action against or involving any of the parties after the Closing.

(b) Parent, Merger Sub 1 and Merger Sub 2 further agree on their behalf and, after the Closing, on behalf of the Surviving Companies, and any of their respective Affiliates, subsidiaries, successors or assigns, that all privileged communications in any form or format whatsoever between or among Counsel, on the one hand, and the Companies, Seller Group, or any of their respective directors, officers, members, Parent Share Recipients, employees or other agents, representatives or Affiliates, on the other hand, that relate in any way to the negotiation, documentation and consummation of the transactions contemplated by this Agreement, any alternative transactions to the transactions contemplated by this Agreement presented to or considered by the Companies or Seller Group, or any dispute arising under this Agreement (collectively, the "**Privileged Deal Communications**"), shall remain privileged after the Closing and that the Privileged Deal Communications and the expectation of client confidence relating thereto shall belong solely to Seller Group, shall be controlled by Seller Group and shall not pass to or be claimed by Parent, Merger Sub, the Surviving Companies, or any of their respective Affiliates, subsidiaries, successors or assigns. Parent, Merger Sub 1 and Merger Sub 2 agree that they will not, and that they will cause the Surviving Companies, and their respective Affiliates, subsidiaries, successors or assigns, not to, (i) access or use the Privileged Deal Communications, (ii) seek to have Seller Group waive the attorney client privilege or any other privilege, or otherwise assert that Parent, Merger Sub, the Surviving Companies, or any of their respective Affiliates, subsidiaries, successors or assigns, has the right to waive the attorney client privilege or other privilege applicable to the Privileged Deal Communications, or (iii) seek to obtain the Privileged Deal Communications or Non-Privileged Deal Communications from Seller Group or Counsel.

(c) Parent, Merger Sub 1 and Merger Sub 2 further agree, on their behalf and, after the Closing, on behalf of the Surviving Companies, and any of their respective Affiliates, subsidiaries, successors or assigns, that all communications in any form or format whatsoever between or among any of Counsel, the Company, Seller Group, or any of their respective directors, officers, members, employees or other agents, representatives or Affiliates that relate in any way to the negotiation, documentation and consummation of the transactions contemplated by this Agreement, any alternative transactions to the transactions contemplated by this Agreement presented to or considered by the Companies or Seller Group, or any dispute arising under this Agreement and that are not Privileged Deal Communications (collectively, the "**Non-Privileged Deal Communications**"), shall also belong solely to Seller Group, shall be controlled by Seller Group and ownership thereof shall not pass to or be claimed by Parent, Merger Sub, the Surviving Companies, or any of their respective Affiliates, subsidiaries, successors or assigns.

(d) Notwithstanding the foregoing, in the event that a dispute arises between Parent, Merger Sub, the Surviving Companies, or any of their respective Affiliates, subsidiaries, successors or assigns, on the one hand, and a third party other than Seller Group, on the other hand, then Parent, Merger Sub, the Surviving Companies, and their respective Affiliates, subsidiaries, successors and assigns, may assert the attorney-client privilege to prevent the disclosure of the Privileged Deal Communications to such third party; provided, however, that to the extent such dispute relates in any way to this Agreement or the transactions contemplated hereby, none of Parent, Merger Sub, the Surviving Companies, nor their respective Affiliates, subsidiaries, successors or assigns, may waive such privilege without the prior written consent of the Member Representative. If Parent, Merger Sub, the Surviving Companies or any of their respective Affiliates, subsidiaries, successors or assigns, is legally required by Governmental Order or otherwise to access or obtain a copy of all or a portion of the Privileged Deal Communications, then Parent shall immediately (and, in any event, within five (5) Business Days) notify the Member Representative in writing (including by making specific reference to this Section 11.16) so that Seller Group can seek at Seller Group's sole cost and expense, a protective order, and Parent, Merger Sub, the Surviving Companies or any of their respective Affiliates, subsidiaries, successors or assigns, agree to use all commercially reasonable efforts to assist therewith.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

HOLDINGS:

PROPER HOLDINGS, LLC

By: /s/ John Pennington
Name: John Pennington
Title: Chief Executive Officer

COMPANIES:

PROPER HOLDINGS MANAGEMENT, INC.

By: /s/ John Pennington
Name: John Pennington
Title: Chief Executive Officer

NGH INVESTMENTS, INC.

By: /s/ John Pennington
Name: John Pennington
Title: Chief Executive Officer

[Signature Page to Agreement and Plan of Merger]

PARENT:

VIREO GROWTH INC.

By: /s/ John Mazarakis
Name: John Mazarakis
Title: Chief Executive Officer

MERGER SUBS:

VIREO PR MERGER SUB INC.

By: /s/ Amber Shimpa
Name: Amber Shimpa
Title: President

VIREO PR MERGER SUB II INC.

By: /s/ Amber Shimpa
Name: Amber Shimpa
Title: President

MEMBER REPRESENTATIVE:

SHAREHOLDER REPRESENTATIVE SERVICES LLC

By: /s/ Corey Quinlan
Name: Corey Quinlan
Title: Director, Deal Intake

[Signature Page to Agreement and Plan of Merger]

Exhibit 2.3

AGREEMENT AND PLAN OF MERGER

by and among

VIREO WH MERGER SUB INC.,

VIREO GROWTH INC.,

WHOLESOMECO, INC.,

And

THE STOCKHOLDER REPRESENTATIVE

Dated as of December 18, 2024

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DISCLOSURE SCHEDULES

THIS AGREEMENT IS SUBJECT TO STRICT REQUIREMENTS FOR ONGOING REGULATORY COMPLIANCE BY THE PARTIES HERETO, INCLUDING, WITHOUT LIMITATION, REQUIREMENTS THAT THE PARTIES TAKE NO ACTION IN VIOLATION OF EITHER ANY STATE CANNABIS LAWS (TOGETHER WITH ALL RELATED RULES AND REGULATIONS THEREUNDER, AND ANY AMENDMENT OR REPLACEMENT ACT, RULES OR REGULATIONS, THE "ACT"); THE GUIDANCE OR INSTRUCTION OF ANY APPLICABLE STATE, PROVINCIAL OR OTHER GOVERNING REGULATORY BODY (TOGETHER WITH ANY SUCCESSOR OR REGULATOR WITH OVERLAPPING JURISDICTION, THE "REGULATOR"); OR THE POLICIES OR INSTRUCTION OF ANY APPLICABLE STOCK EXCHANGE. SECTION 11.15 OF THIS AGREEMENT CONTAINS SPECIFIC REQUIREMENTS AND COMMITMENTS BY THE PARTIES TO MAINTAIN FULLY THEIR RESPECTIVE COMPLIANCE WITH THE ACT AND THE REGULATOR. THE PARTIES HAVE READ AND FULLY UNDERSTAND THE REQUIREMENTS OF SECTION 11.15.

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (this "**Agreement**"), dated as of December 18, 2024, is entered into by and among Vireo WH Merger Sub Inc., a Delaware corporation ("**Merger Sub**"), Vireo Growth Inc., a British Columbia corporation ("**Parent**"), WholesomeCo, Inc., a Delaware corporation (the "**Company**"), and Shareholder Representative Services LLC, a Colorado limited liability company, solely in its capacity as representative, agent and attorney-in-fact of the Stockholders (the "**Stockholder Representative**").

RECITALS

WHEREAS, Merger Sub is a direct wholly owned subsidiary of Parent that was formed for the sole purpose of effectuating the Merger (as defined below);

WHEREAS, upon the terms and subject to the conditions of this Agreement and in accordance with Section 251 of the Delaware General Corporation Law (the "**DGCL**"), Parent, the Company and Merger Sub will enter into a business combination transaction pursuant to which Merger Sub will merge with and into the Company (the "**Merger**"), with the Company surviving the Merger as a wholly owned subsidiary of Parent;

WHEREAS, the parties intend that, for U.S. federal income tax purposes, (a) the Merger shall qualify as a "reorganization" within the meaning of Section 368(a) of the Code and (b) this Agreement shall constitute, and is adopted as, a "plan of reorganization" within the meaning of Section 368(a) of the Code and Treasury Regulations Sections 1.368-2(g) and 1.368-3;

WHEREAS, the board of directors of the Company (the "**Company Board**") has unanimously (a) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to, and in the best interests of, the Company and its Stockholders, (b) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger, and (c) resolved to recommend adoption of this Agreement by the Stockholders;

WHEREAS, the board of directors of Parent has unanimously (a) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to, and in the best interests of, Parent and its shareholders, (b) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger, and (c) resolved to recommend adoption of this Agreement by the shareholders of Parent; and

WHEREAS, the board of directors of Merger Sub has unanimously (a) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to, and in the best interests of, Merger Sub and its sole stockholder and (b) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger.

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

ARTICLE I.
DEFINITIONS

The following terms have the meanings specified or referred to in this Article I:

"**280E**" has the meaning set forth in Section 6.09.

"**280E Liability**" means the amount of the aggregate outstanding consolidated accrued liability of the Company arising under 280E as of Closing, as determined in accordance with the Accounting Principles.

"**280E Pre-Closing Tax Refund**" has the meaning set forth in Section 6.12.

"**280E Tax Reserve**" means a tax reserve account, established by the Company Entities in accordance with the Accounting Principles, and funded in Cash for the purpose of paying any outstanding liabilities arising in connection with any 280E Liability.

"**280E Tax Reserve Shortfall**" means the amount, if any, by which the 280E Liability exceeds the amount of the 280E Tax Reserve.

"**Accounting Principles**" means (i) the specific terms and definitions in this Agreement and the specific policies, terms and matters set forth on **Exhibit J**, (ii) to the extent not inconsistent with the foregoing clause (i), the accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies of the Company Entities that were used in the preparation of the Financial Statements for the year of 2023, and (iii) to the extent not addressed in the foregoing clauses (i) or (ii), GAAP as of the Closing Date. For the avoidance of doubt, clause (i) shall take precedence over clauses (ii) and (iii), and clause (ii) shall take precedence over clause (iii).

"**Acquisition Multiple**" means the quotient of (a) the sum of (i) 107,737,558 multiplied by the Closing Share Price, plus (ii) $10,987,018 (imputed for Closing Indebtedness), plus (iii) $2,789,452 (imputed for Pre-Closing Taxes and the 280E Tax Reserve Shortfall), less (iv) $1,000,000 (imputed for Closing Cash), less (v) $2,000,000 (imputed for the Adjusted 280E Reserve), divided by (b) Closing EBITDA. **Exhibit A** sets forth an illustrative calculation of the Acquisition Multiple based upon assumptions with respect to each of the foregoing values as of the date hereof (the "**Acquisition Multiple Worksheet**").

"**Acquisition Proposal**" has the meaning set forth in Section 5.04(a).

"**Act**" has the meaning set forth in Section 11.15.

"**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.

"**Actual Closing Merger Consideration**" means the amount of the Closing Merger Consideration as calculated and finally determined in accordance with Sections 2.17(b) and (c).

"**Adjusted 280E Reserve**" means an amount equal to the lesser of (x) $2,000,000 and (y) the 280E Tax Reserve, if any, plus any other tax reserve account established by the Company Entities in accordance with the Accounting Principles, and funded in Cash, for the purpose of paying any outstanding liabilities in respect of Taxes arising during any Pre-Closing Tax Period (other than 280E Liability).

"**Adjusted EBITDA**" means (a) the consolidated net income (or loss) from operations of the Company (or the Surviving Corporation as applicable), plus (b) if and to the extent deducted in the calculation of consolidated net income (or loss) for such period, (i) interest expense, (ii) income tax expense, (iii) depreciation and amortization expense, (iv) any intercompany costs and expenses, corporate overhead allocations and similar items between the Company Entities and Parent and its Affiliates (other than the Company Entities) (other than E-Commerce Platform Fees and Delivery Fees and the Delivery Costs) in excess of, in a particular fiscal year, the lower of (A) $1,000,000, and (B) 1% of the Company Entities' revenues, (v) losses and expenses related to dispositions of assets not in the Ordinary Course of Business, (vi) non-cash write-downs of assets, (vii) any and all costs, fees or expenses that a Company Entity incurs with respect to the lease, acquisition or maintenance of delivery vehicles, whether a capital or ordinary expense, and the hiring and payment of delivery drivers in connection with mobile deliveries related to its use of the E-Commerce Platform (the "**Delivery Costs**"), (viii) decrease in work-in-process (WIP) inventory, and (ix) decrease in finished goods inventory for non-third party products, less (c) any cash payments including interest expenses for rent or leases not otherwise expensed in operating expenses, and less (d) if and to the extent included in the calculation of consolidated net income (or loss) for such period, (i) any interest income, (ii) gain relating to any disposed of assets not in the Ordinary Course of Business, (iii) non-cash write-ups of assets, (iv) increase in work-in-process (WIP) inventory, and (v) increase in finished goods inventory for non-third party products; in the case of each of the foregoing in clauses (a) through (d), for such period and as determined in accordance with the Company Earn-Out Accounting Principles. **Exhibit B**, which is included solely for illustrative purposes, sets forth an illustrative calculation of Adjusted EBITDA (the "**Adjusted EBITDA Worksheet**").

"**Adjusted EBITDA Worksheet**" has the meaning set forth in the definition of "Adjusted EBITDA."

"**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.

"**Aggregate E-Commerce Earn-Out Amount**" means an amount equal to the greater of (a) $37,500,000 or (b) the product of (i) five (5) multiplied by (ii) the E-Commerce Earn-Out Revenue Amount.

"**Aggregate Exercise Price**" means the product of (a) the Earn-Out Period Option Share Number, multiplied by (b) the aggregate of all exercise price payments required in connection with the exercise of such outstanding Arches Options.

"**Agreement**" has the meaning set forth in the preamble.

"**Ancillary Documents**" means: (a) the Lock-Up Letters, (b) the Escrow Agreement, (c) the Letters of Transmittal, (d) the Investor Rights Agreement, (e) the Written Consent, and (f) each other agreement, instrument or document entered into or required to be delivered in connection with the transactions contemplated hereby and thereby.

"**Arches**" means Arches IP, Inc., a Delaware corporation (or any successor thereto).

"**Arches Cash Surplus**" means the amount, if any, by which the unrestricted Cash held by Arches as of the Closing exceeds the Arches Minimum Cash Amount, up to an amount equal to $300,000.

"**Arches Equity**" has the meaning set forth in Section 5.18(a).

"**Arches Financial Statements**" shall have the meaning set forth in Section 3.06(b).

"**Arches Minimum Cash Amount**" means, as of the Closing, Cash of Arches in an amount equal to $300,000 (exclusive of any Cash held by Arches in respect of any Intercompany Indebtedness).

"**Arches Option**" means any option to purchase shares of Arches capital stock awarded pursuant to the Arches 2024 Equity Incentive Plan and outstanding as of the Closing Date.

"**Arches Option Value**" means an amount equal to (a) the product of (i) the Aggregate E- Commerce Earn-Out Amount, multiplied by (ii) the Earn-Out Option Percentage, minus (b) the Aggregate Exercise Price.

"**Arches Retained Executives**" means Christopher Jeffery, Jason Kwicien, Phillip Sasser, Alan Clark, and Luke Dauter.

"**Arches Value Amount**" means an amount equal to $11,860,800.

"**Audited Financial Statements**" has the meaning set forth in Section 3.06(a).

"**Available E-Commerce Earn-Out Amount**" means an amount equal to (a) the Aggregate E- Commerce Earn-Out Amount minus (b) the Arches Option Value.

"**Balance Sheet**" has the meaning set forth in Section 3.06(a).

"**Balance Sheet Date**" has the meaning set forth in Section 3.06(a).

"**Benefit Plan**" has the meaning set forth in Section 3.20(a).

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in New York, New York are authorized or required by Law to be closed for business.

"**Canadian Securities Regulators**" means the applicable securities commission or securities regulatory authority in each of the provinces and territories of Canada.

"**Cannabis Consents**" means any and all consents, approvals, clearances, orders or authorizations of, or registrations, declarations or filings with, notices to, or other requirements of any Governmental Authority or under any Permit held by the Company Entities in connection with the business of the Company Entities in the cannabis industry.

"**Cannabis Licenses**" means any and all Permits required to be obtained from any Governmental Authority pursuant to Title 4, Chapter 41a of the Utah Code, Title R66 of the Utah Administrative Code, and any corresponding county, municipal and other local Laws, for the operation of any cannabis establishment, including a cannabis cultivation facility, a cannabis production facility, a cannabis distributor, or a cannabis consumption lounge. For avoidance of doubt, Cannabis Licenses shall include the State Licenses.

"**Cap**" has the meaning set forth in Section 9.04(a).

"**Cash**" means cash and cash equivalents (including marketable securities and short-term investments convertible to cash in no more than ten (10) calendar days) calculated in accordance with the Accounting Principles.

"**CERCLA**" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.

"**Certificate**" has the meaning set forth in Section 2.11(b).

"**Certificate of Merger**" has the meaning set forth in Section 2.04

"**Closing**" has the meaning set forth in Section 2.02.

"**Closing Cash**" means the sum of (a) an amount, if any, by which the unrestricted Cash held by the Company Entities as of the Closing exceeds the Adjusted 280E Reserve up to an amount equal to $1,000,000, plus (b) such amount of excess unrestricted Cash reserves held by the Company Entities as of January 1, 2025, which amounts, or any portion thereof, may be contributed by the Company, at the Company's option, as additional Cash at Closing and which amounts would be as set forth on a "Closing Cash Schedule" delivered by Company to Parent at least three (3) days prior to Closing, plus (b) the Arches Cash Surplus.

"**Closing Certificate**" means a certificate executed by the Chief Financial Officer of each of the Company Entities certifying on behalf of each of the Company Entities, as of the Closing Date, (a) an itemized list of all outstanding Closing Indebtedness and the Person to whom such outstanding Closing Indebtedness is owed and an aggregate total of such outstanding Closing Indebtedness, (b) the amount of Transaction Expenses remaining unpaid as of the Closing (including an itemized list of each such unpaid Transaction Expense with a description of the nature of such expense and the Person to whom such expense is owed), (c) the Estimated Closing Statement, and that the Estimated Closing Statement was prepared in all material respects in accordance with the Accounting Principles, (d) the Inventory Statement, and that the Inventory Statement was prepared in all material respects in accordance with Section 2.17(a)(ii), and (e) the Consideration Spreadsheet.

"**Closing Date**" has the meaning set forth in Section 2.02.

"**Closing Date Option Share Number**" means the total number of shares of Arches capital stock subject to outstanding (and not otherwise forfeited) Arches Options, determined as of the Closing Date.

"**Closing EBITDA**" means the sum of (i) $15,500,000, plus (ii) $500,000.

"**Closing Indebtedness**" means, subject to the limitations set forth in the definition of "Indebtedness," the aggregate amount of any unpaid Indebtedness of the Company Entities remaining as of the Closing (other than, and without duplication of, the amounts included in Current Liabilities that are taken into account in the calculation of the Closing Working Capital).

"**Closing Merger Consideration**" means the sum of:

(a) the EBITDA Consideration, plus

(b) the Closing Cash, plus

(c) the Arches Value Amount, plus

(d) provided that the 280E Tax Reserve is not less than the 280E Liability, an amount equal to the Adjusted 280E Reserve, less

(e) the amount of Closing Indebtedness, less

(f) the amount of the 280E Tax Reserve Shortfall, if any, less

(g) the amount of any Pre-Closing Taxes, less

(h) the amount of any unpaid Transaction Expenses, plus

(i) the amount by which Closing Working Capital exceeds the Target Working Capital or minus the amount by which Closing Working Capital is less than the Target Working Capital.

"**Closing Merger Consideration Worksheet**" means the illustrative calculation of the Closing Merger Consideration set forth on **Exhibit C**, which is included solely for illustrative purposes.

"**Closing Option Percentage**" means 33.671%.

"**Closing Share Payment**" means a number of Parent Shares equal to (a) the quotient of (i) the Estimated Closing Merger Consideration, *divided by* (ii) the Closing Share Price, *less* (b) the Escrow Shares.

"**Closing Share Price**" means $0.52.

"**Closing Working Capital**" means: (a) the consolidated Current Assets of the Company Entities, less (b) the consolidated Current Liabilities of the Company Entities, determined as of the Closing.

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

"**Company**" has the meaning set forth in the preamble.

"**Company Auditor**" means Tanner LLC.

"**Company Board**" has the meaning set forth in the recitals.

"**Company Board Recommendation**" has the meaning set forth in Section 3.02(b).

"**Company Charter Documents**" has the meaning set forth in Section 3.03.

"**Company Common Stock**" means the Series A Common Stock, par value $0.001 per share, of the Company.

"**Company Earn-Out Accounting Principles**" means (a) the specific terms and definitions (including Adjusted EBITDA) in this Agreement, and (b) to the extent not inconsistent with the foregoing clause (a), GAAP. In applying GAAP, Parent intends to consistently take a view to align Adjusted EBITDA as closely as possible to operating cash flow and minimize balance sheet related adjustments.

"**Company Earn-Out Amount**" means the sum of the following, to the extent a positive amount, calculated in accordance with the Company Earn-Out Accounting Principles:

(a) the product of four (4) multiplied by the following (which may a positive amount or negative number):

(i) the greater of (A) the trailing twelve (12) month Adjusted EBITDA for the twelve full calendar months ending December 31, 2026 and (B) the trailing nine (9) month Adjusted EBITDA for the last nine (9) months of calendar year 2026, such amount annualized to reflect a full 12-month period,

minus

(ii) the Closing EBITDA,

minus

(b) subject to Section 2.19(d), the aggregate amount of any Post-Closing Debt,

plus

(c) the amount of any Cash remaining in the Stockholder Representative Expense Fund,

plus

(d) any Net Pre-Closing Tax Refund which is required to be applied to this calculation pursuant to Section 6.12 at the time of calculation.

"**Company Earn-Out Period Financial Statements**" shall have the meaning set forth in Section 2.19(b)(i).

"**Company Earn-Out Shares**" shall have the meaning set forth in Section 2.19(c).

"**Company Earn-Out Statement**" shall have the meaning set forth in Section 2.19(b)(i).

"**Company Entities**" means, collectively, the Company (or, after the Closing, the Surviving Corporation), WC Staffing, LLC, a Utah limited liability company, Wholesome AG, LLC, a Utah limited liability company, Wholesome Goods, LLC, a Utah limited liability company, Wholesome Therapy, LLC, a Utah limited liability company, and Wholesome Direct, LLC, a Utah limited liability company.

"**Company Incentive Plan**" has the meaning set forth in Section 5.13.

"**Company Intellectual Property**" means all Intellectual Property that is owned or held for use by any Company Entity.

"**Company IP Agreements**" means all licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, waivers, releases, permissions and other Contracts, whether written or oral, relating to Intellectual Property to which any Company Entity is a party, beneficiary or otherwise bound, excluding so-called "**off-the-shelf**" products and "**shrink wrap**" software licensed to any Company Entity in the Ordinary Course of Business.

"**Company IP Registrations**" means all Company Intellectual Property, which is registered or for which an application for registration has been filed by any Company Entity, to or with any Governmental Authority or authorized private registrar in any jurisdiction, including issued patents, registered trademarks, domain names and copyrights, and pending applications for any of the foregoing.

"**Company IT Systems**" means all software, computer hardware, servers, networks, platforms, peripherals, and similar or related items of automated, computerized, or other information technology (IT) networks and systems (including telecommunications networks and systems for voice, data, and video) owned, leased, licensed, or used (including through cloud-based or other third-party service providers) by the Company Entities.

"**Company Percentage**" means 84.72%.

"**Company Preferred Stock**" means the Series B Common Stock, par value $0.001 per share, of the Company and the Series B2 Common Stock, par value $0.001 per share, of the Company.

"**Company Stock**" means, collectively, the Company Common Stock and Company Preferred Stock.

"**Company Update**" has the meaning set forth in Section 5.17(a).

"**Consideration Spreadsheet**" has the meaning set forth in Section 2.18(a).

"**Contracts**" means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

"**Counsel**" has the meaning set forth in Section 11.16(a).

"**Current Assets**" means, on a consolidated basis, accounts receivable, Inventory, prepaid expenses and other current assets of the Company Entities, but excluding (a) Cash (including restricted cash), (b) the portion of any prepaid expense of which the Company Entities will not receive the benefit following the Closing, (c) Tax assets and deferred Tax assets, (d) the current portion of any intercompany receivables, and (e) the current portion of any lease assets and rights of use, each determined in accordance with the Accounting Principles. For purposes of this definition, Inventory shall be determined in accordance with the definition of "Inventory" in this Agreement and shall, to the extent conflicting with the Inventory Accounting Principles, supersede the Inventory Accounting Principles. For the avoidance of doubt, for purposes of this definition, Inventory shall include only final packaged products that are no more than 90 days old from the date of production and packaging completion, and from the date of purchase from third- party suppliers.

"**Current Liabilities**" means, on a consolidated basis, accounts payable, accrued expenses (excluding accrued expenses in the Ordinary Course of Business) and other current liabilities of the Company Entities, but excluding (a) Tax liabilities and deferred Tax liabilities, (b) the current portion of any lease liabilities, (c) the current portion of any intercompany payables, (d) Transaction Expenses, and (e) the current portion of any other Indebtedness of the Company Entities, including the Closing Indebtedness, each determined in accordance with the Accounting Principles.

"**D&O Indemnified Party**" has the meaning set forth in Section 5.09(a).

"**D&O Tail Policy**" has the meaning set forth in Section 5.09(c).

"**Deductible**" has the meaning set forth in Section 9.04(a).

"**Delivery Costs**" has the meaning set forth in definition of "Adjusted EBITDA."

"**DGCL**" has the meaning set forth in the recitals.

"**Direct Claim**" has the meaning set forth in Section 9.05(c).

"**Disclosure Schedules**" means the Disclosure Schedules delivered by the Company and Parent concurrently with the execution and delivery of this Agreement.

"**Disputed Amounts**" has the meaning set forth in Section 2.17(c)(iii).

"**Dissenting Shareholder(s)**" has the meaning set forth in Section 2.10.

"**Dissenting Shares**" has the meaning set forth in Section 2.10.

"**Dollars**" or "**$**" means the lawful currency of the United States; unless otherwise expressly set forth in this Agreement, any amounts referred to herein, or for any calculations hereunder, that rely upon or reference amounts in Canadian dollars shall be converted to United States Dollars for the purposes hereof, based on the exchange rate posted by the Bank of Canada on the trading day preceding the applicable date of such amount or calculation, to ensure that such amounts or calculations are determined or calculated on a consistent basis hereunder.

"**Downward Adjustment Amount**" has the meaning set forth in Section 2.17(d)(ii).

"**E-Commerce Earn-Out Accounting Principles**" means (a) the specific terms and definitions (including E-Commerce Earn-Out Revenue Amount) in this Agreement, and (b) to the extent not inconsistent with the foregoing clause (a), GAAP.

"**E-Commerce Earn-Out Amount**" means the Company Percentage of the Available E- Commerce Earn-Out Amount.

"**E-Commerce Earn-Out Measurement Period**" means either (a) January 1, 2026 through December 31, 2026 or (b) April 1, 2026 through December 31, 2026 but with the resulting E-Commerce Earn-Out Revenue Amount annualized to reflect a full 12-month period, determined based upon which of (a) or (b) results in a higher value for determination of the E-Commerce Earn Out Revenue Amount.

"**E-Commerce Earn-Out Period Financial Statements**" shall have the meaning set forth in Section 2.20(b)(i).

"**E-Commerce Earn-Out Revenue Amount**" means the sum of (a) 5% of the aggregate dollar amount of all delivery sales (inclusive or loyalty credits, but net of discounts) processed through the E- Commerce Platform during the E-Commerce Earn-Out Measurement Period, plus (b) 2.5% of the aggregate dollar amount of all online pick-up, curbside, or drive thru sales (inclusive or loyalty credits, but net of discounts) processed through the E-Commerce Platform during the E-Commerce Earn-Out Measurement Period, plus (c) 1% of the aggregate dollar amount of all walk-in sales (inclusive or loyalty credits, but net of discounts) processed through the E-Commerce Platform during the E-Commerce Earn-Out Measurement Period, calculated, in each case, without deduction or offset for any expenses incurred for payment processing or other similar third-party expenses.

"**E-Commerce Earn-Out Share Cap Amount**" means a number of shares equal to (a) the Closing Share Payment minus (b) Company Earn-Out Shares.

"**E-Commerce Earn-Out Shares**" shall have the meaning set forth in Section 2.20(c).

"**E-Commerce Earn-Out Statement**" shall have the meaning set forth in Section 2.20(b)(i).

"**E-Commerce Platform**" means the intellectual property, technology, employees, noncompetition agreements, present and future contracts and other assets collectively comprising the Arches operating platform, in each case, used in connection with demand and delivery operations.

"**E-Commerce Platform Fees and Delivery Fees**" means fees charged to the Company Entities for their use of the E-Commerce Platform, including 1% of walk-in revenues, 2.5% of pick-up revenues and 5% of delivery revenues.

"**Earn-Out Amount**" means the sum of (a) the Company Earn-Out Amount plus (b) the E- Commerce Earn-Out Amount.

"**Earn-Out Option Percentage**" means the product, stated as a percentage, of (a) the Closing Option Percentage, multiplied by (b) the Option Adjustment Percentage.

"**Earn-Out Period**" shall have the meaning set forth in Section 2.19(d).

"**Earn-Out Period Option Share Number**" means the total number of shares of Arches capital stock subject to outstanding (and not otherwise forfeited) Arches Options, determined as of the last day of the E-Commerce Earn-Out Measurement Period.

"**Earn-Out Share Price**" means the greater of (a) $1.05 (as adjusted for stock splits, reverse stock splits and similar matters) and (b) the 20-day volume weighted average price of the Parent Shares on the Exchange (converted to United States Dollars based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during such 20-day period), as reported by Bloomberg Finance L.P. over the twenty (20) consecutive trading day period ending immediately prior to the end of the Earn- Out Period.

"**Earn-Out Shares**" means the Company Earn-Out Shares and the E-Commerce Earn-Out Shares.

"**Earn-Out Statement**" shall have the meaning set forth in Section 2.19(b)(i).

"**EBITDA Consideration**" means the product of the Acquisition Multiple multiplied by the Closing EBITDA.

"**EBITDA Deficiency**" shall have the meaning set forth in Section 2.19(g).

"**EBITDA Margin**" means, (a) for the year ending December 31, 2026, the quotient, expressed as a percentage, of (i) Adjusted EBITDA for such period, divided by (ii) gross revenue from sales, less the cost of sales returns and discounts, for such period, and (b) for the year ending December 31, 2024, the quotient, expressed as a percentage, of (i) Closing EBITDA, divided by (ii) gross revenue from sales, less the cost of sales returns and discounts, for the year ending December 31, 2024.

"**Effective Time**" has the meaning set forth in Section 2.04.

"**Encumbrance**" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, assignment, option, preemptive purchase right, 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.

"**Environmental Attributes**" means any emissions and renewable energy credits, energy conservation credits, benefits, offsets and allowances, emission reduction credits or words of similar import or regulatory effect (including emissions reduction credits or allowances under all applicable emission trading, compliance or budget programs, or any other federal, state or regional emission, renewable energy or energy conservation trading or budget program) that have been held, allocated to or acquired for the development, construction, ownership, lease, operation, use or maintenance of any Company Entity as of: (a) the date of this Agreement; and (b) future years for which allocations have been established and are in effect as of the date of this Agreement.

"**Environmental Claim**" means any Action, Governmental Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

"**Environmental Law**" means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (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 (including ambient air, soil, surface water or groundwater, or subsurface strata); 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. The term "**Environmental Law**" includes the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to- Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

"**Environmental Notice**" means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit.

"**Environmental Permit**" means any Permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

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

"**ERISA Affiliate**" means all employers (whether or not incorporated) that would be treated together with any Company Entity or any of its Affiliates as a "single employer" within the meaning of Section 414 of the Code.

"**Escrow Agent**" means Odyssey Transfer and Trust Company (or another escrow agent reasonably agreed upon by Parent and the Company).

"**Escrow Agreement**" means an Escrow Agreement, to be dated as of the Closing Date, among Parent, Stockholder Representative and the Escrow Agent, in the form reasonably acceptable to such parties, but which, in any event, shall contemplate an escrow term for the Escrow Shares of twenty-four (24) months following Closing (subject to any pending claims).

"**Escrow Shares**" means 10% of the aggregate number of Parent Shares issued as part of the Estimated Closing Merger Consideration in connection with Closing.

"**Estimated Closing Merger Consideration**" has the meaning set forth in Section 2.17(a)(i).

"**Estimated Closing Statement**" has the meaning set forth in Section 2.17(a)(i).

"**Exchange**" means the Canadian Securities Exchange (provided, that references herein to trading prices on the Exchange shall, if applicable, be deemed to refer to any successor primary exchange on which Parent chooses to list its Parent Shares, and to the extent such successor exchange is a U.S. exchange, any corresponding references to conversions between Canadian dollars and US dollars will be accordingly ignored for purposes of this Agreement).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Exchange Agent**" has the meaning set forth in Section 2.11(a).

"**Exchange Approval**" means the approval by the Exchange of the transactions contemplated by this Agreement.

"**Excluded Taxes**" means any Taxes (a) treated as a liability or otherwise taken into account in the calculation of the Total Merger Consideration, or (b) for which the Company Entities have established a cash reserve specifically designated as being a reserve solely for unpaid Taxes (including, solely for Taxes attributable to 280E, the 280E Tax Reserve).

"**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 the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statue 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.

"**Final Closing Statement**" has the meaning set forth in Section 2.17(b).

"**Financial Statements**" has the meaning set forth in Section 3.06(a).

"**Forfeiture Amount**" means, calculated in accordance with the Company Earn-Out Accounting Principles, the sum of (a) the product of the Acquisition Multiple multiplied by the EBITDA Deficiency, plus (b) subject to Section 2.19(d), the aggregate amount of any Post-Closing Debt, minus (c) the amount of any Cash remaining in the Stockholder Representative Expense Fund minus (d) any Net Pre-Closing Tax Refund which is required to be applied to this calculation pursuant to Section 6.12 at the time of calculation. **Exhibit K**, which is included solely for illustrative purposes, sets forth an illustrative calculation of the Forfeiture Amount (the "**Forfeiture Amount Worksheet**").

"**Forfeiture Amount Worksheet**" has the meaning set forth in the definition of "Forfeiture Amount."

"**Fraud**" means actual and intentional common law fraud under Delaware law, and does not include equitable fraud, constructive fraud, promissory fraud, unfair dealings fraud, unjust enrichment, or any torts (including fraud) or other claim based on gross negligence, negligence or recklessness (including based on constructive knowledge or negligent misrepresentation) or any other equitable claim**.**

"**Fundamental Representations**" has the meaning set forth in Section 9.01.

"**GAAP**" means the generally accepted accounting standards in the United States.

"**Governmental Authority**" means any federal, state, commonwealth, provincial, municipal, local or foreign government or 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, including, for greater certainty the Exchange.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Hazardous Materials**" means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or manmade, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (b) 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 and per- and poly fluoroalkyl substances.

"**Historical Accounting Principles**" means with respect to the Audited Financial Statements, Unaudited Financial Statements and the Interim Financial Statements, GAAP, in all material respects, applied on a consistent basis throughout the periods involved, subject, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments (the effect of which will not be materially adverse) and the absence of notes, and except for the consistently applied deviations from GAAP described on **Exhibit H**.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"**Indebtedness**" means, without duplication for any obligations which are already reflected in the Transaction Expenses or Current Liabilities, with respect to any Person (without duplication), (a) all obligations of such Person for borrowed money, including all obligations for principal and interest, and for prepayment and other penalties, fees, costs and charges of whatsoever nature with respect thereto (excluding any Intercompany Indebtedness up to $500,000), (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 accounts payable to suppliers and similar accrued liabilities incurred in the ordinary course of the Person's business and paid in a manner consistent with industry practice and other than any such obligations for services to be rendered in the future), (d) except for purposes of the determination of Closing Indebtedness or Closing Merger Consideration, 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 lien or security interest on property owned or acquired by such Person whether or not the obligations secured thereby have been assumed, (e) except for purposes of the determination of Closing Indebtedness or Closing Merger Consideration and Section 9.02(g), all capitalized lease obligations of such Person, and any obligations under leases that would be required to be capitalized under GAAP, (f) all obligations (including reimbursement obligations) relating to the issuance of letters of credit for the account of such Person (but, for purposes of the determination of Closing Indebtedness or Closing Merger Consideration, only to the extent drawn), (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) any off balance sheet financing (but excluding all leases that would be recorded under GAAP as operating leases), (i) any earnout or other such similar contingent payment liabilities (but, for purposes of the determination of Closing Indebtedness or Closing Merger Consideration, only to the extent no longer contingent or to the extent then due and payable), (j) any liabilities or obligations to current or former holders of equity securities in respect of dividends or other distributions, and (k) obligations in the nature of guarantees of obligations of the type described in clauses (a) through (j) above of any other Person (but, for purposes of the determination of Closing Indebtedness or Closing Merger Consideration, only to the extent any such guarantee has been drawn or funded).

"**Indemnified Party**" has the meaning set forth in Section 9.05.

"**Indemnifying Party**" has the meaning set forth in Section 9.05.

"**Indemnified Taxes**" has the meaning set forth in Section 6.03.

"**Independent Accountant**" has the meaning set forth in Section 2.17(c)(iii).

"**Insurance Policies**" has the meaning set forth in Section 3.16.

"**Intellectual Property**" means any and all rights in, arising out of, or associated with any of the following in any jurisdiction throughout the world: (a) issued patents and patent applications (whether provisional or non-provisional), including divisionals, continuations, continuations-in-part, substitutions, reissues, reexaminations, extensions, or restorations of any of the foregoing, and other Governmental Authority-issued indicia of invention ownership (including certificates of invention, petty patents, and patent utility models) ("**Patents**"); (b) trademarks, service marks, brands, certification marks, logos, trade dress, trade names, and other similar indicia of source or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications for registration, and renewals of, any of the foregoing ("**Trademarks**"); (c) copyrights and works of authorship, whether or not copyrightable, and all registrations, applications for registration, and renewals of any of the foregoing ("**Copyrights**"); (d) internet domain names and social media account or user names (including "handles"), whether or not Trademarks, all associated web addresses, URLs, websites and web pages, social media sites and pages, and all content and data thereon or relating thereto, whether or not Copyrights; (e) mask works, and all registrations, applications for registration, and renewals thereof; (f) industrial designs, and all Patents, registrations, applications for registration, and renewals thereof; (g) trade secrets, know-how, inventions (whether or not patentable), discoveries, improvements, technology, business and technical information, databases, data compilations and collections, tools, methods, processes, techniques, and other confidential and proprietary information and all rights therein ("**Trade Secrets**"); (h) computer programs, operating systems, applications, firmware, and other code, including all source code, object code, application programming interfaces, data files, databases, protocols, specifications, and other documentation thereof; (i) rights of publicity; and (j) all other intellectual or industrial property and proprietary rights.

"**Intercompany Indebtedness**" means any Indebtedness for borrowed money extended by the Company, Parent, or any of their respective Affiliates (excluding Arches), or any third party consented to by Parent in writing, to Arches prior to Closing; provided that (a) the aggregate amount of such Indebtedness may not exceed $500,000 and (b) the interest applicable to such Indebtedness may not exceed the then- current applicable federal rate.

"**Intended Tax Treatment**" has the meaning set forth in Section 2.22.

"**Interim Balance Sheet**" has the meaning set forth in Section 3.06(a).

"**Interim Balance Sheet Date**" has the meaning set forth in Section 3.06(a).

"**Interim Financial Statements**" has the meaning set forth in Section 3.06(a).

"**Inventory**" means all inventory, using the First-in-First-Out method of inventory valuation; provided, that for purposes of the determination of Current Assets, the Estimated Closing Merger Consideration and the Actual Closing Merger Consideration, "Inventory" shall be calculated as follows: inventory, excluding raw materials, flower, trim, "fresh frozen," seeds, plant genetics (including mother plants), strains, work-in process, and supply and packaging inventory, but including finished goods in final packaged form and no more than 90 days old from the date of production or purchase from third-party suppliers; provided, that any items that are nonconforming or defective (except items that may be remediated or qualified for extraction by a Company Entity), damaged, or obsolete shall be excluded from the definition of Inventory. For the avoidance of doubt, any inventory shall be quantified on a dollar basis, based on the lower of fair value (on an arms-length transaction basis) and cost of production or purchase from third-party products.

"**Inventory Accounting Principles**" has the meaning set forth in Section 2.17(a)(ii).

"**Inventory Statement**" has the meaning set forth in Section 2.17(a)(ii).

"**Investor Rights Agreement**" has the meaning set forth in Section 2.03(a)(xiii).

"**Knowledge**" means, when used with respect to (a) the Company or Company Entities, the actual knowledge of Christopher Jeffery, Nicholas Vasquez and J.D. Lauritzen, after reasonable inquiry, and without imposing any personal liability on such Person, and (b) Parent, the actual knowledge of Amber Shimpa and Joe Duxbury, after reasonable inquiry, and without imposing any personal liability on such Person.

"**Law(s)**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"**Letter of Transmittal**" has the meaning set forth in Section 2.11(b).

"**Liabilities**" has the meaning set forth in Section 3.07.

"**Licensed Intellectual Property**" means all Intellectual Property in which the Company Entities hold any rights or interests granted by other Persons, including any of their Affiliates.

"**Lock-Up Letter**" has the meaning set forth in Section 2.03(a)(vii).

"**Losses**" means losses, Taxes, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; provided, however, that "**Losses**" shall not include (a) any special, exemplary or punitive damages, except to the extent actually awarded to a Governmental Authority or other third party, (b) any consequential, indirect, remote or speculative damages, any diminution in value of assets, lost profits or opportunity, or any such items calculated based upon a multiple of earnings, book value or similar approach, except to the extent actually awarded to a Governmental Authority or other third party, or (c) any such items to the extent duplicative, contingent or otherwise (in the case of a third party claim) unasserted; provided that attorney's or other professional's fees and expenses incurred in connection with the discovery or actual or potential defense of a contingent or otherwise unasserted claim shall not be excluded under this clause (c).

"**Majority Holders**" has the meaning set forth in Section 11.01(b).

"**Market Share**" means

(a) As of December 31, 2024, the quotient of (i) the consolidated retail revenues of the Company Entities in the State of Utah for the calendar year ending December 31, 2024 divided by (ii) the cumulative sales of medical cannabis in the State of Utah market, as reported by the Utah Department of Health & Human Services, Center for Medical Cannabis, on its DHHS Center for Medical Cannabis Annual Report for the calendar year ending December 31, 2024; and

(b) As of December 31, 2026, the quotient of (i) the consolidated retail revenues of Parent, the Surviving Corporation, the other Company Entities, and any of their respective Affiliates in the State of Utah for the calendar year ending December 31, 2026 divided by (ii) the cumulative sales of medical cannabis in the State of Utah market, as reported by the Utah Department of Health & Human Services, Center for Medical Cannabis, on its DHHS Center for Medical Cannabis Annual Report for the calendar year ending December 31, 2026.

"**Material Adverse Effect**" means any effect, event, development, occurrence, fact, condition or change that has a material adverse effect, individually or in the aggregate, (a) on the business, results of operations, condition (financial or otherwise), Liabilities or assets of the Company Entities, taken as a whole, or (b) on the ability of the Company to perform its obligations under this Agreement or to consummate the Merger, or on the consummation of (whether by prevention or material delay) the Merger and the other transactions contemplated hereby; provided, however, that "Material Adverse Effect" shall not include any effect, event, development, occurrence, fact, condition or change, directly arising out of or attributable to: (a) changes in general business, economic or political conditions; (b) changes in conditions generally affecting the industries in which the Company Entities operate; (c) any changes in financial or securities markets in general; (d) any national or international political, regulatory or social conditions, including acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof, pandemics, epidemics or states of emergency, whether declared or undeclared; (e) any "act of God," including weather, natural disasters and earthquakes; (f) any changes in applicable Laws or accounting rules, including GAAP; (g) any action required or permitted by this Agreement; (h) the public announcement or pendency of the transactions contemplated by this Agreement; or (i) any failure (in and of itself) by the Company Entities to meet, with respect to any period or periods, any projections or forecasts, estimates of earnings or revenues or business plan (provided, that any effect, event, development, occurrence, fact, condition or change giving rise to or contributing to such failure may be deemed to constitute, or be taken into account in determining whether there has been a Material Adverse Effect)); provided further, however, that any event, occurrence, fact, condition or change referred to in clauses (a) through (f) immediately above shall be taken into account in determining whether a Material Adverse Effect 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 Company Entities compared to other participants in the industries in which the Company Entities conduct their businesses.

"**Material Contracts**" has the meaning set forth in Section 3.09(a).

"**Material Customers**" has the meaning set forth in Section 3.15(a).

"**Material Suppliers**" has the meaning set forth in Section 3.15(b).

"**Merger**" has the meaning set forth in the recitals.

"**Merger Sub**" has the meaning set forth in the preamble.

"**Merger Sub Common Stock**" means the common stock, par value $0.0001 per share, of Merger Sub.

"**Minimum Cash Amount**" means, as of the Closing, Cash in an amount equal to the sum of (a) $1,000,000 (exclusive of any 280E Tax Reserve), and (b) the amount of the Company Entities' net cash flow from operating activities, on an after Tax basis, during the period from January 1, 2025, through the Closing as determined in accordance with the Accounting Principles. For the avoidance of doubt, the Stockholder Representative Expense Fund shall not be a deduction from the calculation of net cash flow from operating activities.

"**Multiemployer Plan**" has the meaning set forth in Section 3.20(c).

"**Net Pre-Closing Tax Refund**" has the meaning set forth in Section 6.12.

"**Non-Privileged Deal Communications**" has the meaning set forth in Section 11.16(c).

"**Option Adjustment Percentage**" means the quotient, stated as a percentage, of (a) the Earn-Out Period Option Share Number, divided by (b) the Closing Date Option Share Number.

"**Ordinary Course of Business**" means the ordinary course of business, consistent with past practice, including with regard to nature, frequency and magnitude.

"**Outside Closing Date**" has the meaning set forth in Section 10.01(b)(ii).

"**Parent**" has the meaning set forth in the preamble.

"**Parent Board**" means the board of directors of Parent.

"**Parent Board Recommendation**" has the meaning set forth in Section 4.02.

"**Parent Cannabis Laws**" means the laws of the States of Minnesota, Maryland, and New York governing the cultivation, manufacture, production, distribution or retail sale of medical and adult-use cannabis, including any applicable ordinances, rules or regulations promulgated thereunder.

"**Parent Financial Statements**" has the meaning set forth in Section 4.08.

"**Parent Indemnitees**" has the meaning set forth in Section 9.02.

"**Parent Material Adverse Effect**" means any effect, event, development, occurrence, fact, condition or change that has a material adverse effect, individually or in the aggregate, (a) on the business, results of operations, condition (financial or otherwise), Liabilities or assets of Parent or its Affiliates, taken as a whole, or (b) on the ability of Parent or Merger Sub to perform its obligations under this Agreement or to consummate the Merger, or on the consummation of (whether by prevention or material delay) the Merger and the other transactions contemplated hereby; provided, however, that "Parent Material Adverse Effect" shall not include any effect, event, development, occurrence, fact, condition or change, directly arising out of or attributable to:(a) changes in general business, economic or political conditions; (b) changes in conditions generally affecting the industries in which Parent or its Affiliates operate; (c) any changes in financial or securities markets in general; (d) any national or international political, regulatory or social conditions, including acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof, pandemics, epidemics or states of emergency, whether declared or undeclared; (e) any "act of God," including weather, natural disasters and earthquakes; (f) any changes in applicable Laws or accounting rules; (g) any action required or permitted by this Agreement; (h) the public announcement or pendency of the transactions contemplated by this Agreement; or (i) any failure (in and of itself) by Parent or its Affiliates to meet, with respect to any period or periods, any projections or forecasts, estimates of earnings or revenues or business plan (provided, that any effect, event, development, occurrence, fact, condition or change giving rise to or contributing to such failure may be deemed to constitute, or be taken into account in determining whether there has been a Parent Material Adverse Effect)); provided further, however, that any event, occurrence, fact, condition or change referred to in clauses (a) through (f) immediately above shall be taken into account in determining whether a Parent Material Adverse Effect 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 Parent or its Affiliates compared to other participants in the industries in which Parent or its Affiliates conduct their businesses.

"**Parent Multiple Voting Shares**" means the multiple voting shares in the authorized share structure of Parent.

"**Parent Resolution**" means an ordinary resolution approving the business combination transaction with the Company contemplated by this Agreement and/or related change of control of the Parent, as applicable, pursuant to applicable policies of the Canadian Securities Exchange.

"**Parent Shareholder Approval**" means the approval and adoption of the Parent Resolution (i) in the case of a meeting of shareholders, by at least 50% of the votes cast at a special meeting of shareholders of Parent by the holders of the Parent Shares and the Parent Multiple Voting Shares represented in person or by proxy and entitled to vote at such meeting or (ii) in the case of action by written consent of the shareholders of Parent by at least 50% of the outstanding voting power.

"**Parent Shareholder Meeting**" has the meaning set forth in Section 5.14(f).

"**Parent Shares**" means the subordinate voting shares in the authorized share structure of Parent, or any subsequent securities which Parent Shares are converted into or exchanged for in connection with any reorganization, recapitalization, reclassification, consolidation, merger or other transaction involving Parent.

"**Parent Update**" has the meaning set forth in Section 5.17(b).

"**Permits**" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

"**Permitted Encumbrances**" has the meaning set forth in Section 3.10(a).

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"**Platform Agreements**" has the meaning set forth in Section 3.12(h).

"**Post-Closing Debt**" means any principal, interest, other fee payments on, and (without duplication) any accrued amounts (including interest and fees) of, indebtedness for borrowed money incurred (a) after Closing by a Company Entity, whether as intercompany indebtedness for amounts borrowed from Parent (or its subsidiaries) or from a third party lender, pursuant to a Company Entity's request to the Parent to incur such indebtedness for use in the business and operations of the Company Entities, and with Parent's consent and approval, which consent and approval may be withheld, delayed or conditioned in Parent's sole and absolute discretion, or (b) after Closing by a Company Entity, without the prior consent and approval of Parent.

"**Post-Closing Tax Period**" means any taxable period beginning after the Closing Date and the portion of any Straddle Period beginning after the Closing Date.

"**Pre-Closing Tax Period**" means any taxable period ending on or before the Closing Date and the portion of any Straddle Period ending on and including the Closing Date.

"**Pre-Closing Tax Refund**" has the meaning set forth in Section 6.12.

"**Pre-Closing Taxes**" means all unpaid Taxes (excluding the 280E Liability) of the Company Entities as of the Closing for Pre-Closing Tax Periods for which the Company Entities have not established a cash reserve specifically designated as being a reserve solely for unpaid Taxes (excluding the 280E Tax Reserve), calculated in accordance with the Accounting Principles and Section 6.05 with respect to any Straddle Period.

"**Privileged Communications**" has the meaning set forth in Section 11.16(a).

"**Privileged Deal Communications**" has the meaning set forth in Section 11.16(b).

"**Pro Rata Share**" means, with respect to any Stockholder, such Person's pro rata share of each component of the Total Merger Consideration as set forth on the Consideration Spreadsheet, including the Closing Share Payment, the Escrow Shares, any potential additional Parent Shares issued in connection with the Earn-Out Amount as calculated pursuant to Section 2.19 and Section 2.20, and any potential Parent Shares forfeited in connection with the Forfeiture Amount as calculated pursuant to Section 2.19, each as applicable.

"**Pro Rata Share of Closing Share Payment**" means the amount of the Closing Share Payment allocated to each Stockholder as set forth in the Consideration Spreadsheet.

"**Proxy Statement/Circular**" has the meaning set forth in Section 5.14(a).

"**Qualified Benefit Plan**" has the meaning set forth in Section 3.20(c).

"**Real Property**" means the real property owned, leased or subleased by the Company Entities, together with all buildings, structures and facilities located thereon.

"**Refund Holding Period**" has the meaning set forth in Section 6.12.

"**Regulatory Consents**" has the meaning set forth in Section 3.03.

"**Release**" means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

"**Representative**" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"**Representative Losses**" has the meaning set forth in Section 11.01(c).

"**Required Consents**" has the meaning set forth in Section 3.03.

"**Requisite Company Vote**" has the meaning set forth in Section 3.02(a).

"**Resolution Period**" has the meaning set forth in Section 2.17(c)(ii).

"**Retained Executives**" means Christopher Jeffery, Nicholas Vasquez, Alex Iorg, and Taylor Heyland.

"**Review Period**" has the meaning set forth in Section 2.17(c)(i).

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Securities Laws**" means the securities legislation, securities regulation and securities rules, and the policies, notices, instruments and blanket orders having the force of Law (including those of the SEC, the Canadian Securities Regulators and the Exchange), in force from time to time in the United States, including any states of the United States, and the provinces or territories of Canada.

"**SEDAR+**" means the System for Electronic Data Analysis and Retrieval + (SEDAR+) as outlined in National Instrument 13-103.

"**Seller Group**" has the meaning set forth in Section 11.16(a).

"**Shares**" has the meaning set forth in Section 2.08(b).

"**Single Employer Plan**" has the meaning set forth in Section 3.20(c).

"**State Licenses**" has the meaning set forth in Section 5.12. State Licenses include (i) Utah Cannabis Cultivation License #7001-20179, (ii) Utah Cannabis Tier 1 Processing License #7002-22801, (iii) Utah Cannabis Pharmacy License #7005-8, and (iv) Utah Cannabis Courier/Delivery License #7007- 4.

"**Statement of Objections**" has the meaning set forth in Section 2.17(c)(ii).

"**Stockholder Indemnitees**" has the meaning set forth in Section 9.03.

"**Stockholder Notice**" has the meaning set forth in Section 5.05(b).

"**Stockholder Representative**" has the meaning set forth in the preamble.

"**Stockholder Representative Expense Fund**" has the meaning set forth in Section 2.12.

"**Stockholders**" means the holders of all of the outstanding capital stock of the Company.

"**Stockholders Agreement**" means the Voting Agreement, dated as of March 30, 2022, by and among the Company and the Stockholders party thereto.

"**Straddle Period**" has the meaning set forth in Section 6.05.

"**Surviving Corporation**" has the meaning set forth in Section 2.01.

"**Takeover Laws**" has the meaning set forth in Section 5.16.

"**Target Working Capital**" means $3,200,000.

"**Taxes**" means all federal, state, local, provincial or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges in the nature of a tax that are imposed, assessed or collected by a Governmental Entity including, any income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties, import, anti-dumping or countervailing duties or other taxes, fees, assessments or charges in the nature of a tax, of any kind whatsoever, whether computed on a separate or consolidated, unitary, combined or other similar basis, whether disputed or not, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

"**Tax Claim**" has the meaning set forth in Section 6.06.

"**Tax Return**" means any return, declaration, election, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"**Termination Fee**" means $3,394,217.

"**Third Party Claim**" has the meaning set forth in Section 9.05(a).

"**Third-Party Consents**" has the meaning set forth in Section 3.03.

"**Total Merger Consideration**" means the sum of the Actual Closing Merger Consideration, plus, any Earn-Out Amount, less any Forfeiture Amount.

"**Transaction Expenses**" means, without duplication for any amounts which are already reflected in the Closing Indebtedness, all unpaid fees, costs and expenses (including (a) financial advisory, broker, investment banking or similar advisory fees, costs and expenses and (b) any and all change of control, stay bonus, transaction completion bonus, severance payment or other similar payments made or required to be made to the current or former directors, managers, officers, independent contractors or employees of, or consultants or advisors to, the Company Entities as a result of this Agreement or the transactions contemplated hereby, together with any employment and similar Taxes payable by the Company Entities in connection with such payments)), incurred by the Company and any Affiliate at or prior to the Closing (including any such fees, costs and expenses that become payable, at any time, as a result of the occurrence of the Closing) arising from or incurred in connection with the preparation, negotiation and execution of this Agreement and the Ancillary Documents, and the performance and consummation of the Merger and the other transactions contemplated hereby and thereby, including any unpaid costs of the D&O Tail Policy referenced in Section 5.09(c) and any costs allocated to the Company in the proviso in Section 11.02.

"**Transaction Tax Deduction**" means any Tax loss or deduction resulting from or attributable to (a) the payment of bonuses, change in control payments, severance payments, option payments, retention payments or similar payments made by the Company on or before the Closing Date or included in the computation of the Closing Merger Consideration; (b) the payments of fees, expenses and interest incurred by the Company with respect to the payment of Payoff Indebtedness in connection herewith; and (c) Transaction Expenses; provided that, in connection with the foregoing, the Company shall be treated as having made, and shall timely make, an election under Revenue Procedure 2011-29, 2011-18 IRB 746, to treat 70% of any success based fees as deductible in the Pre-Closing Tax Period that includes the Closing Date for U.S. federal and applicable state income Tax purposes.

"**UDAF**" has the meaning set forth in Section 5.12.

"**UDAF Consent**" has the meaning set forth in Section 5.12.

"**Unaudited Financial Statements**" has the meaning set forth in Section 3.06(a).

"**Undisputed Amounts**" has the meaning set forth in Section 2.17(c)(iii).

"**Union**" has the meaning set forth in Section 3.21(b).

"**Upward Adjustment Amount**" has the meaning set forth in Section 2.17(d)(i).

"**Utah Cannabis Laws**" has the meaning set forth in Section 5.12.

"**WARN Act**" means the federal Worker Adjustment and Retraining Notification Act of 1988, and similar state, local and foreign laws related to plant closings, relocations, mass layoffs and employment losses.

"**Wholesome Option**" means any option or similar award or grant to purchase shares of the Company's capital stock (including the Company Stock) awarded and outstanding as of the Closing Date, including pursuant to the Company Incentive Plan.

"**Withholding Agent**" has the meaning set forth in Section 2.15.

"**Written Consent**" has the meaning set forth in Section 5.05(a).

ARTICLE II.
THE MERGER

Section 2.01. The Merger. On the terms and subject to the conditions set forth in this Agreement, and in accordance with the DGCL, at the Effective Time, (a) Merger Sub will merge with and into the Company and (b) the separate corporate existence of Merger Sub will cease and the Company will continue its corporate existence under the DGCL as the surviving corporation in the Merger and will be, immediately following the Merger, a direct wholly owned subsidiary of Parent (sometimes referred to herein as the "**Surviving Corporation**").

Section 2.02. Closing.

(a) Subject to the terms and conditions of this Agreement, the closing of the Merger (the "**Closing**") shall take place at 7 a.m., Mountain time, on the date to be specified by the parties hereto, but no later than the second Business Day after the conditions to Closing set forth in Article VIII have been satisfied or (to the extent permitted by law) waived (other than conditions which, by their nature, are to be satisfied on the Closing Date, but subject to the satisfaction or (to the extent permitted by law) waiver of such conditions), remotely by exchange of documents and signatures (or their electronic counterparts), or at such other time or on such other date or at such other place as the Company and Parent may mutually agree upon in writing (the day on which the Closing takes place being the "**Closing Date**").

(b) Immediately prior to the Closing, the Company may pay to Stockholders in accordance with the Company Charter Documents, an aggregate amount equal to the Company's good faith estimate of the excess consolidated Cash of the Company Entities as of the Closing less (i) the Closing Cash, (ii) any 280E Tax Reserve, and (iii) any amount by which the estimated Closing Working Capital set forth on the Estimated Closing Statement is less than the Target Working Capital (provided, that in no event shall any such payment result in an amount of Cash held by the Company Entities less than the Minimum Cash Amount). The Company may make any such payment to the Stockholders in the form of a dividend, redemption or other method as determined by the Company. For avoidance of doubt, no Cash paid or distributed pursuant to this Section 2.02(b) will be included as Closing Cash or otherwise included in any calculation of Closing Merger Consideration. Notwithstanding the foregoing, the Closing shall be deemed to occur solely for Tax and accounting purposes as of 11:59 p.m., Mountain time, on the Closing Date.

Section 2.03. Closing Deliverables.

(a) At or prior to the Closing, the Company shall deliver, or cause to be delivered, to Parent the following:

(i) resignations of the directors of the Company pursuant to Section 5.07(a);

(ii) a certificate, dated the Closing Date and signed by a duly authorized officer of the Company, that each of the conditions set forth in Section 8.02(a), Section 8.02(b) and Section 8.02(e) have been satisfied;

(iii) a certificate of the Secretary or Chief Legal Officer (or equivalent officer) of the Company certifying (A) that attached thereto are true and complete copies of (1) all resolutions adopted by the Company Board authorizing the execution, delivery and performance of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby and (2) resolutions of the Stockholders approving the Merger and adopting this Agreement, and (B) that such resolutions are in full force and effect and are all the resolutions of the Company Board or Stockholders, as applicable, adopted in connection with the transactions contemplated hereby and thereby;

(iv) a good standing certificate (or its equivalent) for each of the Company Entities from the secretary of state or similar Governmental Authority of the jurisdiction under the Laws in which each of the Company Entities are organized, and in which each of the Company Entities are qualified to do business;

(v) at least three (3) Business Days prior to the Closing, (i) the Closing Certificate certified by the Chief Financial Officer of the Company and (ii) the Payoff Letters, duly executed by the lender or similar party in each case thereof;

(vi) a certificate, duly executed by an authorized signatory of the Company, issued pursuant to Treasury Regulations Sections 1.897-2(h) and 1.1445-2(c)(3), including the required notice to the U.S. Internal Revenue Service, stating that an interest in the Company is not a "United States real property interest" within the meaning of Section 897(c) of the Code (provided that Parent's sole recourse for the Company's failure to deliver such certificate and notice shall be Parent's right to withhold and deduct Taxes pursuant to Section 2.15);

(vii) a Lock-Up Letter executed by each Stockholder substantially in the form attached hereto as **Exhibit D** (a "**Lock-Up Letter**") (other than any Dissenting Shareholder);

(viii) a Letter of Transmittal, duly executed by each Stockholder (other than any Dissenting Shareholder);

(ix) the Escrow Agreement, duly executed by each of the Stockholder Representative and the Escrow Agent;

(x) the Required Consents (unless Parent waives delivery thereof) (including the Written Consent), in each case, on terms and conditions satisfactory to Parent;

(xi) termination instruments evidencing the termination of the agreements and documents set forth on Section 3.24 of the Disclosure Schedules, in each case, with no further obligation of the Company and otherwise on terms and in form reasonably satisfactory to Parent;

(xii) the Investor Rights Agreement substantially in the form attached hereto as **Exhibit E** (the "**Investor Rights Agreement**"), duly executed by each Stockholder (other than any Dissenting Shareholder);

(xiii) a list of all logins, passwords and authorized Persons for all tax accounts, bank accounts, social media, customer loyalty programs, portals and similar accounts and software used by each of the Company Entities; and

(xiv) such other documents or instruments as Parent reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

(b) At the Closing, Merger Sub or Parent, as applicable, shall deliver to the Company (or such other Person as may be specified herein) the following:

(i) delivery to the Exchange Agent of the Closing Share Payment payable pursuant to Section 2.08 in exchange for the Shares;

(ii) payment of third parties by wire transfer of immediately available funds that amount of money due and owing from the Company to such third parties as Transaction Expenses, as set forth on the Closing Certificate;

(iii) payment to the Company, for the benefit of Arches and on Arches behalf, of all amounts owed by Arches pursuant to the Intercompany Indebtedness, by wire transfer of immediately available funds (or by such other method as may be agreed upon by the parties and any applicable third party prior to Closing);

(iv) a certificate, dated the Closing Date and signed by a duly authorized officer of Parent and Merger Sub, that each of the conditions set forth in Section 8.03(a), Section 8.03(b) and Section 8.03(d) have been satisfied;

(v) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Parent and Merger Sub certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors and shareholders of Parent and Merger Sub, as applicable, authorizing the execution, delivery and performance of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions of such boards of directors or shareholders adopted in connection with the transactions contemplated hereby and thereby;

(vi) the Escrow Agreement, duly executed by each of Parent and the Escrow Agent;

(vii) to the Escrow Agent, the Escrow Shares;

(viii) the Investor Rights Agreement, duly executed by Parent;

(ix) the Exchange Approval;

(x) if required by the Exchange, an opinion of counsel to Parent, in form and substance reasonably satisfactory to the Exchange, with respect to Parent and its compliance with applicable Law; and

(xi) such other documents or instruments as the Company reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

Section 2.04. **Effective Time**. Subject to the provisions of this Agreement, at the Closing, the Company, Parent and Merger Sub shall cause a certificate of merger (the "**Certificate of Merger**") to be executed, acknowledged and filed with the Secretary of State of the State of Delaware in accordance with the relevant provisions of the DGCL and shall make all other filings or recordings required under the DGCL. The Merger shall become effective at such time as the Certificate of Merger have been duly filed with the Secretary of State of the State of Delaware or at such later date or time as may be agreed by the Company and Parent in writing and specified in the Certificate of Merger in accordance with the DGCL (the effective time of the Merger hereinafter referred to as the "**Effective Time**").

Section 2.05. **Effects of the Merger**. The Merger shall have the effects set forth herein and in the applicable provisions of the DGCL.

Section 2.06. **Articles of Incorporation; By-laws**. At the Effective Time, (a) the articles of incorporation of the Company shall be amended and restated as set forth in the form attached hereto as **Exhibit I** to be the amended and restated articles of incorporation of the Surviving Corporation, until thereafter amended in accordance with the terms thereof or as provided by applicable Law, and (b) the by- laws of Merger Sub as in effect immediately prior to the Effective Time shall be the by-laws of the Surviving Corporation until thereafter amended in accordance with the terms thereof, the articles of incorporation of the Surviving Corporation or as provided by applicable Law.

Section 2.07. Directors and Officers. The officers of the Company, in each case, immediately prior to the Effective Time shall, from and after the Effective Time, be the officers, respectively, of the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the articles of incorporation and by-laws of the Surviving Corporation. The directors of Merger Sub immediately prior to the Effective Time shall, from and after the Effective Time, be the directors of the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the articles of incorporation and by-laws of the Surviving Corporation.

Section 2.08. Effect of the Merger on Capital Stock. On the terms and subject to the conditions set forth in this Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of Parent, the Company, Merger Sub or any Stockholder:

(a) Each issued and outstanding share of Merger Sub Common Stock shall be converted into and shall become one newly issued, fully-paid and non-assessable share of common stock, par value $0.001 per share, of the Surviving Corporation and constitute the only outstanding shares of capital stock of the Surviving Corporation.

(b) Each share of Company Stock (the "**Shares**") that is held by the Company as treasury stock or owned by the Company shall be canceled and retired and shall cease to exist and no consideration shall be delivered in exchange therefor.

(c) Except as provided in Section 2.08(b), each Share outstanding immediately prior to the Effective Time (other than Shares cancelled pursuant to Section 2.08(b) and Dissenting Shares) shall at the Effective Time be converted into the right to receive, in accordance with the terms of this Agreement, without interest and subject to Section 2.11, the applicable portion of the Closing Share Payment (including, for the avoidance of doubt, such number of Parent Shares to which the holder of the Share of Company Stock is entitled to receive in exchange therefor, as set forth in the Consideration Spreadsheet), and any additional cash payments or issuance and delivery of additional Parent Shares (if any) as contemplated by Section 2.17 and Section 2.19 (but subject to any adjustments or forfeitures as set forth therein); *provided*, that the number of shares of Parent Shares that each holder of a Share of Company Stock is entitled to receive shall be rounded up to the nearest whole number of shares of Parent Shares, and each such Share shall be automatically cancelled and shall cease to exist, and the holders thereof which immediately prior to the Effective Time represented such Shares shall cease to have any rights with respect to the Company Stock (other than the right to receive, subject to Section 2.11, such holder's applicable portion of the Closing Share Payment, and any additional cash payments or issuance and delivery of additional Parent Shares (if any) as contemplated by Section 2.17 and Section 2.19 (but subject to any adjustments or forfeitures as set forth therein)), or as a stockholder of the Company. Subject to and in accordance with Section 2.11, following the Closing (and without limitation of Section 2.17 and Section 2.19), each Stockholder will be entitled to receive, its Pro Rata Share of the Closing Share Payment, which Pro Rata Share of the Closing Share Payment shall be set forth in the Consideration Spreadsheet, *and provided further*, that the Escrow Shares shall be deposited with the Escrow Agent pursuant to the Escrow Agreement. No fractional Parent Shares shall be issued upon the conversion of the Shares pursuant to this Section 2.08(c).

(d) As consideration for Parent issuing the Parent Shares in connection with the Closing Share Payment, any payments to Dissenting Shareholders and paying down the Indebtedness and any unpaid Transaction Expenses, for each Parent Share so issued by Parent, any payments to Dissenting Shareholders, the Indebtedness and any unpaid Transaction Expenses, the Surviving Corporation shall issue to Parent (at the time Parent Shares are issued or payment is made by Parent) one validly issued, fully paid and nonassessable share of common stock, par value $0.001 per share, of the Surviving Corporation (rounding down to the nearest whole number of such shares).

Section 2.09. [Reserved]

Section 2.10. Dissenting Shares. Notwithstanding any provision of this Agreement to the contrary, including Section 2.08, Shares issued and outstanding immediately prior to the Effective Time (other than Shares cancelled in accordance with Section 2.08(a)) and held by a holder who has not voted in favor of adoption of this Agreement or consented thereto in writing and who has properly exercised appraisal rights of such Shares in accordance with the DGCL (such Shares being referred to collectively as the "**Dissenting Shares**" until such time as such holder (a "**Dissenting Shareholder**") fails to perfect or otherwise loses such holder's appraisal rights under the DGCL with respect to such Shares) shall not be converted into the right to receive the consideration as set forth in Section 2.08(c), but instead shall be automatically cancelled and the holders thereof entitled to only such rights as are granted by the DGCL; provided, however, that if, after the Effective Time, such holder fails to perfect, withdraws or loses such holder's right to appraisal pursuant to the DGCL or if a court of competent jurisdiction shall determine that such holder is not entitled to the relief provided by the DGCL, such Shares shall be treated as if they had been converted as of the Effective Time into the right to receive the portion of the consideration to which such holder is entitled pursuant to Section 2.08(c), without interest thereon. The Company shall provide Parent prompt written notice of any demands received by the Company for appraisal of Shares, any withdrawal of any such demand and any other demand, notice or instrument delivered to the Company prior to the Effective Time pursuant to the DGCL that relates to such demand, and Parent shall have the opportunity and right to direct all negotiations and proceedings with respect to such demands. Except with the prior written consent of Parent, the Company shall not make any payment with respect to, or settle or offer to settle, any such demands.

Section 2.11. Surrender and Payment.

(a) Promptly following the date hereof, Parent shall appoint an exchange agent acceptable to the Company, acting reasonably (which may be Parent's transfer agent for the Parent Shares, which will in any event be deemed acceptable to the Company), to act as the exchange agent in the Merger (the "**Exchange Agent**").

(b) Promptly, but in no event later than five (5) Business Days after the date hereof, the Company will prepare a letter of transmittal and other transmittal materials in substantially the form attached as **Exhibit F** (a "**Letter of Transmittal**") and instructions for use in effecting the surrender of a certificate prior to the Closing representing any Shares (each, a "**Certificate**") in exchange for the applicable portion of the consideration pursuant to Section 2.08(c). Such Letter of Transmittal and related materials shall be subject to Parent's (and the Exchange Agent's) review and comment, and promptly following approval thereof by Parent, the Exchange Agent shall mail the same to each Stockholder. The Exchange Agent shall, no later than ten (10) Business Days after the later of (i) the Closing and (ii) its receipt of a Certificate, together with a Letter of Transmittal duly completed and validly executed in accordance with the instructions thereto, and any other customary documents that Parent or the Exchange Agent may reasonably require in connection therewith, with respect to such Certificate so surrendered, each as provided in Section 2.08(c), issue to the holder of such Certificate such holder's Pro Rata Share of Closing Share Payment, together with delivery of evidence of direct book entry registration for the Parent Shares issuable as the Closing Share Payment in a form reasonably satisfactory to the Company (if before the Closing) or the Stockholder Representative (if after the Closing), and such Certificate shall forthwith be cancelled. Until so surrendered and cancelled, each outstanding Certificate that prior to the Effective Time represented shares of Company Stock (other than Dissenting Shares or Shares cancelled pursuant to Section 2.08(b)) shall be deemed from and after the Effective Time, for all purposes, to evidence the right to receive the portion of the Closing Share Payment as provided in Section 2.08(c) and any additional cash payments or issuance and delivery of additional Parent Shares (if any) as contemplated by Section 2.17 and by Section 2.19 (but subject to any adjustments or forfeitures as set forth therein). If after the Effective Time, any Certificate is presented to the Exchange Agent, it shall be cancelled and exchanged as provided in this Section 2.11.

(c) No interest shall be paid or accrued for the benefit of Stockholders on the Estimated Closing Merger Consideration or on any additional amounts that may thereafter become payable as Total Merger Consideration.

(d) Any portion of the Closing Share Payment made available to the Exchange Agent that remains unclaimed by Stockholders after six months after the Effective Time shall be returned to the Surviving Corporation or its designee, upon demand, and any such Stockholders who have not exchanged Certificates for such Stockholder's portion of the Closing Share Payment in accordance with this Section 2.11 prior to that time shall thereafter look only to the Surviving Corporation for payment of its portion of the Closing Share Payment.

Section 2.12. Expense Fund. Prior to the Closing, the Company shall have established a separate designated account in the name of the Company and funded such account with the amount of $500,000 in Cash (such amount, including any interest or other amounts earned thereon, the "**Stockholder Representative Expense Fund**"), to be held for the purpose of funding any expenses of Stockholder Representative arising in connection with the administration of Stockholder Representative's duties in this Agreement after the Effective Time. After Closing, Stockholder Representative may request, in writing together with reasonable documentation thereof, the payment of such expenses by Parent or the Surviving Corporation from the Stockholder Representative Expense Fund, and Parent or the Surviving Corporation shall promptly cause the payment of such expenses, in an aggregate amount not to exceed the Stockholder Representative Expense Fund.

Section 2.13. No Further Ownership Rights in Company Stock. All Closing Share Payments paid or payable in accordance with the terms hereof shall be deemed to have been paid or payable in full satisfaction of all rights pertaining to the Shares formerly represented by a Certificate (other than any additional cash payments or issuance and delivery of additional Parent Shares (if any) as contemplated by Section 2.17 and by Section 2.19 (but subject to any adjustments or forfeitures as set forth therein)), and from and after the Effective Time, there shall be no further registration of transfers of Shares on the stock transfer books of the Surviving Corporation.

Section 2.14. Adjustments. Without limiting the other provisions of this Agreement, if at any time during the period between the date of this Agreement and payment of any Earn-Out Amount, any change in the Parent Shares shall occur by reason of any reclassification, recapitalization, stock split (including reverse stock split) or combination, exchange or readjustment of shares, or any stock dividend or distribution paid in stock, the Total Merger Consideration and any other amounts payable, or consideration deliverable, pursuant to this Agreement shall be appropriately adjusted to provide the same economic effect as contemplated by this Agreement prior to such event.

Section 2.15. Withholding Rights. Each of the Exchange Agent, Parent, Merger Sub and the Surviving Corporation (each, a "**Withholding Agent**") shall be entitled to deduct and withhold from the consideration otherwise payable to any Person pursuant to this Article II such amounts as may be required to be deducted and withheld with respect to the issuance of such consideration under any provision of Law relating to Taxes; provided however, that prior to making any such deduction or withholding for Taxes, the applicable Withholding Agent (if Parent, Merger Sub or the Surviving Corporation) shall use commercially reasonable efforts to (and if the Exchange Agent, Parent will use commercially reasonable efforts to cause the Exchange Agent to) (a) notify the Person in respect of whom such deduction or withholding would be made and (b) cooperate with such Person to reduce or eliminate such deduction or withholding. To the extent that amounts are so deducted and withheld by a Withholding Agent, such amounts shall be timely remitted by the Withholding Agent (and in the case of the Exchange Agent, Parent shall use commercially reasonable efforts to cause the Exchange Agent to remit) to the applicable Governmental Authority and treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made. The Withholding Agent is hereby authorized to sell or otherwise dispose of such portion of any Parent Shares or other security deliverable to such Person as is necessary to provide sufficient funds (after deducting commissions payable, fees and other third-party, out-of-pocket costs and expenses) to such payor to enable it to comply with such deduction or withholding requirement and the payor shall notify such Person and remit the applicable portion of the net proceeds of such sale to the appropriate Governmental Authority and, if applicable, any portion of such net proceeds (after deduction of all fees, commissions or third-party, out-of-pocket costs in respect of such sale) that is not required to be so remitted shall be paid to such Person. Any such sale will be made in accordance with applicable Laws and at prevailing market prices and the payor shall not be under any obligation to obtain a particular price for the Parent Shares or other security, as applicable, so sold. Neither the payor, nor any other Person, will be liable for any loss arising out of any sale under this Section 2.15.

Section 2.16. Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by Parent, the posting by such Person of a bond, in such reasonable amount as Parent may direct, as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent shall issue, in exchange for such lost, stolen or destroyed Certificate, the portion of the Closing Share Payment to be paid in respect of the Shares formerly represented by such Certificate as contemplated under this Article II.

Section 2.17. Closing Merger Consideration and Closing Share Payment Adjustment.

(a) *Closing Adjustment*.

(i) At least three (3) Business Days prior to the Closing, the Company shall prepare and deliver to Parent a statement (such statement, the "**Estimated Closing Statement**"), in reasonable detail, of the Company's good faith estimated calculation of the Closing Merger Consideration, and each component thereof, as of the Closing Date (the "**Estimated Closing Merger Consideration**"), and the resulting Closing Share Payment, all prepared in all material respects in accordance with the Accounting Principles. The Estimated Closing Statement shall also contain an estimated consolidated balance sheet of each of the Company and Arches as of the Closing Date and an estimated consolidated statement of income for each of the Company and Arches for the prior twelve calendar months immediately preceding the Closing Date, and, with respect to the Company, for the twelve (12)-month period ended December 31, 2024, in each case prepared in accordance with the Accounting Principles. The Company shall (and shall cause Arches to) provide Parent with reasonable access to the books and records of the Company and Arches and shall cause the personnel of the Company and Arches to reasonably cooperate with Parent for the purpose of enabling Parent to review the Company's determination of all amounts and estimates in the Estimated Closing Statement and each component thereof, and such amounts shall be adjusted in response to any reasonable comments of Parent provided prior to the Closing.

(ii) Inventory Statement. At least three (3) Business Days prior to the Closing, the Company Entities shall deliver to Parent or a representative of Parent an Inventory estimate (the "**Inventory Statement**") that shall be included as part of the Estimated Closing Statement, in accordance with the definition of Inventory and in accordance with the inventory accounting principles set forth in **Exhibit G** (the "**Inventory Accounting Principles**"); provided that, to the extent the definition of Inventory conflicts with the Inventory Accounting Principles, the definition of Inventory shall supersede the Inventory Accounting Principles. The Inventory Statement shall contain a list by product category, item number, or as is otherwise customary, the number and cost of each item of Inventory, and the estimated cost for such Inventory, as of the Closing. Parent and the Company Entities shall conduct a physical review of the Inventory on the Closing Date in accordance with the definitions in this Agreement and the Inventory Accounting Principles, which Inventory results shall be used in the determination of the Final Closing Statement pursuant to Section 2.17(b).

(b) *Post-Closing Adjustment*. Within 90 days after the Closing Date, Parent shall prepare and deliver to Stockholder Representative a statement setting forth Parent's good faith calculation of, as of the Closing Date, (i) the Closing Cash, (ii) the Adjusted 280E Reserve, and, without duplication, any 280E Tax Reserve Shortfall, (iii) the Closing Indebtedness, (iv) the unpaid Transaction Expenses, if any, (v) the Closing Working Capital, (vi) the amount of any Pre-Closing Taxes, and (vii) the Actual Closing Merger Consideration, determined based on the foregoing calculations of this Section 2.17(b)(i) through (vi), together with the amounts included in the Estimated Closing Statement for clauses (a) and (c) of the definition of "**Closing Merger Consideration**", and (viii) the Minimum Cash Amount (as finally determined pursuant to subsections (b) and (c), the "**Final Closing Statement**"), all calculated and prepared in all material respects accordance with the Accounting Principles.

(c) *Examination and Review*.

(i) *Examination*. After receipt of the Final Closing Statement, Stockholder Representative shall have 45 days (the "**Review Period**") to review the Final Closing Statement. During the Review Period and during the resolution of any dispute pursuant to this Section 2.17(c), Stockholder Representative and its accountants shall have full access to the books and records of Arches, the Surviving Corporation and the other Company Entities, the personnel of, and work papers prepared by, Parent, Arches, Surviving Corporation, and the other Company Entities, or their accountants to the extent that they relate to the Final Closing Statement and to such historical financial information (to the extent in Parent's possession) relating to the Final Closing Statement as Stockholder Representative may reasonably request for the purpose of reviewing the Final Closing Statement and to prepare a Statement of Objections (defined below), provided, that such access shall be in a manner that does not unreasonably interfere with the normal business operations of Parent or the Surviving Corporation.

(ii) *Objection*. On or prior to the last day of the Review Period, Stockholder Representative may object to the Final Closing Statement by delivering to Parent a written statement setting forth its objections in reasonable detail, indicating each disputed calculation, item or amount and the basis for its disagreement therewith (the "**Statement of Objections**"). If Stockholder Representative fails to deliver the Statement of Objections before the expiration of the Review Period, Final Closing Statement shall be deemed to have been accepted by Stockholder Representative. If Stockholder Representative delivers the Statement of Objections before the expiration of the Review Period, Parent and Stockholder Representative shall negotiate in good faith to resolve such objections within 30 days after the delivery of the Statement of Objections (the "**Resolution Period**"), and, if the same are so resolved within the Resolution Period, the Final Closing Statement with such changes as may have been previously agreed in writing by Parent and Stockholder Representative, shall be final and binding.

(iii) *Resolution of Disputes*. If Stockholder Representative and Parent fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any matters remaining in dispute ("**Disputed Amounts**" and any matters not so disputed, the "**Undisputed Amounts**") shall be submitted for resolution to the office of Cohn Reznick or, if Cohn Reznick is unable to serve, Parent and Stockholder Representative shall appoint by mutual agreement the office of an impartial regionally recognized firm of independent certified public accountants that is not the Company Auditor (the "**Independent Accountant**") who, acting as experts and not arbitrators, shall resolve the Disputed Amounts only and make any adjustments to the Final Closing Statement. The parties hereto agree that all adjustments of Disputed Amounts shall be made without regard to materiality. The Independent Accountant shall only decide the specific calculations, items or amounts under dispute by the parties and their decision for each Disputed Amount must be within the range of values assigned to each such calculation, item or amount in the Final Closing Statement and the Statement of Objections, respectively.

(iv) *Fees of the Independent Accountant*. The fees and expenses of the Independent Accountant shall be paid by the Stockholder Representative (on behalf of the Stockholders), on the one hand, and by Parent, on the other hand, based upon the percentage that the amount actually contested but not awarded to the Stockholders or Parent, respectively, bears to the aggregate amount actually contested by the Stockholder Representative and Parent. Any such fees and expenses payable by the Stockholder Representative shall be paid from the Stockholder Representative Expense Fund to the extent available.

(v) *Determination by Independent Accountant*. The Independent Accountant shall make a determination as soon as practicable after their engagement, and their resolution of any disputed amount under this Agreement for which they are engaged, including the Disputed Amounts in this Section 2.17 or the written statement of objections to the Company Earn-Out Statement in Section 2.19 or E- Commerce Earn-Out Statement in Section 2.20, and their adjustments to the Final Closing Statement, Company Earn-Out Statement, or E-Commerce Earn-Out Statement, as applicable, absent Fraud by any such Person or manifest mathematical error by the Independent Accountant, shall be conclusive and binding upon the Stockholder Representative, Stockholders, Parent and Surviving Corporation. The Independent Accountant's resolution of the Disputed Amounts and their adjustments to the Final Closing Statement, or any adjustments to the Company Earn-Out Statement or E-Commerce Earn-Out Statement, as applicable, shall be treated as compromise and settlement negotiations for purposes of Rule 408 of the Federal Rules of Evidence and comparable state rules of evidence.

(d) *Merger Consideration Adjustment*.

(i) If the Actual Closing Merger Consideration as determined pursuant to Section 2.17(b) and (c) exceeds the Estimated Closing Merger Consideration as determined pursuant to Section 2.17(a) (such excess, the "**Upward Adjustment Amount**"), then at the election of Parent, within ten (10) Business Days of such determination, (A) Parent shall pay to each Stockholder its Pro Rata Share of the Upward Adjustment Amount, by wire transfer of immediately available funds, or (B) Parent shall issue to each Stockholder its Pro Rata Share of additional Parent Shares (rounded up to the nearest whole number) equal to the quotient of (I) the Upward Adjustment Amount, divided by (II) the Closing Share Price.

(ii) If the Actual Closing Merger Consideration as determined pursuant to Section 2.17(b) and (c) is less than the Estimated Closing Merger Consideration as determined pursuant to Section 2.17(a) (such deficit, the "**Downward Adjustment Amount**"), then at the election of the Stockholder Representative for and on behalf of the Stockholders, within ten (10) Business Days of such determination, Stockholder Representative shall (A) direct Parent or the Surviving Corporation to release to Parent, from the Stockholder Representative Expense Fund, the Downward Adjustment Amount (or a portion thereof), with any excess of the Downward Adjustment Amount over the amount of such release from the Stockholder Representative Expense Fund to be paid, at the election of Stockholder Representative, by (I) directing the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole number) equal to the quotient of (1) the remaining Downward Adjustment Amount, divided by (2) the Closing Share Price, or (II) Stockholders to Parent in cash in immediately available funds in the amount of their respective Pro Rata Shares thereof, severally and not jointly, or (B) Stockholder Representative shall direct the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole number) equal to the quotient of (I) the Downward Adjustment Amount, divided by (II) the Closing Share Price; provided, that (i) if the Stockholder Representative elects cash payment under the foregoing clause (A)(II), and any Stockholder does not pay any such excess amounts owed pursuant thereto within 30 days thereafter, such Stockholder shall, at the option of Parent, have such amounts settled in Escrow Shares pursuant to the foregoing clause (A)(I) (or if the Escrow Shares are not sufficient, in accordance with the following clause (ii)), and (ii) in the event the Stockholder Representative chooses settlement in Escrow Shares pursuant to the foregoing clause (A)(I) or (B) but the Downward Adjustment Amount (or remaining Downward Adjustment Amount, in the case of clause (A)(I)) is in excess of the Escrow Shares, the Stockholders shall surrender to Parent a number of Parent Shares (rounded up to the nearest whole number) equal to the quotient of (I) such remaining excess, divided by (II) the Closing Share Price, in accordance with their respective Pro Rata Shares, severally and not jointly, and Parent shall cancel such surrendered Parent Shares.

(e) *Adjustments for Tax Purposes*. Any payments made pursuant to this Section 2.17 shall be treated as an adjustment to the Estimated Closing Merger Consideration by the parties for Tax purposes, unless otherwise required by Law.

Section 2.18. Consideration Spreadsheet.

(a) At least three (3) Business Days prior to the Closing and concurrently with the delivery of the Estimated Closing Statement, and as a portion thereof, the Company shall prepare and deliver to Parent a spreadsheet (the "**Consideration Spreadsheet**"), which shall set forth, as of the Closing Date and immediately prior to the Effective Time, the following:

(i) the names and addresses of all Stockholders and the number of shares of Company Stock held by such Persons;

(ii) detailed calculations of the allocation of the Estimated Closing Merger Consideration and the Closing Share Payment among the Company Stock, calculated on a fully diluted basis;

(iii) each Stockholder's Pro Rata Share (as a percentage interest) of the Closing Share Payment (and each Stockholder's Pro Rata Share (as a percentage interest) of any Upward Adjustment Amount or Downward Adjustment Amount under Section 2.17 when payable);

(iv) each Stockholder's Pro Rata Share (as a percentage interest) of any cash to be contributed to the payment of the Stockholder Representative Expense Fund;

(v) each Stockholder's Pro Rata Share of the Escrow Shares; and

(vi) each Stockholder's Pro Rata Share (as a percentage interest) of the amount of any potential Earn-Out Amount pursuant to Section 2.19 and Section 2.20, or Forfeiture Amount pursuant to Section 2.19.

(b) The parties agree that Parent and Merger Sub shall be entitled to rely on the Consideration Spreadsheet in making payments or issuing consideration under Article II and Parent and Merger Sub and, following Closing, the Surviving Corporation shall not be responsible for the calculations or the determinations regarding such calculations in such Consideration Spreadsheet.

Section 2.19. Earn-Out; Forfeiture.

(a) As additional consideration for the Merger, following the Closing, contingent upon satisfaction of the criteria in this Section 2.19, the Stockholders (other than any Dissenting Stockholder, who, notwithstanding anything to the contrary in this Agreement, shall not in any event be entitled to any portion of any Earn-Out Amount) shall be eligible to receive their respective Pro Rata Share of the Earn- Out Amount (if any), payable as set forth in Section 2.19(c) below. The parties acknowledge and agree that the right to receive the Company Earn-Out Amount, if any, pursuant to this Agreement is an integral part of the total consideration for the Shares and it is reasonable to assume that the Company Earn-Out Amount relates to underlying goodwill, the value of which cannot reasonably be expected to be agreed upon by the parties at the Closing Date.

(b) (i) No later than 60 days after the audited financial statements of Parent for its fiscal year ended December 31, 2026 (or, to the extent, that Parent amends its fiscal year, 120 days after December 31, 2026) (the "**Company Earn-Out Period Financial Statements**") are completed, Parent shall deliver to Stockholder Representative a statement containing the calculation of the Company Earn- Out Amount, if any, including the components thereof, and Earn-Out Share Price, all in reasonable detail and together with reasonable backup for such calculations made therein or, if applicable, the Forfeiture Amount, if any, in reasonable detail and together with reasonable backup for such calculations made therein (the "**Company Earn-Out Statement**"). The Company Earn-Out Statement shall be prepared by Parent in all material respects in accordance with the Company Earn-Out Accounting Principles based upon the Company Earn-Out Period Financial Statements (absent manifest error), and other books and records of Surviving Corporation and other Company Entities (or, with respect to applicable portions of the Forfeiture Amount, the third party data and information specified in the definition thereof).

(i) Stockholder Representative may object to the Company Earn-Out Statement by delivering to Parent a written statement setting forth Stockholder Representative's objections in reasonable detail, indicating each disputed calculation, item or amount and the basis for Stockholder Representative's disagreement therewith, within 30 days of receipt thereof from Parent. If Stockholder Representative fails to deliver such written statement within such time period, then the Company Earn-Out Statement (and the calculations, items and amounts contained therein) shall be deemed to have been accepted by Stockholders and Stockholder Representative and shall be final and binding on the Surviving Corporation, Stockholder Representative, the Stockholders, Parent and Merger Sub. If Stockholder Representative delivers a written statement of objections to Parent within such 30-day timeframe, then Parent and Stockholder Representative shall negotiate in good faith to resolve such objections within 30 days after the delivery of Stockholder Representative's written statement of objections, and, if the same are so resolved within such period, the Company Earn-Out Statement (and the calculations, items and amounts contained therein) with such changes as may have been agreed in writing by Parent and Stockholder Representative, shall be final and binding. In the event Parent and Stockholder Representative are unable to agree within 30 days after Stockholder Representative's delivery of such written statement of objections (or such longer period as Stockholder Representative and Parent shall mutually agree), Parent and Stockholder Representative shall engage the Independent Accountant to resolve the dispute in accordance with the guidelines and principles set forth in this Agreement and to make any adjustments to the Company Earn-Out Statement. In resolving any dispute with respect to the Company Earn-Out Statement, the Independent Accountant (A) may not assign a value to any calculation, item or amount greater than the highest value claimed for such calculation, item or amount or less than the lowest value for such calculation, item or amount claimed by either Parent or Stockholder Representative and (B) shall restrict its decision to such calculations, items and amounts included in the objection(s) which are then in dispute. The fees and expenses of the Independent Accountant shall be paid by Stockholders, on the one hand, and by Parent, on the other hand, based upon the percentage that the amount actually contested but not awarded to Stockholders or Parent, respectively, bears to the aggregate amount actually contested by Stockholder Representative and Parent.

(c) Subject to Section 9.06, Parent will pay the Company Earn-Out Amount, if any, to the Exchange Agent for further distribution to the Stockholders through the delivery of a number of Parent Shares, within 20 Business Days of the final determination of the Company Earn-Out Amount as set forth in Section 2.19(b), calculated as set forth below (such shares, the "**Company Earn-Out Shares**"). The number of Company Earn-Out Shares to be so issued will be equal to the quotient of (i) the Company Earn- Out Amount, divided by (ii) the Earn-Out Share Price. Each Stockholder will be entitled to its Pro Rata Share of the Company Earn-Out Shares, with the total Company Earn-Out Shares issued to each Stockholder rounded up to the nearest whole number.

(d) Following the Closing and subject to the following, Parent and its Affiliates shall have sole discretion with regard to all matters relating to the operations of the Surviving Corporation, including all Company Entities, provided, however, Parent agrees that Parent and its subsidiaries will act in good faith and with fair dealing so as to provide the Stockholders (and the Surviving Corporation and the other Company Entities) with a reasonable opportunity to maximize the Adjusted EBITDA of the Company Entities and to otherwise satisfy and achieve any conditions precedent to receipt of the Company Earn-Out Amount and the issuance and delivery of any Company Earn-Out Shares and to avoid the forfeiture of Parent Shares as contemplated by Section 2.19(g), and will not take any action with respect to the businesses of the Surviving Corporation (and its subsidiaries, including the other Company Entities) the primary purpose and intent of which is to minimize the Adjusted EBITDA of the Surviving Corporation (and the other Company Entities) for calendar year 2026, or to cause a forfeiture of Parent Shares on the part of Stockholders as contemplated by Section 2.19(g). Notwithstanding the foregoing, the parties agree that it will in no event be deemed to violate the immediately preceding sentence for Parent to (1) pledge any and all assets of the Company Entities, (2) refinance any indebtedness for borrowed money or (3) cause the Company Entities to incur new indebtedness for borrowed money; provided, that only Post-Closing Debt shall be included as a deduction for purposes of clause (b) of the definition of Company Earn-Out Amount or an addition for purposes of clause (b) of the definition of Forfeiture Amount. Without limiting the foregoing, during the period from and after the Closing through and including December 31, 2026 (the "**Earn-Out Period**"), Parent shall, and shall cause the Surviving Corporation and the other Company Entities, to:

(i) in order to permit the accurate preparation of the Company Earn-Out Statement, and an accurate determination of any issuance and delivery of Company Earn-Out Shares (or a forfeiture of Parent Shares) pursuant to this Section 2.19, maintain books and records of the Surviving Corporation and the other Company Entities sufficient to allow for the foregoing calculations as if the Surviving Corporation and the other Company Entities were an independent business unit;

(ii) subject to budgetary limits, allow for the Chief Operating Officer to make determinations regarding employment, engagement and termination of employees and contractors of the Surviving Corporation and the other Company Entities to at his discretion (subject to Parent's right to require termination for cause);

(iii) maintain an amount of net working capital in the Company Entities sufficient for their operation in the ordinary course of business;

(iv) permit the inclusion of capital expenses in the annual budget of the Company Entities in an amount no less than the prior fiscal year's annual depreciation of the Company Entities' consolidated assets as available under the Code, and to consider, in good faith but without obligation and

in Parent's sole and absolute discretion, any additional proposed capital expenses reasonably requested by the Company Entities for inclusion in the annual budget of the Company Entities;

(v) not have any Company Entity engage in any intercompany transaction or other transaction with an Affiliate of Parent (other than another Company Entity), other than on commercially reasonable terms; and

(vi) use commercially reasonable efforts to maintain the listing of the Parent Shares on the Exchange, or a comparable (or superior) primary successor exchange.

(e) Each of the Company, Stockholder Representative, the Stockholders, Parent and Merger Sub acknowledges and agrees (i) that this Section 2.19 is strictly a contractual relationship between and among such Persons and does not create any express or implied fiduciary or special relationship between or among such Persons or create any express or implied fiduciary or special duties on the part of the Surviving Corporation, Parent or any of their Affiliates, to Stockholders, (ii) that the contingent rights to receive all or any portion of the Company Earn-Out Amount shall not be represented by any form of certificate or other instrument, are not transferable except by operation of Laws relating to descent and distribution, divorce and community property, and do not constitute an equity or ownership interest in Parent, and (iii) that Stockholders shall not have any rights as a stockholder of Parent as a result of the contingent right to receive all or any portion of the Company Earn-Out Amount hereunder. Without limitation of the foregoing and without limiting the provisions of subsection (d) above, each Stockholder, acknowledges that neither Parent nor Surviving Corporation or their respective Affiliates will be required to expend any funds or incur any liabilities in order to increase the likelihood of receiving the Company Earn-Out Amount or to decrease the likelihood of a forfeiture of Parent Shares on the part of Stockholders pursuant to Section 2.19(g). Each Stockholder, acknowledges that neither Surviving Corporation or Parent, nor any of their respective Affiliates has or will have any duties, covenants or obligations (express or implied) to any such Stockholder with respect to the foregoing other than as expressly set forth in this Section 2.19.

(f) Any Company Earn-Out Shares issued pursuant to this Section 2.19 (or any forfeited Shares and other payments (if any) pursuant to Section 2.19(g)) shall constitute an adjustment of the Actual Closing Merger Consideration for Tax purposes, unless otherwise required by applicable Law.

(g) In the event that:

(i) (A) the higher of (I) the Company Entities' consolidated trailing twelve (12) month Adjusted EBITDA for the twelve full calendar months ending December 31, 2026 and (II) the Company Entities' consolidated trailing nine (9) month Adjusted EBITDA for the last nine (9) months of calendar year 2026, such amount annualized to reflect a full 12-month period

is less than

(B) ninety-six and one-half percent (96.5%) of the Closing EBITDA (the absolute value of the amount of the deficiency of Section 2.19(g)(i)(A) to the amount calculated in this Section 2.19(g)(i)(B), if any, the "**EBITDA Deficiency**");

and

(ii) (A) the Company Entities' consolidated Market Share for the year ended December 31, 2026, is less than the Company Entities' consolidated Market Share for the year ended December 31, 2024, or (B) the Company Entities' consolidated EBITDA Margin for the year ended December 31, 2026, is less than the Company Entities' consolidated EBITDA Margin for the year ended December 31, 2024,

and

(iii) the 20-day volume weighted average price per Parent Share on the Exchange converted to United States Dollars based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during such 20-day period, as reported by Bloomberg Finance L.P. over the twenty (20) consecutive trading day period ending on the trading day immediately prior to December 31, 2026, is greater than $1.05 per Parent Share, then, each Stockholder will, within ten (10) Business Days of such determination, transfer to Parent a number of Parent Shares, rounded up to the nearest whole number, held by such Stockholder equal to its Pro Rata Share of the quotient of the Forfeiture Amount divided by the Closing Share Price. Notwithstanding anything contained herein to the contrary, in no event shall the total number of Parent Shares forfeited under this Section 2.19(g) in the aggregate for all Stockholders be in excess of 50% of the total Parent Shares issued as Actual Closing Merger Consideration (excluding, for purposes of this calculation, any Parent Shares issued as consideration for the Arches Value Amount).

Section 2.20. E-Commerce Earn-Out.

(a) As additional consideration for the Merger, following the Closing, contingent upon satisfaction of the criteria in this Section 2.20, the Stockholders shall be eligible to receive their respective Pro Rata Share of the E-Commerce Earn-Out Amount (if any), payable as set forth in Section 2.20(c) below. The parties acknowledge and agree that the right to receive the E-Commerce Earn-Out Amount, if any, pursuant to this Agreement is an integral part of the total consideration for the Shares and it is reasonable to assume that the E-Commerce Earn-Out Amount relates to underlying goodwill, the value of which cannot reasonably be expected to be agreed upon by the parties at the Closing Date.

(b) (i) No later than 60 days after the audited financial statements of Parent for its fiscal year ended December 31, 2026 (or, to the extent, that Parent amends its fiscal year, 120 days after December 31, 2026) (the "**E-Commerce Earn-Out Period Financial Statements**") are completed, Parent shall deliver to Stockholder Representative a statement containing the calculation of the E-Commerce Earn- Out Amount, including the components thereof, and the Earn-Out Share Price, all in reasonable detail and together with reasonable backup for such calculations made therein (the "**E-Commerce Earn-Out Statement**"). The E-Commerce Earn-Out Statement shall be prepared by Parent in all material respects in accordance with the E-Commerce Earn-Out Accounting Principles based upon the E-Commerce Earn-Out Period Financial Statements (absent manifest error), and other books and records of Arches.

(ii) Stockholder Representative may object to the E-Commerce Earn-Out Statement by delivering to Parent a written statement setting forth Stockholder Representative's objections in reasonable detail, indicating each disputed calculation, item or amount and the basis for Stockholder Representative's disagreement therewith, within 30 days of receipt thereof from Parent. If Stockholder Representative fails to deliver such written statement within such time period, then the E-Commerce Earn- Out Statement (and the calculations, items and amounts contained therein) shall be deemed to have been accepted by Stockholders and Stockholder Representative and shall be final and binding on the Surviving Corporation, Stockholder Representative, the Stockholders, Parent and Merger Sub. If Stockholder Representative delivers a written statement of objections to Parent within such 30-day timeframe, then Parent and Stockholder Representative shall negotiate in good faith to resolve such objections within 30 days after the delivery of Stockholder Representative's written statement of objections, and, if the same are so resolved within such period, the E-Commerce Earn-Out Statement (and the calculations, items and amounts contained therein) with such changes as may have been agreed in writing by Parent and Stockholder Representative, shall be final and binding. In the event Parent and Stockholder Representative are unable to agree within 30 days after Stockholder Representative's delivery of such written statement of objections (or such longer period as Stockholder Representative and Parent shall mutually agree), Parent and Stockholder Representative shall engage the Independent Accountant to resolve the dispute in accordance with the guidelines and principles set forth in this Agreement and to make any adjustments to the E-Commerce Earn-Out Statement. In resolving any dispute with respect to the E-Commerce Earn-Out Statement, the Independent Accountant (A) may not assign a value to any calculation, item or amount greater than the highest value claimed for such calculation, item or amount or less than the lowest value for such calculation, item or amount claimed by either Parent or Stockholder Representative and (B) shall restrict its decision to such calculations, items and amounts included in the objection(s) which are then in dispute. The fees and expenses of the Independent Accountant shall be paid by Stockholders, on the one hand, and by Parent, on the other hand, based upon the percentage that the amount actually contested but not awarded to Stockholders or Parent, respectively, bears to the aggregate amount actually contested by Stockholder Representative and Parent.

(c) Subject to Section 9.06, Parent will pay the E-Commerce Earn-Out Amount, if any, to the Exchange Agent for further distribution to the Stockholders through the delivery of a number of Parent Shares, within 20 Business Days of the final determination of the E-Commerce Earn-Out Amount as set forth in Section 2.20(b), calculated as set forth below (such shares, the "**E-Commerce Earn-Out Shares**"). The number of E-Commerce Earn-Out Shares to be so issued will be equal to the quotient of (i) the E- Commerce Earn-Out Amount, divided by (ii) the Earn-Out Share Price; provided, however, that, notwithstanding the foregoing or any other provision of this Agreement to the contrary, (A) in no event shall the number of E-Commerce Earn-Out Shares exceed the E-Commerce Earn-Out Share Cap Amount and (B) in no event shall the number of Earn-Out Shares exceed, in the aggregate, the Closing Share Payment. Each Stockholder will be entitled to its Pro Rata Share of the E-Commerce Earn-Out Shares, with the total E-Commerce Earn-Out Shares issued to each Stockholder rounded up to the nearest whole number.

(d) Each of the Company, Stockholder Representative, Parent and Merger Sub acknowledges and agrees (i) that this Section 2.20 is strictly a contractual relationship between and among such Persons and does not create any express or implied fiduciary or special relationship between or among such Persons or create any express or implied fiduciary or special duties on the part of the Surviving Corporation (or the other Company Entities), Parent or any of their Affiliates, to Stockholders, (ii) that the contingent rights to receive all or any portion of the E-Commerce Earn-Out Amount shall not be represented by any form of certificate or other instrument, are not transferable except by operation of Laws relating to descent and distribution, divorce and community property, and do not constitute an equity or ownership interest in Parent, and (iii) that Stockholders shall not have any rights as a stockholder of Parent as a result of the contingent right to receive all or any portion of the E-Commerce Earn-Out Amount hereunder. Without limitation of the foregoing, each Stockholder acknowledges that neither Parent nor Surviving Corporation (or the other Company Entities) or their respective Affiliates will be required to expend any funds or incur any liabilities in order to increase the likelihood of receiving the E-Commerce Earn-Out Amount. Each Stockholder acknowledges that neither Surviving Corporation (or the other Companies Entities) or Parent, nor any of their respective Affiliates has or will have any duties, covenants or obligations (express or implied) to the Stockholder Representative or any such Stockholder with respect to the foregoing other than as expressly set forth in this Section 2.20.

(e) Any E-Commerce Earn-Out Shares issued pursuant to this Section 2.20 shall constitute an adjustment of the Actual Closing Merger Consideration for Tax purposes, unless otherwise required by applicable Law.

Section 2.21. Parent Shares.

(a) **Issuances of Parent Shares**. All Parent Shares issued pursuant to this Agreement will be evidenced by direct book-entry registration only, without the issuance of certificates representing such Parent Shares. Parent's transfer agent shall document the terms, conditions and restrictions set forth in this Section 2.21. The Company, on its own behalf and on behalf of Stockholders, confirms, acknowledges and agrees that (i) Parent has advised the Stockholders and the Company that Parent is relying on an exemption from the requirements to provide the Company and Stockholders with a prospectus and to sell securities through a person registered to sell securities under applicable Canadian securities laws and, as a consequence of acquiring the Parent Shares pursuant to this exemption, certain protections, rights and remedies provided by Canadian securities laws, including statutory rights of rescission or damages, will not be available to the Stockholders and the Company, and (ii) there may be restrictions on a Stockholder's ability to resell the Parent Shares and it is the responsibility of the Stockholders to find out what those restrictions are and to comply with them before selling them. At Closing and until issued and delivered or the later expiration of the Earn-Out Period without any Earn-Out Shares eligible to be issued to Stockholders, to the extent necessary under its organizational documents, Parent shall reserve Parent Shares sufficient for the issuance of the Earn-Out Shares as contemplated hereby.

(b) **Registration**. The Parent Shares to be issued pursuant to this Agreement (i) will not, subject to any applicable provisions of the Investor Rights Agreement, be registered under the Securities Act in reliance upon the exemption from registration requirements of Section 5 of the Securities Act as set forth in Section 4(a)(2) thereof, and (ii) will be distributed pursuant to the exemption set out in Section 2.11 of National Instrument 45-106 – *Prospectus Exemptions*.

(c) **Legend**. The Parent Shares to be issued pursuant to this Agreement shall be characterized as "restricted securities" for purposes of Rule 144 under the Securities Act, and such shares shall, until such time as the shares are not so restricted under the Securities Act, bear a legend identical or similar in effect to the following legend (together with any legend required by applicable Securities Laws to the extent such Laws are applicable to the Parent Shares issued pursuant to this Agreement):

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING THESE SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ENCUMBERED, ABSENT AN EFFECTIVE REGISTRATION STATEMENT FILED BY THE CORPORATION UNDER THE SECURITIES ACT, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S ("REGULATION S") UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN ACCORDANCE WITH (1) RULE 144A UNDER THE SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, OR IN ANY OTHER CASE AS REQUIRED BY THE TRANSFER AGENT, A LEGAL OPINION SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO THE CORPORATION AND THE TRANSFER AGENT, IF ANY, OF THE CORPORATION STATING THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR SUCH OTHER APPLICABLE LAWS".

(d) Securities Laws.

(i) Notwithstanding anything to the contrary in this Agreement, the issuance and delivery of Parent Shares pursuant to this Agreement, including any Earn-Out Shares, shall require the approval of or be issued and delivered in accordance with the rules, policies and directives of the Exchange and any other applicable regulatory body, and must be made in compliance with Securities Laws and any other applicable Laws.

(ii) The Company consents: (A) to the disclosure of certain information regarding it and the transactions contemplated by this Agreement to the Exchange, the Canadian Securities Regulators and the SEC, including as required to be included in applicable Exchange issuance forms and as required by applicable Securities Laws, including pursuant to the filing of an exempt distribution report, and as may be required by the Securities Laws in any filing with the SEC, the Exchange, the Canadian Securities Regulators or other applicable securities regulators; and (B) to the collection, use and disclosure of its information by the Exchange, the SEC, the Canadian Securities Regulators or other applicable securities regulators or as otherwise identified by the Exchange, the SEC, the Canadian Securities Regulators or other applicable securities regulators, from time to time.

(iii) Each Stockholder will, as a condition of receiving Parent Shares upon completion of the Merger (or any Parent Shares included in any Earn-Out Amount), either (i) be required to make the necessary representations and warranties contained in the Letter of Transmittal to ensure compliance with applicable U.S. federal and state securities laws or (ii) be deemed to confirm that such Stockholder is outside the United States, and will deliver any other supporting information as reasonably requested by Parent in order to confirm their status and the availability of an exemption or exclusion from the registration requirements of the Securities Act and applicable state securities laws for the issuance of such Parent Shares to such holder. In the event that, as of the time of required issuance of any Parent Shares under this Agreement (including any Parent Shares included in any Earn-Out Amount), a Stockholder does not qualify for the applicable exemptions under federal and state securities laws required for Parent to issue such Parent Shares to such Stockholder, then Parent shall issue such Parent Shares to a third party agreed upon by the parties, which shall hold the Parent Shares on behalf of and for the benefit of such Stockholder. Such third party shall thereafter be permitted to effect transfer of such Parent Shares to such Stockholder if and to the extent permitted under applicable securities laws, with such compliance with securities laws demonstrated to the satisfaction of counsel to Parent, or may, after the expiration of any applicable lock up periods for such Parent Shares contemplated under the Lock-Up Letter, sell such Parent Shares as permitted under applicable securities laws and transfer applicable proceeds to the Stockholder. The Stockholder shall be responsible for, and indemnify such third party for, any taxes such third party incurs in connection with any such sales and transfers.

Section 2.22. Intended U.S. Tax Treatment. For U.S. federal income tax purposes, it is intended that the Merger shall be treated as a "reorganization" within the meaning of Section 368(a) of the Code, and the parties hereby adopt this Agreement as a "plan of reorganization" within the meaning of Treasury Regulations Sections 1.368-2(g) and 1.368-3(a) (the "**Intended Tax Treatment**"). The parties shall file all Tax Returns consistent with the Intended Tax Treatment and shall not take, or cause to be taken, any position (whether on a Tax Return, in an audit, or otherwise) that is inconsistent with the Intended Tax Treatment unless otherwise required by a final "determination" within the meaning of Section 1313 of the Code. No party shall take or fail to take any action or cause any action to be taken or fail to be taken that could reasonably be expected to prevent the Merger from qualifying for the Intended Tax Treatment.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules or as contemplated by Section 5.17(a), the Company represents and warrants to Parent as follows:

Section 3.01. Organization and Qualification of the Company Entities. The Company is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware 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 currently conducted, except under Federal Cannabis Laws. Each other Company Entity and Arches is a corporation or limited liability company duly incorporated or formed, as applicable, validly existing and in good standing under the Laws of the State of its formation and has full corporate, or limited liability company, as applicable, 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 currently conducted, except under Federal Cannabis Laws. Section 3.01 of the Disclosure Schedules sets forth each jurisdiction in which each Company Entity or Arches is licensed or qualified to do business as a foreign corporation in any state or jurisdiction other than the State of Delaware, and each Company Entity is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary.

Section 3.02. Authority; Board Approval.

(a) The Company has full corporate power and authority to enter into and perform its obligations under this Agreement and the Ancillary Documents to which it is a party and, subject to, in the case of the consummation of the Merger, adoption of this Agreement by the affirmative vote or consent of Stockholders representing a majority of the outstanding Company Stock ("**Requisite Company Vote**"), to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Company of this Agreement and any Ancillary Document to which it is a party and the consummation by the Company of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize the execution, delivery and performance of this Agreement or to consummate the Merger and the other transactions contemplated hereby and thereby, subject only, in the case of consummation of the Merger, to the receipt of the Requisite Company Vote. The Requisite Company Vote is the only vote or consent of the holders of any class or series of the Company's capital stock required to approve and adopt this Agreement and the Ancillary Documents, approve the Merger and consummate the Merger and the other transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Company, and (assuming due authorization, execution and delivery by each other party hereto) this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable Laws, including Federal Cannabis Laws, and by general principles of equity. When each Ancillary Document to which the Company is or will be a party has been duly executed and delivered by the Company (assuming due authorization, execution and delivery by each other party thereto), such Ancillary Document will constitute a legal and binding obligation of the Company enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, may be granted only in the discretion of a court of competent jurisdiction, except as such enforceability may be limited by applicable Laws, including Federal Cannabis Laws, and by general principles of equity.

(b) The Company Board, by resolutions duly adopted by unanimous written consent of the Company Board, has, as of the date hereof (i) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to, and in the best interests of, the Stockholders, (ii) approved and declared advisable the "plan of merger" (as such term is used in the DGCL) contained in this Agreement and the transactions contemplated by this Agreement, including the Merger, in accordance with the DGCL, (iii) directed that the "plan of merger" contained in this Agreement be submitted to the stockholders of the Company entitled to vote thereon for adoption in accordance with the DGCL, and (iv) resolved to recommend that the stockholders of the Company entitled to vote thereon adopt the "plan of merger" set forth in this Agreement (collectively, the "**Company Board Recommendation**") and directed that such matter be submitted for consideration of the Stockholders.

Section 3.03. No Conflicts; Consents. The execution, delivery and performance by the Company of this Agreement and the Ancillary Documents to which the Company is a party, and the consummation of the transactions contemplated hereby and thereby, including the Merger, do not and will not: (i) conflict with or result in a violation or breach of, or default under, any provision of the articles of incorporation, by-laws or other organizational documents of the Company ("**Company Charter Documents**") or any other Company Entity; (ii) subject to obtaining the consents, authorizations, Governmental Orders and approvals from the Governmental Authorities set forth in Section 3.03(a)(ii) of the Disclosure Schedules, including the Cannabis Consents (the "**Regulatory Consents**"), the Requisite Company Vote, and the expiration or termination of any waiting or review period, and any extensions thereof, under the HSR Act, conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to any Company Entity; (iii) except for the Regulatory Consents and as set forth in Section 3.03(a)(iii) of the Disclosure Schedules (the items set forth on Section 3.03(a)(iii) of the Disclosure Schedules, the "**Third-Party Consents,**" and, together with the Regulatory Consents, the Requisite Company Vote, and the expiration or termination of any waiting or review period, and any extensions thereof, under the HSR Act, the "**Required Consents**"), 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 Material Contract to which any Company Entity is a party or by which any Company Entity is bound or to which any of their respective properties and assets are subject or any Permit affecting the properties, assets or business of the Company Entities, except for Federal Cannabis Laws; or (iv) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on any properties or assets of any Company Entity, except, in the case of clause (iii), for any consents, conflicts, violations, breaches, defaults, accelerations, terminations, modifications, or cancellations that, or where the failure to obtain or provide any such consents, notices or take any other actions, in each case, would not have a Material Adverse Effect. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to any Company Entity in connection with the execution, delivery and performance by the Company Entities of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby by the Company Entities, except for (A) the Regulatory Consents, (B) the filing of the Certificate of Merger with the Secretary of State of Delaware, and (C) such filings as may be required under the HSR Act or other antitrust or similar laws.

Section 3.04. Capitalization.

(a) The authorized capital stock of the Company consists of 20,385,567 shares of Company Stock, with 12,000,000 shares designated as Series A Common Stock, 8,000,000 shares designated as Series B Common Stock, and 385,567 shares designated as Series B2 Common Stock, of which 8,914,975 shares of Series A Common Stock, 8,000,000 shares of Series B Common Stock, and 385,567 shares of Series B2 Common Stock are issued and outstanding as of the close of business on the date of this Agreement. There are 1,740,386 Wholesome Options that are outstanding as of the close of business on the date of this Agreement. Section 3.04(a) of the Disclosure Schedules sets forth, as of the date hereof, (i) the name of each Person that is the registered owner of any Shares and the number of Shares owned by such Person, and (ii) the name of each Person that is the registered holder of any Wholesome Options and the number of Wholesome Options held by such Person. Except for the foregoing, there are no other classes of capital stock of the Company.

(b) Section 3.04(b) of the Disclosure Schedules sets forth, with respect to each Company Entity other than the Company (i) its total authorized capital stock or equity interests, (ii) its shares of capital stock or other equity interests issued and outstanding as of the close of business on the date of this Agreement, and (iii) the name of each Person that is the registered and beneficial owner of such issued and outstanding shares of capital stock or other equity interests.

(c) Section 3.04(c) of the Disclosure Schedules sets forth, with respect to Arches (i) its total authorized capital stock or equity interests, (ii) its shares of capital stock or other equity interests issued and outstanding as of the close of business on the date of this Agreement, and (iii) the name of each Person that is the registered and beneficial owner of such issued and outstanding shares of capital stock or other equity interests.

(d) (i) No subscription, warrant, option, convertible or exchangeable security, or other right (contingent or otherwise) to purchase or otherwise acquire equity securities of any Company Entity or Arches is authorized or outstanding, and (ii) there is no commitment by any Company Entity or Arches to issue shares, subscriptions, warrants, options, convertible or exchangeable securities, or other such rights or to distribute to holders of any of its equity securities any evidence of indebtedness or asset, to repurchase or redeem any securities of any Company Entity or Arches or to grant, extend, accelerate the vesting of, change the price of, or otherwise amend any warrant, option, convertible or exchangeable security or other such right. There are no declared or accrued unpaid dividends with respect to any shares of Company Stock or the equity interests of any other Company Entity or Arches.

(e) All issued and outstanding shares of Company Stock and the equity interests of the other Company Entities and Arches are (i) duly authorized, validly issued, fully paid and non-assessable; (ii) not subject to any preemptive rights created by statute, the Company Charter Documents or the equivalent organizational documents of any other Company Entity or Arches, as applicable, or any agreement to which any Company Entity is a party; and (iii) except as set forth on Section 3.04(d) of the Disclosure Schedules, free of any Encumbrances. All issued and outstanding shares of Company Stock and the equity interests of the other Company Entities and Arches were issued in compliance with applicable Law in all material respects.

(f) Except as set forth on Section 3.04(e) of the Disclosure Schedules, no outstanding Company Stock is subject to vesting or forfeiture rights or repurchase by the Company. There are no outstanding or authorized stock appreciation, dividend equivalent, phantom stock, profit participation or other similar rights with respect to any Company Entity or Arches or any of their respective securities.

(g) All distributions, dividends, repurchases and redemptions of the capital stock (or other equity interests) of the Company were undertaken in compliance with the Company Charter Documents then in effect, any agreement to which the Company then was a party and in compliance with applicable Law.

Section 3.05. No Subsidiaries. Except as set forth on Section 3.05 of the Disclosure Schedules, no Company Entity owns, or has any interest in any shares or other equity interests (including any option, warrant, convertible instrument or other right or obligation of any nature to acquire any equity interest) or has an ownership interest in any other Person other than another Company Entity.

Section 3.06. Financial Statements.

(a) True and complete copies of the Company's audited consolidated financial statements consisting of the balance sheet of the Company as at December 31, 2023, and the related consolidated statements of income and retained earnings, stockholders' equity and cash flow for the years then ended (the "**Audited Financial Statements**"), the Company's unaudited consolidated financial statements consisting of the balance sheet of the Company as at December 31 in each of the years 2022 and 2021, and the related consolidated statements of income and retained earnings, stockholders' equity and cash flow for the years then ended (the "**Unaudited Financial Statements**"), and unaudited financial statements consisting of the balance sheet of the Company as at September 30, 2024, and the related statements of income and retained earnings for the nine (9)-month period then ended (the "**Interim Financial Statements**" and together with the Audited Financial Statements and Unaudited Financial Statements, the "**Financial Statements**") have been delivered to Parent. The Financial Statements have been prepared in accordance with the Historical Accounting Principles. The Financial Statements are based on the books and records of the Company, and fairly present, in all material respects, the consolidated financial position of the Company as of the respective dates they were prepared and the consolidated results of the operations of the Company for the periods indicated. The consolidated balance sheet of the Company as of December 31, 2023 is referred to herein as the "**Balance Sheet**" and the date thereof as the "**Balance Sheet Date**" and the consolidated balance sheet of the Company as of September 30, 2024, is referred to herein as the "**Interim Balance Sheet**" and the date thereof as the "**Interim Balance Sheet Date**".

(b) True and complete copies of the unaudited financial statements consisting of the balance sheet of Arches as at September 30, 2024, and the related statements of income and retained earnings for the nine (9)-month period then ended (the "**Arches Financial Statements**") have been delivered to Parent. The Arches Financial Statements have been prepared in accordance with the applicable Accounting Principles applied on a consistent basis throughout the period involved. The Arches Financial Statements have been internally prepared in accordance with the historical accounting practices of Arches. The Arches Financial Statements are based on the books and records of Arches, and fairly present, in all material respects, the consolidated financial position of Arches as of the respective dates they were prepared and the consolidated results of the operations of Arches for the periods indicated, subject to normal and recurring year-end adjustments (the effect of which will not be materially adverse) and the absence of notes.

Section 3.07. Undisclosed Liabilities. Except as set forth on Section 3.07 of the Disclosure Schedules, the Company Entities and Arches do not have any liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise ("**Liabilities**"), except (a) those which are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date (or otherwise disclosed in the Arches Financial Statements), and (b) those which have been incurred in the Ordinary Course of Business since the Balance Sheet Date, and which are not, individually or in the aggregate, material in amount.

Section 3.08. Absence of Certain Changes, Events and Conditions. Since the Balance Sheet Date, except as set forth in Section 3.08 of the Disclosure Schedules, there has not been, with respect to any Company Entity, any:

(a) effect, event, development, occurrence, fact, condition or change that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(b) amendment of the Company Charter Documents or any organizational documents of any other Company Entity;

(c) split, combination or reclassification of any shares of capital stock or other equity capital;

(d) issuance, sale or other disposition of any of its capital stock or other equity interests;

(e) declaration or payment of any dividends or distributions on or in respect of any capital stock or other equity capital or redemption, purchase or acquisition of capital stock or other equity capital (other than in the Ordinary Course of Business consistent with past practice);

(f) material change in any method of accounting or accounting practice, except as required by GAAP or as disclosed in the notes to the Financial Statements;

(g) material change in cash management practices and policies, practices and procedures with respect to collection of accounts receivable, establishment of reserves for uncollectible accounts, accrual of accounts receivable, inventory control, prepayment of expenses, payment of trade accounts payable, accrual of other expenses, deferral of revenue and acceptance of customer deposits, except as required by GAAP or as disclosed in the notes to the Financial Statements;

(h) entry into any Contract that would constitute a Material Contract;

(i) incurrence, assumption or guarantee of any indebtedness for borrowed money except unsecured current obligations and Liabilities incurred in the Ordinary Course of Business consistent with past practice;

(j) transfer, assignment, sale or other disposition of any of the assets shown or reflected in the Balance Sheet or cancellation of any debts or entitlements (other than in the Ordinary Course of Business consistent with past practice);

(k) transfer or assignment of or grant of any license or sublicense under or with respect to any Company Intellectual Property or Company IP Agreements;

(l) abandonment or lapse of or failure to maintain in full force and effect any Company IP Registration, or failure to take or maintain reasonable measures to protect the confidentiality or value of any Trade Secrets included in the Company Intellectual Property;

(m) material damage, destruction or loss (whether or not covered by insurance) to its property;

(n) any capital investment in, or any loan to, any other Person;

(o) acceleration, termination, material modification to or cancellation of any material Contract (including any Material Contract) to which any Company Entity is a party or by which it is bound;

(p) material capital expenditures;

(q) imposition of any Encumbrance upon any properties, capital stock or assets, tangible or intangible;

(r) other than in the Ordinary Course of Business consistent with past practice, (i) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of its current or former employees, officers, directors, independent contractors or consultants, other than as provided for in any written agreements or required by applicable Law, (ii) change in the terms of employment for any employee or any termination of any employees for which the aggregate costs and expenses exceed $100,000, or (iii) action to accelerate the vesting or payment of any compensation or benefit for any current or former employee, officer, director, independent contractor or consultant, other than as provided for in any written agreements provided to Parent prior to the date hereof;

(s) hiring or promoting any person as or to (as the case may be) the position of an officer or hiring or promoting any employee below officer except in the Ordinary Course of Business;

(t) adoption, modification or termination of any: (i) employment, severance, retention or other agreement with any current or former employee, officer, director, independent contractor or consultant, except in the Ordinary Course of Business, (ii) Benefit Plan or (iii) collective bargaining or other agreement with a Union, in each case whether written or oral;

(u) any loan to (or forgiveness of any loan to), or entry into any other transaction with, any of its stockholders or current or former directors, officers and employees;

(v) entry into a new line of business or abandonment or discontinuance of existing lines of business;

(w) other than this Agreement, adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;

(x) purchase, lease or other acquisition of the right to own, use or lease any property or assets for an amount in excess of $100,000, individually (in the case of a lease, per annum) or $250,000 in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term), except for purchases of inventory or supplies in the Ordinary Course of Business consistent with past practice;

(y) acquisition by merger or consolidation with, or by purchase of a substantial portion of the assets or stock of, or by any other manner, any business or any Person or any division thereof;

(z) Tax election made, modified or revoked except as required by applicable Law, adoption or change in any Tax accounting method except as required by applicable Law, amendment to any material Tax Return, consent to any extension (other than in connection with the filing of a Tax Return in the ordinary course) or waiver of the limitation period applicable to any Tax claim or assessment, surrender any right to a refund of Taxes, or any closing agreement entered into; or

(aa) any Contract to do any of the foregoing.

Section 3.09. Material Contracts.

(a) Section 3.09(a) of the Disclosure Schedules lists each of the following Contracts of each Company Entity as of the date of this Agreement (such Contracts, together with all Contracts listed or otherwise disclosed in Section 3.10(b) of the Disclosure Schedules and all Company IP Agreements set forth in Section 3.12(b) of the Disclosure Schedules, being "**Material Contracts**"):

(i) each Contract involving aggregate consideration in excess of $100,000, and which, in each case, cannot be cancelled by the Company Entity without penalty or without more than 30 days' notice;

(ii) all Contracts that require a Company Entity to purchase its total requirements of any product or service from a third party or that contain "take or pay" provisions;

(iii) all Contracts that provide for the indemnification by a Company Entity of any Person, other than Contracts entered into in the Ordinary Course of Business the primary purpose of which is not to provide for the indemnification by the Company of any Person, or the assumption of any Tax, environmental or other Liability of any Person;

(iv) all Contracts that relate to the acquisition or disposition of any business, a material amount of stock or assets of any other Person or any real property (whether by merger, sale of stock, sale of assets or otherwise);

(v) all broker, distributor, dealer, manufacturer's representative, franchise, agency, sales promotion, market research, marketing consulting and advertising Contracts involving aggregate consideration in excess of $100,000;

(vi) all employment agreements and Contracts with independent contractors or consultants (or similar arrangements) and which are not cancellable without material penalty or without more than 90 days' notice;

(vii) except for Contracts relating to trade payables, all Contracts relating to indebtedness (including guarantees);

(viii) all Contracts with any Governmental Authority;

(ix) all Contracts that limit or purport to limit the ability of a Company Entity to compete in any line of business, with respect to any product with any Person or in any geographic area or market or during any period of time;

(x) any Contracts that provide for any joint venture, partnership or similar arrangement;

(xi) all collective bargaining agreements or Contracts with any Union;

(xii) any Contracts with dispensaries or other potential customers for future supply of cannabis and related products to such Persons, containing covenants to supply such Persons with cannabis or related products in an amount in excess of $100,000; and

(xiii) any other Contract that is material to any Company Entity and not previously disclosed pursuant to this Section 3.09.

(b) Each Material Contract is valid and binding on the applicable Company Entity in accordance with its terms and is in full force and effect, except to the extent that a Material Contract has expired according to its terms, in which case, such Material Contract remains valid and binding and in full force and effect with respect to the provisions that survive the expiration or termination thereof. None of the Company Entities or, to the Company's Knowledge, any other party thereto, is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of any intention to terminate, any Material Contract. No event or circumstance has occurred that, with notice or lapse of time or both, would, with respect to any Company Entity, or to the Company's Knowledge, any other party thereto, constitute an event of default under any Material Contract, result in a termination thereof or cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Parent.

(c) Except as set forth on Schedule 3.09(a), no Company Entity is currently party to any Material Contract with any party for the supply of cannabis or related products.

Section 3.10. Title to Assets; Real Property.

(a) The Company Entities have good and valid (and, in the case of owned Real Property, good and marketable fee simple) title to, or a valid leasehold interest in, all Real Property and personal property and other assets reflected in the Balance Sheet or acquired after the Balance Sheet Date, other than properties and assets (not including Real Property) sold or otherwise disposed of in the Ordinary Course of Business consistent with past practice since the Balance Sheet Date. All such properties and assets (including leasehold interests) are free and clear of Encumbrances except for the items set forth in Section 3.10(a) of the Disclosure Schedules and the following (collectively referred to as "**Permitted Encumbrances**"):

(i) Encumbrances for Taxes not yet due and payable or that are being contested in good faith for which appropriate reserves have been established in accordance with GAAP;

(ii) mechanics, carriers', workmen's, repairmen's or other like liens arising or incurred in the Ordinary Course of Business or amounts that are not delinquent, or, if delinquent, that are being contested in good faith and are not, individually or in the aggregate, material to the business of the Company Entities;

(iii) easements, rights of way, covenants, restrictions of record, maps, zoning ordinances and other similar Encumbrances affecting Real Property which do not interfere with the use or operation of such Real Property as such Real Property is presently used or operated;

(iv) other than with respect to owned Real Property, Encumbrances arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the Ordinary Course of Business which are not, individually or in the aggregate, material to the business of the Company Entities; or

(v) Encumbrances arising under or in connection with Indebtedness that will be discharged at Closing.

(b) Section 3.10(b) of the Disclosure Schedules lists (i) the street address of each parcel of Real Property; (ii) if such property is leased or subleased by a Company Entity, the landlord under the lease, the rental amount currently being paid, and the expiration of the term of such lease or sublease for each leased or subleased property; and (iii) the current use of such Real Property. Except as set forth in a lease applicable to leased Real Property, no Company Entity is a party to any agreement or option to purchase any Real Property or interest therein. With respect to owned Real Property, the Company Entities have delivered or made available to Parent true, complete and correct copies of the deeds and other instruments (as recorded) by which the Company Entity acquired such Real Property, and copies of all title insurance policies, opinions, abstracts and surveys in the possession of the Company Entities and relating to the Real Property. With respect to leased Real Property, the Company has delivered or made available to Parent true, complete and correct copies of any leases affecting such leased Real Property. No Company Entity is a sublessor or grantor under any sublease or other instrument granting to any other Person any right to the possession, lease, occupancy or enjoyment of any Real Property. The Company Entities' present use and operation of the Real Property in the conduct of the Company Entities' business as presently conducted do not violate in any material respect (I) any Law (other than Federal Cannabis Laws), or (II) to the Company's Knowledge, covenant, condition, restriction, easement, license, permit or agreement, applicable to the Real Property. To the Company's Knowledge, no material improvements constituting a part of the Real Property encroach on real property owned or leased by a Person other than a Company Entity. There are no Actions pending nor, to the Company's Knowledge, threatened against or affecting the owned Real Property or any portion thereof or interest therein in the nature or in lieu of condemnation or eminent domain proceedings.

Section 3.11. Condition and Sufficiency of Assets. Except as set forth in Section 3.11 of the Disclosure Schedules, the buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property of the Company Entities are structurally sound, are in good operating condition and repair, and are adequate for the uses to which they are being put, and none of such buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property (including Company Intellectual Property) owned by the Company Entities are sufficient for the continued conduct of the Company Entities' business after the Closing in substantially the same manner as the business was conducted prior to the Closing, and the property and assets reflected in the Balance Sheet, or acquired by the Company Entities after the Balance Sheet Date, and any other property or assets currently leased by the Company Entities, constitute all of the property and assets presently used by the Company Entities to conduct the Company Entities' business as currently conducted.

Section 3.12. Intellectual Property. Notwithstanding anything to the contrary elsewhere in this Agreement, Arches is deemed to be a "Company Entity" solely for purposes of this Section 3.12.

(a) Section 3.12(a) of the Disclosure Schedules contains a correct, current, and complete list of: (i) all Company IP Registrations, specifying as to each, as applicable: the title, mark, or design; the record owner and inventor(s), if any; the jurisdiction by or in which it has been issued, registered, or filed; the patent, registration, or application serial number; the issue, registration, or filing date; and the current status; (ii) all unregistered Trademarks included in the Company Intellectual Property; (iii) all proprietary software of the Company Entities; and (iv) all other material Company Intellectual Property used or held for use in the Company Entities' business as currently conducted and as proposed to be conducted.

(b) Section 3.12(b) of the Disclosure Schedules contains a correct, current and complete list of all Company IP Agreements, specifying for each the date, title and parties thereto, and separately identifying the Company IP Agreements: (i) under which a Company Entity is a licensor or otherwise grants to any Person any right or interest relating to any Company Intellectual Property; (ii) under which a Company Entity is a licensee or otherwise granted any right or interest relating to the Intellectual Property of any Person; and (iii) which otherwise relate to the Company Entities' ownership or use of Intellectual Property, in each case identifying the Intellectual Property covered by such Company IP Agreement. The Company has provided Parent with true and complete copies (or in the case of any oral agreements, a complete and correct written description) of all Company IP Agreements, including all modifications, amendments and supplements thereto and waivers thereunder. Each Company IP Agreement is valid and binding on the applicable Company Entity in accordance with its terms and is in full force and effect. No Company Entity is, and, to the Company's Knowledge, no other party thereto is, or is alleged to be, in breach of or default under, and, no Company Entity has provided or received any notice of breach of, default under, or intention to terminate (including by non-renewal), any Company IP Agreement.

(c) Except as set forth in Section 3.12(c) of the Disclosure Schedules, one of the Company Entities is the sole and exclusive legal and beneficial, and with respect to the Company IP Registrations, record, owner of all right, title, and interest in and to the Company Intellectual Property, and has the valid and enforceable right to use all other Intellectual Property used or held for use by the Company Entities in the conduct of the Company Entities' business as currently conducted and as proposed to be conducted, in each case, free and clear of Encumbrances other than Permitted Encumbrances. The Company Entities have, and enforce, a policy requiring their employees to execute a non-competition, proprietary information and assignment agreement and has provided Parent with the form of such Contract.

(d) Other than the Required Consents, neither the execution, delivery or performance of this Agreement, nor the consummation of the transactions contemplated hereunder, will result in the loss or impairment of, or require the consent of any other Person in respect of, the Company Entities' rights to own or use any Company Intellectual Property or Licensed Intellectual Property.

(e) All Company IP Registrations are subsisting and in full force and effect. The Company Entities have taken all necessary steps to maintain and enforce the Company Intellectual Property, which is registered or for which an application for registration has been filed, and taken all reasonable steps to preserve the confidentiality of all Trade Secrets included in the Company Intellectual Property. All required filings and fees related to the Company IP Registrations have been timely submitted with and paid to the relevant Governmental Authorities and authorized registrars. The Company Entities have provided Parent with true and complete copies of all file histories, documents, certificates, office actions, correspondence, assignments, and other instruments relating to the Company IP Registrations.

(f) The conduct of the Company Entities' business as currently and formerly conducted and as proposed to be conducted, including the use of the Company Intellectual Property and Licensed Intellectual Property in connection therewith, and the products, processes and services of the Company have not infringed, misappropriated or otherwise violated, the Intellectual Property or other rights of any Person. To the Company's Knowledge, no Person has infringed, misappropriated or otherwise violated any Company Intellectual Property or Licensed Intellectual Property.

(g) There are no Actions (including any opposition, cancellation, revocation, review or other proceeding), whether settled, pending or threatened in writing (including in the form of offers to obtain a license): (i) alleging any infringement, misappropriation, or other violation by any Company Entity of the Intellectual Property of any Person; (ii) challenging the validity, enforceability, registrability, patentability, or ownership of any Company Intellectual Property or the Company Entities' right, title, or interest in or to any Company Intellectual Property or Licensed Intellectual Property; or (iii) by any Company Entity or, to the Company's Knowledge, by the owner of any Licensed Intellectual Property alleging any infringement, misappropriation or other violation by any Person of the Company Intellectual Property or such Licensed Intellectual Property. To the Company's Knowledge, no facts or circumstances exist that could reasonably be expected to give rise to such Action. No Company Entity is subject to any outstanding or, to the Company's Knowledge, prospective Governmental Order (including any motion or petition therefor) that does or could reasonably be expected to restrict or impair the use of any Company Intellectual Property or Licensed Intellectual Property.

(h) Section 3.12(h) of the Disclosure Schedules contains a correct, current, and complete list of all social media accounts used in the Company Entities' business. The Company Entities have complied in all material respects with all terms of use, terms of service, and other Contracts and all associated policies and guidelines relating to its use of any social media platforms, sites, or services (collectively, "**Platform Agreements**"). There are no Actions, whether settled, pending, or, to the Company's Knowledge, threatened, against any Company Entity alleging any (A) breach or other violation of any Platform Agreement by any Company Entity; or (B) defamation, violation of publicity rights of any Person, or any other violation of applicable Law by any Company Entity in connection with its use of social media.

(i) All Company IT Systems are in good working condition and are all of the Company IT Systems used in the operation of the Company Entities' business as currently conducted and as proposed to be conducted. In the past six years, there has been no malfunction, failure, continued substandard performance, denial-of-service, or other cyber incident, including any cyberattack, or other impairment of the Company IT Systems that has not been remedied. The Company Entities have taken commercially reasonable steps to safeguard the confidentiality, availability, security, and integrity of the Company IT Systems, including implementing and maintaining commercially reasonable backup, disaster recovery, and software and hardware support arrangements.

(j) The Company Entities have complied in all material respects with all applicable Laws and all internal or publicly posted policies, notices, and statements concerning the collection, use, processing, storage, transfer, and security of personal information in the conduct of the Company Entities' business. In the past six years, no Company Entity has (i) experienced any actual, alleged, or suspected data breach or other security incident involving personal information in its possession or control or (ii) been subject to or received any notice of any audit, investigation, complaint, or other Action by any Governmental Authority or other Person concerning the Company Entity's collection, use, processing, storage, transfer, or protection of personal information or actual, alleged, or suspected violation of any applicable Law concerning privacy, data security, or data breach notification, and there are no facts or circumstances that could reasonably be expected to give rise to any such Action.

Section 3.13. Inventory. All inventory of the Company Entities, whether or not reflected in the Balance Sheet, (a) consists of a quality and quantity usable or salable consistent with good and accepted practices in the cannabis industry and in the Ordinary Course of Business, except for spoiled, obsolete, damaged, contaminated, defective or slow-moving items that have been written off or written down to fair market value or for which adequate reserves have been established, (b) except as set forth in Section 3.13(b) of the Disclosure Schedules, is of a quantity usable or saleable consistent with good and accepted practices in the cannabis industry and in the Ordinary Course of Business, (c) was cultivated, harvested, produced, tested, handled and delivered in accordance with all applicable Laws (except for the Federal Cannabis Laws), and (d) does not contain any prohibited pesticides, contaminants or any other substance at levels or tolerances or in amounts prohibited by applicable Laws. Other than such inventory sold or otherwise disposed of in the Ordinary Course of Business, all such inventory is owned by the Company Entities free and clear of all Encumbrances, other than Permitted Encumbrances, and no such inventory is held on a consignment basis.

Section 3.14. Accounts Receivable. Except as set forth in Section 3.14 of the Disclosure Schedules, the accounts receivable reflected on the Interim Balance Sheet and the accounts receivable arising after the date thereof (a) have arisen from bona fide transactions entered into by the Company Entities involving the sale of goods or the rendering of services in the Ordinary Course of Business; and (b) constitute only valid, undisputed claims of the Company Entities not subject to claims of set-off or other defenses or counterclaims, other than normal cash discounts accrued in the Ordinary Course of Business. The reserve for bad debts shown on the Interim Balance Sheet on the accounting records of the Company Entities have been determined in accordance with the Historical Accounting Principles, and, with respect to accounts receivable arising after the Interim Balance Sheet Date have been determined in accordance in all material respects with the Historical Accounting Principles, both consistently applied, and both subject to normal year-end adjustments and the absence of disclosures normally made in footnotes.

Section 3.15. Customers and Suppliers.

(a) Section 3.15(a) of the Disclosure Schedules sets forth (i) each customer who has paid aggregate consideration to any Company Entity for goods or services rendered in an amount greater than or equal to $100,000 for each of the two most recent fiscal years (collectively, the "**Material Customers**"); and (ii) the amount of consideration paid by each Material Customer during such periods. Except as set forth in Section 3.15(a) of the Disclosure Schedules, no Material Customer has ceased, and no Company Entity has received any notice that any Material Customer intends to cease after the Closing, and no Company Entity has Knowledge of such intent to cease, to use its goods or services or to otherwise terminate or materially reduce its relationship with the Company Entities.

(b) Section 3.15(b) of the Disclosure Schedules sets forth (i) each supplier to whom any Company Entity has paid consideration for goods or services rendered in an amount greater than or equal to $100,000 for each of the two most recent fiscal years (collectively, the "**Material Suppliers**"); and (ii) the amount of purchases from each Material Supplier during such periods. Except as set forth in Section 3.15(b) of the Disclosure Schedules, no Material Supplier has ceased, and no Company Entity has received any notice that any Material Supplier intends to cease after the Closing, and no Company Entity has Knowledge of such intent to cease, to supply goods or services to the Company Entity or to otherwise terminate or materially reduce its relationship with the Company Entity.

Section 3.16. Insurance. Section 3.16 of the Disclosure Schedules sets forth a true and complete list of all current policies or binders of fire, liability, product liability, umbrella liability, real and personal property, workers' compensation, vehicular, directors' and officers' liability, fiduciary liability and other casualty and property insurance maintained by Company Entities and relating to the assets, business, operations, employees, officers and directors of the Company Entities (collectively, the "**Insurance Policies**") and true and complete copies of such Insurance Policies have been made available to Parent. Such Insurance Policies are in full force and effect and, subject to the Required Consents, shall remain in full force and effect following the consummation of the transactions contemplated by this Agreement. No Company Entity has received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such Insurance Policies. All premiums due on such Insurance Policies have either been paid or, if due and payable prior to Closing, will be paid prior to Closing in accordance with the payment terms of each Insurance Policy. The Insurance Policies do not provide for any retrospective premium adjustment or other experience-based liability on the part of any Company Entity. All such Insurance Policies (a) are valid and binding in accordance with their terms; (b) to the Company's Knowledge, are provided by carriers who are financially solvent; and (c) have not been subject to any lapse in coverage. Except as set forth on Section 3.16 of the Disclosure Schedules, there are no claims related to the business of the Company Entities pending under any such Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. No Company Entity is in default under, and has not otherwise failed to comply with, in any material respect, any provision contained in any such Insurance Policy. The Insurance Policies are of the type and in the amounts customarily carried by Persons conducting a business similar to the Company Entities and are for coverage in amounts in compliance with all applicable Laws and Material Contracts to which any Company Entity is a party or by which it is bound.

Section 3.17. Legal Proceedings; Governmental Orders.

(a) Except as set forth in Section 3.17(a) of the Disclosure Schedules, as of the date hereof and as of January 1, 2025, there are no Actions pending or, to the Company's Knowledge, threatened (i) against or by any Company Entity or Arches affecting any of its properties or assets; or (ii) against or by any Company Entity or Arches that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. As of the date hereof and as of January 1, 2025, to the Company's Knowledge, no event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

(b) Except as set forth in Section 3.17(b) of the Disclosure Schedules, there are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting any Company Entity or Arches or any of their respective properties or assets. Each Company Entity and Arches is in compliance with the terms of each Governmental Order set forth in Section 3.17(b) of the Disclosure Schedules. No event has occurred or circumstances exist that may constitute or result in (with or without notice or lapse of time) a violation of such Governmental Order.

Section 3.18. Compliance With Laws; Permits.

(a) Except as set forth in Section 3.18(a) of the Disclosure Schedules and with respect to Federal Cannabis Laws, each Company Entity and Arches has complied, and is now complying, in all material respects with all Laws applicable to it or its business, properties or assets.

(b) Each Company Entity and Arches is in compliance in all material respects with all applicable state and local Laws, and, other than Federal Cannabis Laws, Laws and regulatory systems controlling the cultivation, harvesting, production, handling, storage, distribution, sale and possession of cannabis or medical marijuana. No Company Entity imports or exports cannabis products from or to any foreign country.

(c) All Permits required for any Company Entity and Arches to conduct its business as presently conducted have been obtained by it and are valid and in full force and effect.

(d) All fees and charges with respect to such Permits as of the date hereof have been paid in full. Section 3.18(d) of the Disclosure Schedules lists all current Permits issued to any Company Entity or Arches, including the names of the Permits and their respective dates of issuance and expiration. Except as set forth in Section 3.18(d) of the Disclosure Schedules, no event has occurred, or failed to occur, that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse, surrender or limitation of any Permit set forth in Section 3.18(d) of the Disclosure Schedules.

Section 3.19. Environmental Matters.

(a) Each Company Entity is currently and has been in compliance in all material respects with all Environmental Laws and has not received from any Person any: (i) Environmental Notice or Environmental Claim; or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements.

(b) Each Company Entity has obtained and is in material compliance with all Environmental Permits (each of which is disclosed in Section 3.19(b) of the Disclosure Schedules) necessary for the ownership, lease, operation or use of the business or assets of such Company Entity as presently conducted and all such Environmental Permits are in full force and effect and shall be maintained by the Company Entity through the Closing Date in accordance with Environmental Law, and, to the Company's Knowledge, no condition, event or circumstance exists with respect to any Company Entity, or its business or operations as presently conducted, that constitutes a material violation of any Environmental Permit.

(c) No real property currently or formerly owned, operated or leased by any Company Entity is listed on, or has been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA, or any similar state list.

(d) There has been no Release of Hazardous Materials in contravention of Environmental Law with respect to the business or assets of the Company Entities, or, by any Company Entity with respect to any real property currently owned, operated or leased by the Company, or, to the Company's Knowledge, formerly owned, operated or leased by any Company Entity, and no Company Entity has received an Environmental Notice that any real property currently or formerly owned, operated or leased in connection with the business of the Company Entities (including soils, groundwater, surface water, buildings and other structure located on any such real property) has been contaminated with any Hazardous Material which could reasonably be expected to result in an Environmental Claim against, or a violation of Environmental Law or term of any Environmental Permit by, any Company Entity.

(e) Section 3.19(e) of the Disclosure Schedules contains a complete and accurate list of all active or abandoned aboveground or underground storage tanks for Hazardous Materials owned or operated by any Company Entity.

(f) Section 3.19(f) of the Disclosure Schedules contains a complete and accurate list of all off- site Hazardous Materials treatment, storage, or disposal facilities or locations used by any Company Entity and any predecessors as to which any Company Entity may retain liability, and, to the Company's Knowledge, none of these facilities or locations has been placed or proposed for placement on the National Priorities List (or CERCLIS) under CERCLA or any similar state list, and no Company Entity has received any Environmental Notice regarding potential liabilities with respect to such off-site Hazardous Materials treatment, storage or disposal facilities or locations used by any Company Entity.

(g) No Company Entity has retained or assumed, by contract or operation of Law, any liabilities or obligations of third parties under Environmental Law.

(h) The Company Entities have provided or otherwise made available to Parent and listed in Section 3.19(h) of the Disclosure Schedules: (i) 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 any Company Entity or any currently or formerly owned, operated or leased real property which are in the possession or control of any Company Entity related to compliance with Environmental Laws, Environmental Claims or an Environmental Notice or the Release of Hazardous Materials; and (ii) any and all material documents concerning planned or anticipated capital expenditures required to reduce, offset, limit or otherwise control pollution or emissions, manage waste or otherwise ensure compliance with current or future Environmental Laws (including costs of remediation, pollution control equipment and operational changes).

(i) To the Company's Knowledge, no condition, event or circumstance concerning the Release or regulation of Hazardous Materials exists that could reasonably be expected to prevent, impede or materially increase the costs associated with the ownership, lease, operation, performance or use of the business or assets of any Company Entity as currently carried out.

(j) No Company Entity possesses, and is not entitled to, any Environmental Attributes.

Section 3.20. Employee Benefit Matters.

(a) Section 3.20(a) of the Disclosure Schedules contains a true and complete list of each pension, benefit, retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock-based, change in control, retention, severance, vacation, paid time off (PTO), medical, vision, dental, disability, welfare, Code Section 125 cafeteria, fringe-benefit and other similar agreement, plan, policy, program or arrangement (and any amendments thereto), in each case whether or not reduced to writing and whether funded or unfunded, including each "employee benefit plan" within the meaning of Section 3(3) of ERISA, whether or not tax-qualified and whether or not subject to ERISA, which is or has been maintained, sponsored, contributed to, or required to be contributed to by any Company Entity for the benefit of any current or former employee, officer, director, retiree, independent contractor or consultant of any Company Entity or any spouse or dependent of such individual, or under which any Company Entity or any of its ERISA Affiliates has or may have any Liability, or with respect to which Parent or any of its Affiliates would reasonably be expected to have any Liability, contingent or otherwise (as listed on Section 3.20(a) of the Disclosure Schedules, each, a "**Benefit Plan**").

(b) With respect to each Benefit Plan, the Company has made available to Parent accurate, current and complete copies of each of the following: (i) where the Benefit Plan has been reduced to writing, the plan document together with all amendments; (ii) where the Benefit Plan has not been reduced to writing, a written summary of all material plan terms; (iii) where applicable, copies of any trust agreements or other funding arrangements, custodial agreements, insurance policies and contracts, administration agreements and similar agreements, and investment management or investment advisory agreements, now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise; (iv) copies of any summary plan descriptions, summaries of material modifications, summaries of benefits and coverage, COBRA communications, employee handbooks and any other written communications (or a description of any oral communications) relating to any Benefit Plan; (v) in the case of any Benefit Plan that is intended to be qualified under Section 401(a) of the Code, a copy of the most recent determination, opinion or advisory letter from the Internal Revenue Service and any legal opinions issued thereafter with respect to such Benefit Plan's continued qualification; (vi) in the case of any Benefit Plan for which a Form 5500 must be filed, a copy of the two most recently filed Forms 5500, with all corresponding schedules and financial statements attached; (vii) actuarial valuations and reports related to any Benefit Plans with respect to the two most recently completed plan years, if any; (viii) the most recent nondiscrimination tests performed under the Code, if any; and (ix) copies of any material notices, letters or other correspondence from the Internal Revenue Service, Department of Labor, Department of Health and Human Services, Pension Benefit Guaranty Corporation or other Governmental Authority relating to the Benefit Plan.

(c) Except as set forth in Section 3.20(c) of the Disclosure Schedules, each Benefit Plan and any related trust (other than any multiemployer plan within the meaning of Section 3(37) of ERISA (each a "**Multiemployer Plan**")) has been established, administered and maintained in accordance with its terms and in compliance with all applicable Laws (including ERISA and the Code). Each Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code (a "**Qualified Benefit Plan**") is so qualified and received a favorable and current determination letter from the Internal Revenue Service with respect to the most recent five year filing cycle, or with respect to a prototype or volume submitter plan, can rely on an opinion letter from the Internal Revenue Service to the prototype plan or volume submitter plan sponsor, to the effect that such Qualified Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and, to the Company's Knowledge, no event or circumstance has occurred that could reasonably be expected to adversely affect the qualified status of any Qualified Benefit Plan. No event or circumstance has occurred with respect to any Benefit Plan that has subjected or, to the Company's Knowledge, could reasonably be expected to subject any Company Entity or any of its ERISA Affiliates or, with respect to any period on or after the Closing Date, Parent or any of its Affiliates, to a penalty under Section 502 of ERISA or to tax or penalty under Sections 4975 or 4980H of the Code. Except as set forth in Section 3.20(c) of the Disclosure Schedules, all benefits, contributions and premiums relating to each Benefit Plan have been timely paid in accordance with the terms of such Benefit Plan and all applicable Laws and the Historical Accounting Principles, and all benefits accrued under any unfunded Benefit Plan have been paid, accrued or otherwise adequately reserved to the extent required by, and in accordance with the Historical Accounting Principles.

(d) Neither any Company Entity nor any of its ERISA Affiliates has (i) incurred or reasonably expects to incur, either directly or indirectly, any material Liability under Title I or Title IV of ERISA or related provisions of the Code or applicable local Law relating to any Benefit Plan; (ii) failed to timely pay any premiums to the Pension Benefit Guaranty Corporation; (iii) withdrawn from any Benefit Plan; (iv) engaged in any transaction which would give rise to liability under Section 4069 or Section 4212(c) of ERISA; (v) incurred taxes under Section 4971 of the Code with respect to any Single Employer Plan; or (vi) participated in a multiple employer welfare arrangements (MEWA).

(e) With respect to each Benefit Plan (i) no such plan is a Multiemployer Plan; (ii) no such plan is a "**multiple employer plan**" within the meaning of Section 413(c) of the Code or a "**multiple employer welfare arrangement**" (as defined in Section 3(40) of ERISA); (iii) no Action has been initiated by the Pension Benefit Guaranty Corporation to terminate any such plan or to appoint a trustee for any such plan; (iv) no such plan or the plan of any ERISA Affiliate maintained or contributed to within the last six (6) years is a Single Employer Plan subject to Title IV of ERISA; and (v) no "**reportable event,**" as defined in Section 4043 of ERISA, with respect to which the reporting requirement has not been waived, has occurred with respect to any such plan. Neither any Company Entity nor any ERISA Affiliate has incurred any withdrawal liability under Title IV of ERISA which remains unsatisfied.

(f) Each Benefit Plan can be amended, terminated or otherwise discontinued after the Closing in accordance with its terms. No Company Entity has any commitment or obligation and has not made any representations to any employee, officer, director, independent contractor or consultant, whether or not legally binding, to adopt, amend, modify or terminate any Benefit Plan, in connection with the consummation of the transactions contemplated by this Agreement or otherwise.

(g) Other than as required under Sections 601 to 608 of ERISA or other applicable Law, no Benefit Plan provides post-termination or retiree health benefits to any individual for any reason, and neither any Company Entity nor any of its ERISA Affiliates has any Liability to provide post-termination or retiree health benefits to any individual or ever represented, promised or contracted to any individual that such individual would be provided with post-termination or retiree health benefits.

(h) There is no pending or, to the Company's Knowledge, threatened Action relating to a Benefit Plan (other than routine claims for benefits), and no Benefit Plan has within the three years prior to the date hereof been the subject of an examination or audit by a Governmental Authority or the subject of an application or filing under or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Authority.

(i) There has been no amendment to, announcement by any Company Entity or any of its Affiliates relating to, or change in employee participation or coverage under, any Benefit Plan that would increase the annual expense of maintaining such plan above the level of the expense incurred for the most recently completed fiscal year (other than on a de minimis basis and other than increases to expenses to provide of maintain a Benefit Plan incurred in the Ordinary Course of Business) with respect to any director, officer, employee, independent contractor or consultant, as applicable. Neither any Company Entity nor any of its Affiliates has any commitment or obligation or has made any representations to any director, officer, employee, independent contractor or consultant, whether or not legally binding, to adopt, amend, modify or terminate any Benefit Plan.

(j) Each Benefit Plan that is subject to Section 409A of the Code has been administered in compliance with its terms and the operational and documentary requirements of Section 409A of the Code and all applicable regulatory guidance (including notices, rulings and proposed and final regulations) thereunder. No Company Entity has any obligation to gross up, indemnify or otherwise reimburse any individual for any excise taxes, interest or penalties incurred pursuant to Section 409A of the Code.

(k) Each individual who is classified by a Company Entity as an independent contractor has been properly classified for purposes of participation and benefit accrual under each Benefit Plan.

(l) Except as set forth in Section 3.20(l) of the Disclosure Schedules, neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events) entitle any current or former director, officer, employee, independent contractor or consultant of any Company Entity to severance pay or any other payment or accelerate the time of payment, funding or vesting, or increase the amount of compensation (including stock-based compensation) due to any such individual. Except as set forth in Section 3.20(l) of the Disclosure Schedules neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events): (i) limit or restrict the right of any Company Entity to merge, amend or terminate any Benefit Plan; (ii) increase the amount payable under or result in any other material obligation pursuant to any Benefit Plan; (iii) result in "**excess parachute payments**" within the meaning of Section 280G(b) of the Code; or (iv) require a "**gross- up**" or other payment to any "**disqualified individual**" within the meaning of Section 280G(c) of the Code.

Section 3.21. Employment Matters.

(a) Section 3.21(a) of the Disclosure Schedules contains a list of all persons who are employees of each Company Entity, or independent contractors or consultants regularly engaged in the business or operations of the Company Entities, as of the date hereof, including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full-time or part-time); (iii) hire or retention date; (iv) current annual base compensation rate or contract fee; (v) commission, bonus or other incentive-based compensation; and (vi) a description of the fringe benefits provided to each such individual as of the date hereof. Except as set forth in Section 3.21(a) of the Disclosure Schedules, as of the date hereof, all compensation, including wages, commissions, bonuses, fees and other compensation, payable to all employees, independent contractors or consultants of each Company Entity for services performed on or prior to the date hereof have been paid in full (or, as of the Closing Date, will be included as Current Liabilities in the estimated Closing Working Capital). Except as set forth in Section 3.21(a) of the Disclosure Schedules, there are no outstanding agreements, understandings or commitments of each Company Entity with respect to any increases to compensation, commissions, bonuses or fees payable to employees, independent contractors or consultants of the Company Entity for services performed after Closing, except as provided in the Benefit Plans or in the Ordinary Course of Business.

(b) No Company Entity is, and has not been, a party to, bound by, or negotiating any collective bargaining agreement or other Contract with a union, works council or labor organization (collectively, "**Union**"), and there is not, and has not been, any Union representing or purporting to represent any employee of any Company Entity, and, to the Company's Knowledge, no Union or group of employees is seeking or has sought to organize employees for the purpose of collective bargaining. There has never been, nor, to the Company's Knowledge, has there been any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor disruption or dispute affecting any Company Entity or any of its employees. No Company Entity has a duty to bargain with any Union.

(c) Each Company Entity is and has been in compliance in all material respects with all applicable Laws pertaining to employment and employment practices to the extent they relate to employees, consultants and independent contractors of the Company Entity, including all Laws relating to labor relations, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers' compensation, leaves of absence, paid sick leave and unemployment insurance. All individuals characterized and treated by the Company Entities as independent contractors or consultants are properly treated as independent contractors under all applicable Laws. All employees of the Company Entities classified as exempt under the Fair Labor Standards Act and state and local wage and hour laws are properly classified in all material respects. Each Company Entity is and has been in compliance in all material respects with all applicable immigration laws, including Form I- 9 requirements. Except as set forth in Section 3.21(c), there are no, and in the past three years there have not been any, Actions against any Company Entity 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 or independent contractor of any Company Entity, including any charge, investigation or claim relating to unfair labor practices, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, employee classification, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers' compensation, leaves of absence, paid sick leave, unemployment insurance or any other employment-related matter arising under applicable Laws.

(d) Each Company Entity has complied in all material respects with the WARN Act, and it has no plans to undertake any action in the future that would trigger the WARN Act.

(e) The Company Entities have not received written notice of the intent of any Governmental Authority responsible for the enforcement of labor or employment Law to conduct an investigation with respect to or relating to employees and, to the Knowledge of Company Entities, no such investigation is in progress.

(f) No executive officer of any Company Entity has, or has notified the Company of his or her intent to, (i) terminate his or her employment or service with the Company, (ii) terminate his or her employment or service upon the consummation of the transactions contemplated by this Agreement, or (iii) demand additional compensation in connection with, or upon the consummation of, the transactions contemplated by this Agreement.

Section 3.22. Taxes. Except as set forth in Section 3.22 of the Disclosure Schedules:

(a) All income and other material Tax Returns required to be filed on or before the Closing Date by the Company Entities have been, or will be, timely filed with the appropriate taxing authorities. Such Tax Returns are, or will be, true, complete and correct in all material respects. All income and other material Taxes due and owing by the Company on or before the Closing Date (whether or not shown on any Tax Return) have been, or will be, timely and properly paid.

(b) Each Company Entity has timely and properly withheld and paid all material Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, customer, Stockholder or other party, and complied in all material respects with all information reporting and backup withholding provisions of applicable Law.

(c) No claim has been made in writing by any taxing authority in any jurisdiction where any Company Entity does not file Tax Returns that it is, or may be, subject to Tax by that jurisdiction.

(d) No waiver, extension or comparable consent given by the Company Entities regarding the application of the statute of limitations with respect to any Taxes or Tax Returns is outstanding, nor is any request for any such waiver or consent pending, in each case other than as a result of automatic, six-month extensions granted in connection with the filing of an originally-filed Tax Return.

(e) The amount of the Company Entities' Liability for unpaid Taxes for all periods ending on or before the Interim Balance Sheet Date does not, in the aggregate, exceed the amount of accruals for Taxes (excluding reserves for deferred Taxes) reflected on the Interim Financial Statements. The amount of the Company Entities' Liability of unpaid Taxes for all periods following the end of the recent period covered by the Financial Statements shall not, in the aggregate, exceed the amount of accruals for Taxes (excluding reserves for deferred Taxes) as adjusted for the passage of time in accordance with the past custom and practice of the Company.

(f) Except as set forth on Section 3.22(f) of the Disclosure Schedules, no deficiency for, or request for information relating to, any Taxes has been proposed, asserted or assessed against any Company Entity in writing that has not been fully resolved.

(g) Except as set forth on Section 3.22(g) of the Disclosure Schedules, there is no pending Tax audit or other administrative proceeding or court proceeding with regard to any Taxes or Tax Returns of any of the Company Entities, nor has there been any written notice to any of the Company Entities by any taxing authority regarding any such potential or threatened Tax audit or other proceeding.

(h) The Company has made available or will make available to Parent correct and complete copies of all federal, state, local and foreign income, franchise and similar Tax Returns, examination reports, and statements of deficiencies assessed against, or agreed to by, any Company Entity for all Tax periods ending after December 31, 2019.

(i) There are no Encumbrances for Taxes (other than for current Taxes not yet due and payable) upon the assets of any Company Entity.

(j) No Company Entity is a party to, or bound by, any Tax indemnity, Tax sharing or Tax allocation agreement.

(k) No Company Entity has requested or received a ruling from any taxing authority or signed any binding agreement with any taxing authority that might affect the amount of Tax due from any of the Company Entities after the Closing Date. Other than powers of attorney executed by the Company Entities in the Ordinary Course of Business for the purposes of filing Tax Returns and responding to inquiries related thereto all of which may be terminated after the Closing, no power of attorney with respect to Taxes has been executed or filed with any taxing authority by or on behalf of any of the Company Entities that will remain in effect at the Closing.

(l) No Company Entity has been a member of an affiliated, combined, consolidated or unitary Tax group for Tax purposes (other than any such group of which the Company is the common parent). No Company Entity has any Liability for Taxes of any Person (other than another Company Entity) under Treasury Regulations Section 1.1502-6 (or any corresponding provision of state, local or foreign Law), as transferee or successor, or by contract.

(m) No Company Entity will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for taxable period or portion thereof ending after the Closing Date as a result of:

(i) any change in a method of accounting under Section 481 of the Code (or any comparable provision of state, local or foreign Laws relating to Taxes), or use of an improper method of accounting, for a taxable period ending on or prior to the Closing Date;

(ii) an installment sale or open transaction occurring on or prior to the Closing Date;

(iii) a prepaid amount received on or before the Closing Date outside of the Ordinary Course of Business; or

(iv) any closing agreement under Section 7121 of the Code, or similar provision of state, local or foreign Law.

(n) No Company Entity has been a "**distributing corporation**" or a "**controlled corporation**" in connection with a distribution described in Section 355 of the Code.

(o) No Company Entity is, and has not been, a party to, or a promoter of, a "**listed transaction**" within the meaning of Section 6707A(c)(2) of the Code and Treasury Regulations Section 1.6011-4(b)(2).

(p) The Company is, and has been at all times since June 3, 2020, treated as a C corporation for U.S. federal income tax purposes. Neither the Company, nor any Company Entity, has ever been or has filed any Tax Return as an S corporation (within the meaning of Sections 1361 and 1362 of the Code) or as a "**qualified subchapter S subsidiary**" (within the meaning of Section 1361(b)(3)(B) of the Code).

(q) To the Company's Knowledge, there are no facts, circumstances or plans that, either alone or in combination, could reasonably be expected to prevent the Merger from qualifying for the Intended Tax Treatment.

Section 3.23. Books and Records. The minute books of the Company Entities, all of which have been made available to Parent, are complete and correct in all material respects and have been maintained in accordance with sound business practices. The minute books of the Company Entities contain, in all material respects, accurate and complete records of all meetings, and actions taken by written consent of, the Stockholders, the Company Board, any committees of the Company Board, and any boards of directors or equivalent governing body, any committees thereof and the equity holders of each other Company Entity, as applicable. The stock record books of the Company Entities, all of which have been made available to Parent, are complete and correct and have been maintained in accordance with sound business practices. At the Closing, all of those books and records will be in the possession of the Company Entities.

Section 3.24. Related Party Transactions. Except as set forth on Section 3.24 of the Disclosure Schedules, no executive officer or director of any Company Entity or any person owning 5% or more of the Shares (or any of such person's immediate family members or Affiliates or associates) is a party to any Contract with or binding upon any Company Entity or any of its assets, rights or properties or has any interest in any property owned by any Company Entity or has engaged in any transaction with any of the foregoing within the last twelve (12) months.

Section 3.25. Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Ancillary Document based upon arrangements made by or on behalf of any Company Entity.

Section 3.26. Securities Law Matters. The Company (and any other Company Entity) is not required to register any securities with the SEC under the Exchange Act or file reports with the SEC pursuant to Section 12(g) or Section 12(b) of the Exchange Act, is not in default under applicable Securities Laws, and the Company has complied in all material respects with applicable Securities Laws. No Company Entity is an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

Section 3.27. Stockholder Sophistication. Each Stockholder is a "sophisticated purchaser", as such term is defined in Rule 501(a) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating independently the merits and risks of its investment in the Parent Shares and is able to bear the economic risk of loss of its investment in the Parent Shares.

Section 3.28. No Other Representations and Warranties. The representations and warranties made by the Company contained in this Article III constitute the sole and exclusive representations and warranties of the Company to Parent and Merger Sub in connection with the transactions contemplated hereby, and Parent and Merger Sub understand, acknowledge and agree that all other representations and warranties of any kind or nature expressed or implied (including (a) any relating to the future or historical financial condition, results of operations, assets or liabilities of the Company or its business or operations, or (b) as to the accuracy or completeness of any information regarding the Company Entities furnished or made available to Parent, Merger Sub or their representatives) are specifically disclaimed by the Company.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules or as contemplated by Section 5.17(b), Parent and Merger Sub represent and warrant to the Company as follows:

Section 4.01. Organization and Authority of Parent and Merger Sub. Each of Parent and Merger Sub is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation. Each of Parent and Merger Sub has full corporate power and authority to enter into and (subject to obtaining the Exchange Approval and subject to obtaining the Parent Shareholder Approval) perform its obligations under this Agreement and the Ancillary Documents to which it is a party and to consummate the transactions contemplated hereby and thereby, except with respect to the impact of any Federal Cannabis Laws. The execution, delivery and performance by Parent and Merger Sub of this Agreement and any Ancillary Document to which they are a party and the consummation by Parent and Merger Sub of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Parent and Merger Sub, subject to obtaining the Parent Shareholder Approval, and no other corporate proceedings on the part of Parent and Merger Sub are necessary to authorize the execution, delivery and performance of this Agreement or to consummate the Merger and the other transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by Parent and Merger Sub, and (assuming due authorization, execution and delivery by each other party hereto) this Agreement constitutes a legal, valid and binding obligation of Parent and Merger Sub enforceable against Parent and Merger Sub in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, may be granted only in the discretion of a court of competent jurisdiction, except as such enforceability may be limited by applicable Laws, including Federal Cannabis Laws, and by general principles of equity. When each Ancillary Document to which Parent or Merger Sub is or will be a party has been duly executed and delivered by Parent or Merger Sub (assuming due authorization, execution and delivery by each other party thereto), such Ancillary Document will constitute a legal and binding obligation of Parent or Merger Sub enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable Laws, including Federal Cannabis Laws, and by general principles of equity, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, may be granted only in the discretion of a court of competent jurisdiction.

Section 4.02. No Conflicts; Consents. The execution, delivery and performance by Parent and Merger Sub of this Agreement and the Ancillary Documents to which they are a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the notice of articles and articles or articles of incorporation, and by-laws, as applicable, or other organizational documents of Parent or Merger Sub; (b) subject to Parent's prior delivery and receipt of notices and approvals required by the Parent Cannabis Laws and the Utah Cannabis Laws, and the approval by the shareholders of Parent and the Exchange Approval, and assuming all Stockholders qualify for a valid exemption under applicable Securities Laws with respect to receipt of any Parent Shares, conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Parent or Merger Sub (except for Federal Cannabis Laws); or (c) except as set forth in Section 4.02 of the Disclosure Schedules, require the consent, notice or other action by any Person under any Contract to which Parent or Merger Sub is a party. The Parent Board, by resolutions duly adopted by unanimous written consent of the Parent Board, has, as of the date hereof (i) determined that this Agreement and the transactions contemplated hereby, including the issuance of Parent Shares, are fair to, and in the best interests of, the shareholders of Parent, (ii) approved and declared advisable the transactions contemplated by this Agreement, including the issuance of Parent Shares, (iii) directed that the transactions contained in this Agreement be submitted to the shareholders of the Parent entitled to vote thereon for adoption as required by the policies of the Exchange, and (iv) resolved to recommend that the shareholders of the Parent entitled to vote thereon adopt the Parent Resolution set forth in this Agreement (collectively, the "**Parent Board Recommendation**") and directed that such matter be submitted for consideration of the shareholders of Parent. Other than notice and approvals required by the Parent Cannabis Laws and Utah Cannabis Laws, and the approval by the shareholders of Parent and the Exchange Approval, no consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Parent or Merger Sub in connection with the execution, delivery and performance of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby, except for the filing of the Certificate of Merger with the Secretary of State of Delaware and such filings and approvals as may be required under the HSR Act and under Securities Laws.

Section 4.03. No Prior Merger Sub Operations. Merger Sub was formed solely for the purpose of effecting the Merger and has not engaged in any business activities or conducted any operations other than in connection with the transactions contemplated hereby.

Section 4.04. Brokers. Except for Moelis & Company, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Parent or Merger Sub.

Section 4.05. Solvency. Parent and Merger Sub are solvent as of the date of this Agreement and, Parent, Merger Sub, and their subsidiaries and Affiliates (excluding the Company) will, immediately prior to Closing but after giving effect to the transactions contemplated by this Agreement (and assuming the accuracy of the representations and warranties in Article III), and taking into account all other amounts required to be paid, borrowed or refinanced in connection with the transactions contemplated by this Agreement and all related fees and expenses, be solvent.

Section 4.06. Legal Proceedings. Except as disclosed in Section 4.06 of the Disclosure Schedules, as of the date hereof, there are no Actions pending or, to Parent's Knowledge, threatened against or by Parent, Merger Sub or any of their respective Affiliates that (i) materially affect any of their properties or assets, or (ii) challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. As of the date hereof, to Parent's Knowledge, no event has occurred or circumstances exist that may give rise or serve as a basis for any such Action.

Section 4.07. Capitalization.

(a) As of the close of business on November 25, 2024, the issued and outstanding share capital of Parent consists of (i) 200,464,196 Parent Shares, (ii) 298,314 Parent Multiple Voting Shares, and (iii) nil super voting shares. In addition, as of the close of business on November 25, 2024, an aggregate of 36,648,077 Parent Shares are issuable upon the exercise of outstanding equity award options and 19,134,522 Parent Shares are issuable upon the exercise of outstanding warrants to purchase Parent Shares.

(b) The Parent Shares issuable to Stockholders pursuant to this Agreement will, when issued,

(i) be duly authorized, validly issued, fully paid and non-assessable; (ii) not be subject to any preemptive rights created by statute, the articles of incorporation, by-laws or other organizational documents of Parent, or any agreement to which Parent is a party; (iii) except as set forth on Section 4.07(b) of the Disclosure Schedules, be free of any Encumbrances created by Parent in respect thereof; (iv) be issued in compliance with applicable Laws; and (v) except as otherwise contemplated hereby, entitle the holder thereof to all of the same special rights and restrictions accorded to holders of the Parent Shares in the notice of articles, articles and other organizational documents of Parent.

Section 4.08. Financial Statements.

(a) Complete copies of Parent's unaudited financial statements consisting of the balance sheet of Parent as of September 30, 2024 and the related statements of income and retained earnings for the three and nine-month periods then ended (the "**Parent Financial Statements**") have been made available via public filing on sec.gov. The Parent Financial Statements fairly present, in all material respects, the financial position of Parent as of the date thereof and the results of the operations of Parent for the periods indicated thereby, subject to normal and recurring year-end adjustments and the absence of notes.

(b) Neither Parent, nor Merger Sub, has any material Liabilities, except (a) those which are reflected or reserved against in the Parent Financial Statements, or the audited financial statements consisting of the balance sheet of Parent, and the related statements of income and retained earnings, including any footnotes thereto, made available via public filing on as of November 13, 2024, and which are accessible at www.sec.gov, (b) those which are incurred in the Ordinary Course of Business since the date of the Parent Financial Statements, (c) those in connection with or contemplated by this Agreement, and (d) as disclosed in Section 4.08(b) of the Disclosure Schedules.

Section 4.09. Absence of Certain Changes, Events and Conditions. Since the date of the Parent Financial Statements, except as set forth on Section 4.09 of the Disclosure Schedules, in connection with the execution and delivery of this Agreement and the other documents and agreements entered into in connection herewith and the consummation of the transactions contemplated hereby and thereby, the business of Parent and each of its subsidiaries has been conducted in the Ordinary Course of Business and there has not been or occurred any event, condition, change, or effect that has resulted in a Parent Material Adverse Effect or any event, condition, change, or effect that could reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 4.10. Compliance With Laws. Each of Parent and Merger Sub has complied, and are now complying, in all material respects with all Laws applicable to it or its business, properties or assets except as would not have a Parent Material Adverse Effect.

Section 4.11. Securities Law Matters.

(a) Parent is a "reporting issuer" or the equivalent thereof and is not on the list of reporting issuers in default under applicable Canadian provincial Securities Laws in the provinces of British Columbia, Alberta and Ontario. Parent files reports with the SEC pursuant to Section 12(g) of the Exchange Act. No delisting, suspension of trading in or cease trading order with respect to any securities of Parent and, to the Knowledge of Parent, no inquiry or investigation (formal or informal) of Parent or the public disclosure record of the Parent by any Securities Authority or the SEC, is in effect or ongoing or, to the Knowledge of Parent, is threatened or expected to be implemented or undertaken. Parent has not taken any action to cease to be a reporting issuer in any such province or to deregister the Parent Shares under the Exchange Act, nor has Parent received notification from any Canadian Securities Regulators seeking to revoke the reporting issuer status of Parent or from the SEC seeking to deregister the Parent Shares under the Exchange Act. The Parent Shares are listed and posted for trading on the Exchange. Parent is in compliance with applicable requirements of the Exchange, except where noncompliance would not result in a Parent Material Adverse Effect or prevent or materially delay the consummation of the transactions contemplated by this Agreement or the Merger. Merger Sub is not a reporting issuer (or its equivalent) in any jurisdiction.

(b) Parent has timely filed or furnished all material filings required to be filed or furnished by Parent with any Governmental Authority in accordance with applicable Securities Laws or the requirements of the Exchange prior to the date of this Agreement. Each of such material filings has complied as filed in all material respects with applicable Laws as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such filing).

(c) As of the date of this Agreement, Parent has not filed any confidential material change report (which at the date of this Agreement remains confidential) or any other confidential filings filed to or furnished with, as applicable, any Canadian Securities Regulators or the SEC. As of the date of this Agreement, there are no outstanding or unresolved comments in comment letters from any Canadian Securities Regulators or the SEC with respect to any of filings by Parent and, to Parent's Knowledge, none of Parent, Merger Sub or any filing by Parent is the subject of an ongoing audit, review, comment or investigation by any Canadian Securities Regulators, the SEC or other Governmental Authority.

Section 4.12. Taxes.

(a) Parent is presently, and upon the Closing will be, treated as a United States domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Code.

(b) Parent has not taken and shall not take (or cause to be taken) any action that could reasonably be expected to prevent the Merger from qualifying for the Intended Tax Treatment.

Section 4.13. No Other Representations and Warranties. The representations and warranties made by Parent and Merger Sub contained in this Article IV constitute the sole and exclusive representations and warranties of Parent and Merger Sub in connection with the transactions contemplated hereby, and the Company and each Stockholder understands, acknowledges and agrees that all other representations and warranties of any kind or nature expressed or implied (including (a) any relating to the future or historical financial condition, results of operations, assets or liabilities of Parent and Merger Sub or its business or operations, or (b) as to the accuracy or completeness of any information regarding Parent and Merger Sub furnished or made available to the Company, Stockholders or their representatives) are specifically disclaimed by Parent and Merger Sub.

Section 4.14. Acknowledgement and Representations by Parent. Parent acknowledges and agrees that it (a) has conducted its own independent review and analysis of, and, based thereon, has formed an independent judgment concerning, the business, assets, condition, operations and prospects of the Company Entities, and (b) has been furnished with or given full access to all information about the Company Entities and their respective businesses and operations as Parent and its representatives and advisors have requested. In entering into this Agreement, Parent has relied solely upon its own investigation and analysis and the representations and warranties of the Company set forth in this Agreement, and Parent acknowledges that, other than as set forth in this Agreement and in the certificates or other instruments delivered pursuant hereto (including, for avoidance of doubt, any Ancillary Documents), neither the Company nor any other Company Entity nor any of their respective directors, officers, managers, members, employees, affiliates, stockholders, equity holders, agents or representatives makes or has made any representation or warranty, either express or implied, (x) as to the accuracy or completeness of any of the information provided or made available to Parent or any of its respective agents, representatives, lenders or affiliates prior to the execution of this Agreement, or (y) with respect to any projections, forecasts, estimates, plans or budgets of future revenues, expenses or expenditures, future results of operations (or any component thereof), future cash flows (or any component thereof) or future financial condition (or any component thereof) of any Company Entity heretofore or hereafter delivered to or made available to Parent or any of its respective agents, representatives, lenders or Affiliates.

ARTICLE V.
COVENANTS

Section 5.01. Reasonable Commercial Efforts. During the period from the date hereof and continuing until the earlier of the termination of this Agreement or the Closing Date (but subject to Section 5.08):

(a) Each party will cooperate with the other parties and use its commercially reasonable efforts to promptly (i) take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable under this Agreement and the Ancillary Documents and applicable Law to consummate and make effective the Merger as soon as practicable, including preparing and filing promptly and fully all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents, (ii) obtain all approvals, consents, registrations, permits, authorizations and other confirmations required to be obtained from any third party or Governmental Authority necessary, proper or advisable to consummate the Merger (including the expiration or termination of any applicable waiting period under the HSR Act) and (iii) execute and deliver such documents, certificates and other papers as a party may reasonably request to evidence the other party's satisfaction of its obligations hereunder.

(b) Without limiting the forgoing, the parties will: (i) cooperate with one another promptly 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) cooperate in promptly making any such filings, furnishing information required in connection therewith and seeking to obtain timely any such consents, permits, authorizations or approvals.

(c) Each party will keep the other party reasonably apprised of the status of matters relating to the completion of the Merger and work cooperatively in connection with obtaining all required approvals or consents of any Governmental Authority (whether domestic, foreign or supranational). In that regard, each party will 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 orally of) any communications from or with any Governmental Authority with respect to the Merger, (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) 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 Document and the Merger and (iv) 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.

Section 5.02. Conduct of Business Prior to the Closing. From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by Parent (which consent shall not be unreasonably withheld, conditioned or delayed), the Company shall (x) conduct the business of the Company Entities in the Ordinary Course of Business; and (y) use commercially reasonable efforts to maintain and preserve intact the current organization, business and franchise of the Company Entities and to preserve the rights, franchises, goodwill and relationships of their employees, customers, lenders, suppliers, regulators and others having business relationships with the Company Entities. Without limiting the foregoing, from the date hereof until the Closing Date, the Company shall:

(a) preserve and maintain all Permits;

(b) pay debts, Taxes and other obligations when due, except as may be contested by the Company in good faith;

(c) maintain the properties and assets owned, operated or used in the same condition as they were on the date of this Agreement, subject to reasonable wear and tear;

(d) continue in full force and effect without modification all Insurance Policies, except as required by applicable Law;

(e) defend and protect their properties and assets from infringement or usurpation;

(f) perform all of their obligations, in all material respects, under all Contracts relating to or affecting its properties, assets or business, except such obligations as may be contested in good faith by the Company;

(g) maintain its books and records in accordance with past practice;

(h) comply in all material respects with all applicable Laws; and

(i) not take or permit any action that would cause any of the changes, events or conditions described in Section 3.08 (as if set forth herein) to occur.

Section 5.03. Access to Information. From the date hereof until the Closing, the Company shall (i) afford Parent and its Representatives full and free access to and the right to inspect all of the Real Property, properties, assets, premises, books and records, Contracts and other documents and data related to the Company Entities; (ii) furnish Parent and its Representatives with such financial, operating and other data and information related to the Company Entities as Parent or any of its Representatives may reasonably request; and (iii) instruct the Representatives of the Company Entities to cooperate with Parent in its investigation of the Company Entities. Without limiting the foregoing, the Company shall permit Parent and its Representatives to conduct non-intrusive environmental due diligence on the Company Entities and the Real Property. Any investigation pursuant to this Section 5.03 shall be conducted in such manner as not to interfere unreasonably with the conduct of the business of the Company Entities. No investigation by Parent or other information received by Parent shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Company Entities in this Agreement.

Section 5.04. No Solicitation of Other Bids.

(a) The Company shall not, and shall not authorize or permit any of its Affiliates or any of its or their Representatives to, directly or indirectly, (i) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. The Company shall immediately cease and cause to be terminated, and shall cause its Affiliates and all of its and their Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. For purposes hereof, "**Acquisition Proposal**" shall mean any inquiry, proposal or offer from any Person (other than Parent or any of its Affiliates) concerning (i) a merger, consolidation, liquidation, recapitalization, share exchange or other business combination transaction involving any Company Entity; (ii) the issuance or acquisition of shares of capital stock or other equity securities of any Company Entity; or (iii) the sale, lease, exchange or other disposition of any significant portion of any Company Entity's properties or assets.

(b) In addition to the other obligations under this Section 5.04, the Company shall promptly (and in any event within two (2) Business Days after receipt thereof by any Company Entity or its Representatives) advise Parent orally and in writing of any Acquisition Proposal, any request for information with respect to any Acquisition Proposal, or any inquiry with respect to or which could reasonably be expected to result in an Acquisition Proposal, the material terms and conditions of such request, Acquisition Proposal or inquiry, and the identity of the Person making the same.

(c) The Company agrees that the rights and remedies for noncompliance with this Section 5.04 shall include having such provision specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to Parent and that money damages would not provide an adequate remedy to Parent.

Section 5.05. Stockholders Consent.

(a) Promptly, and in any event within ten (10) Business Days following the execution and delivery of this Agreement, the Company shall deliver to Parent, in a form reasonably acceptable to Parent, the Requisite Company Vote pursuant to a written consent of a majority of the Stockholders (the "**Written Consent**"). The materials submitted to the Stockholders in connection with the Written Consent shall include the Company Board Recommendation.

(b) Promptly following, but in no event than five (5) Business Days after, delivery to Parent of the Written Consent pursuant to subsection (a) above, the Company shall prepare and provide to Parent for its review a notice (the "**Stockholder Notice**"), in accordance with applicable Law and the Company Charter Documents, to every Stockholder that did not execute the Written Consent. The Company shall mail such Stockholder Notice to each such Stockholder within two (2) Business Days following approval thereof by Parent. The Stockholder Notice shall (i) be a statement to the effect that the Company Board unanimously determined that the Merger is advisable in accordance with the DGCL and in the best interests of the Stockholders and unanimously approved and adopted this Agreement, the Merger and the other transactions contemplated hereby, (ii) provide the Stockholders to whom it is sent with notice of the actions taken in the Written Consent, including the approval and adoption of this Agreement, the Merger and the other transactions contemplated hereby in accordance with the DGCL and the bylaws of the Company, (iii) notify such Stockholders of their dissent and appraisal rights pursuant to the DGCL, and include the other items required by the DGCL and (iv) request that each such Stockholder execute the Written Consent and waive any dissent and appraisal rights pursuant to the DGCL. The Stockholder Notice shall include therewith a form for demanding payment, a copy of the applicable provisions of the DGCL and all such other information as Parent shall reasonably request, and shall be sufficient in form and substance to start the period during which a Stockholder must demand appraisal of such Stockholder's Shares, which period may not be less than 30 nor more than 60 days after the date the Stockholder Notice is delivered, as contemplated by the DGCL. All materials submitted to the Stockholders in accordance with this Section 5.05(b) shall be subject to Parent's advance review and reasonable approval.

Section 5.06. Notice of Certain Events.

(a) From the date hereof until the Closing, the Company shall promptly notify Parent in writing of:

(i) any fact, circumstance, event or action the existence, occurrence or taking of which (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or could reasonably be expected to result in, any representation or warranty made by the Company hereunder not being true and correct or (C) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 8.02 to be satisfied;

(ii) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(iii) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; and

(iv) any Actions commenced or, to the Company's Knowledge, threatened against, relating to or involving or otherwise affecting any Company Entity that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.17 or that relates to the consummation of the transactions contemplated by this Agreement.

(b) Parent's receipt of information pursuant to this Section 5.06 shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Company in this Agreement (including Section 8.02 and Section 9.01) and shall not be deemed to amend or supplement the Disclosure Schedules.

Section 5.07. Resignations; Arches Restrictive Covenant Agreements.

(a) Unless otherwise requested by Parent, the Company shall deliver to Parent written resignations, effective as of the Closing Date, of the directors of the Company.

(b) From the date hereof of the Closing, the Company shall, and shall cause Arches to, enforce the terms and conditions of the offer letters, employment agreements, confidentiality, and similar agreements that are currently effective by and between Arches and each of the Arches Retained Executives, including any non-competition, non-solicitation, confidentiality, and other restrictive covenants set forth therein.

Section 5.08. Governmental Approvals and Consents.

(a) Each party hereto shall, as promptly as reasonably practicable, (i) make, or cause or be made, all filings and submissions (including those under the HSR Act) required under any Law applicable to such party or any of its Affiliates; and (ii) use commercially reasonable efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary, in each case, for the performance of its obligations pursuant to this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby. Each party shall reasonably cooperate with the other party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals.

(b) The Company will, at Parent's request, use commercially reasonable efforts to give all notices to, and obtain all consents from, all third parties that are described in Section 3.02, Section 3.03, and Section 4.02 of the Disclosure Schedules.

(c) Without limiting the generality of the parties' undertakings pursuant to subsections (a) and

(d) above, each of the parties hereto shall use commercially reasonable efforts to:

(i) respond to any inquiries by any Governmental Authority regarding antitrust or other matters with respect to the transactions contemplated by this Agreement or any Ancillary Document;

(ii) avoid the imposition of any order or the taking of any action that would restrain, alter or enjoin the transactions contemplated by this Agreement or any Ancillary Document; and

(iii) in the event any Governmental Order adversely affecting the ability of the parties to consummate the transactions contemplated by this Agreement or any Ancillary Document has been issued, have such Governmental Order vacated or lifted.

(e) Notwithstanding the foregoing, nothing in this Agreement shall require, or be construed to require, Parent or any of its Affiliates to agree to (i) sell, hold, divest, discontinue or limit, before or after the Closing Date, any assets, businesses or interests of Parent, any Company Entity, or any of their respective Affiliates; (ii) any conditions relating to, or changes or restrictions in, the operations of any such assets, businesses or interests which, in either case, could reasonably be expected to result in a material adverse effect on Parent and its Affiliates or materially and adversely impact the economic or business benefits to Parent of the transactions contemplated by this Agreement; or (iii) any material modification or waiver of the terms and conditions of this Agreement.

Section 5.09. Directors' and Officers' Indemnification and Insurance.

(a) Parent and Merger Sub agree that all rights to indemnification, advancement of expenses and exculpation by the Company now existing in favor of each Person who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Time an officer or director of the Company (each a "**D&O Indemnified Party**") as provided in the Company Charter Documents, in each case as in effect on the date of this Agreement, or pursuant to any other Contracts in effect on the date hereof and disclosed in Section 5.09 of the Disclosure Schedules and provided to Parent prior to the date hereof, shall be assumed by the Surviving Corporation in the Merger, without further action, at the Effective Time and shall survive the Merger and shall remain in full force and effect in accordance with their terms, and, in the event that any proceeding is pending or asserted or any claim made during such period that would be covered thereunder, until the final disposition of such proceeding or claim.

(b) For six (6) years after the Effective Time, to the fullest extent permitted under applicable Law, the Surviving Corporation (the "**D&O Indemnifying Parties**") shall indemnify, defend and hold harmless each D&O Indemnified Party against all losses, claims, damages, liabilities, fees, expenses, judgments and fines arising in whole or in part out of actions or omissions in their capacity as such occurring at or prior to the Effective Time (including in connection with the transactions contemplated by this Agreement) (each, a "**D&O Claim**"), and shall reimburse each D&O Indemnified Party for any legal or other expenses reasonably incurred by such D&O Indemnified Party in connection with investigating or defending any such losses, claims, damages, liabilities, fees, expenses, judgments and fines related to or arising under any such D&O Claim as such expenses are incurred, subject to the Surviving Corporation's receipt of an undertaking by such D&O Indemnified Party to repay such legal and other fees and expenses paid in advance if it is ultimately determined in a final and non-appealable judgment of a court of competent jurisdiction that such D&O Indemnified Party is not entitled to be indemnified under applicable Law; provided, however, that the Surviving Corporation will not be liable for any settlement effected without the Surviving Corporation's prior written consent.

(c) Prior to the Closing, the Company shall obtain and fully pay for "tail" insurance policies with a claims period of at least six (6) years from the Effective Time with at least the same coverage and amount and containing terms and conditions that are not less advantageous to the directors and officers of the Company as the Company's existing policies with respect to claims arising out of or relating to events which occurred before or at the Effective Time (including in connection with the transactions contemplated by this Agreement) (the "**D&O Tail Policy**"). The Company shall bear the cost of the D&O Tail Policy, and such costs, to the extent not paid prior to the Closing, shall be included in the determination of Transaction Expenses. During the term of the D&O Tail Policy, Parent shall not (and shall cause the Surviving Corporation not to) take any action following the Closing to cause the D&O Tail Policy to be cancelled or any provision therein to be amended or waived; provided, that neither Parent, the Surviving Corporation nor any Affiliate thereof shall be obligated to pay any premiums or other amounts in respect of such D&O Tail Policy.

(d) The obligations of Parent and the Surviving Corporation under this Section 5.09 shall survive the consummation of the Merger and shall not be terminated or modified in such a manner as to adversely affect any D&O Indemnified Party to whom this Section 5.09 applies without the consent of such affected D&O Indemnified Party (it being expressly agreed that the D&O Indemnified Parties to whom this Section 5.09 applies shall be third-party beneficiaries of this Section 5.09, each of whom may enforce the provisions of this Section 5.09).

(e) In the event the Surviving Corporation or any of its successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in either such case, proper provision shall be made so that the successors and assigns of the Surviving Corporation shall assume all of the obligations set forth in this Section 5.09. The agreements and covenants contained herein shall not be deemed to be exclusive of any other rights to which any Indemnified Party is entitled, whether pursuant to Law, Contract or otherwise. Nothing in this Agreement is intended to, shall be construed to or shall release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to the Company or its officers, directors and employees, it being understood and agreed that the indemnification provided for in this Section 5.09 is not prior to, or in substitution for, any such claims under any such policies.

Section 5.10. Public Announcements. Parent and the Company shall mutually agree on the initial press release or releases with respect to the execution of this Agreement. Thereafter, so long as this Agreement is in effect, unless otherwise required by applicable Law or stock exchange or trading market requirements (based upon the reasonable advice of counsel) or otherwise permitted by this Agreement, no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby without the prior written consent of the other party (which consent shall not be unreasonably withheld, conditioned or delayed), and the parties shall cooperate as to the timing and contents of any such announcement; provided, that no separate approval will be required in respect of any press release or public announcement to the extent such content is substantially replicated in a subsequent press release or other announcement or substantially consistent with a previously approved press release or announcement. Notwithstanding anything herein to the contrary, following Closing and after the initial press release, the Stockholder Representative shall be permitted to announce that it has been engaged to serve as the Stockholder Representative in connection herewith as long as such announcement does not disclose any of the other terms hereof.

Section 5.11. HSR Act. Without limiting the generality of anything contained in Section 5.01, each party agrees to: (a) within 10 Business Days after the execution of this Agreement, make an appropriate filing of a Notification and Report Form pursuant to the HSR Act (including seeking early termination of the waiting period under the HSR Act) with respect to the Merger, (b) supply as promptly as reasonably practicable any additional information and documentary material that may be requested pursuant to the HSR Act by the United States Federal Trade Commission or the United States Department of Justice and (c) use its commercially reasonable efforts to take or cause to be taken all other actions necessary, proper or advisable consistent with this Section 5.11 to cause the expiration or termination of the applicable waiting periods under the HSR Act as soon as practicable. Parent will be entitled to devise the strategy for all filings and communications in connection with any filing pursuant to the HSR Act or other applicable competition Law, and otherwise to direct the antitrust defense of the Merger, or negotiations with, any Governmental Authority or other third party relating to the Merger or regulatory filings under applicable competition Law, subject to the provisions of this Section 5.11, provided that Parent will consult and cooperate with the Company, and consider in good faith the views of the Company, in connection with any such antitrust defense. The Company will use commercially reasonable efforts to provide full and effective support of Parent in all such negotiations and other discussions or actions to the extent requested by Parent. The Company will not make any offer, acceptance or counter-offer to or otherwise engage in negotiations or discussions with any Governmental Authority with respect to any proposed settlement, consent decree, commitment or remedy, or, in the event of litigation, discovery, admissibility of evidence, timing or scheduling of any matters contemplated by this Section 5.11, except as specifically requested by or agreed with Parent. The Company will not commit to or agree with any Governmental Authority to stay, toll or extend any applicable waiting period under the HSR Act or applicable competition Law, without the prior written consent of Parent. If any request for additional information and documents, including a "**second request**" under the HSR Act, is received from any Governmental Authority, then the parties will substantially comply with any such request at the earliest practicable date.

Section 5.12. Regulatory Consents. Without limiting the generality of Section 5.01, the parties hereto (other than the Stockholder Representative) shall cooperate and collectively use commercially reasonable efforts to promptly obtain and receive the findings, approvals and consents of the Utah Department of Agriculture and Food, including the Cannabis Production Establishment Licensing Advisory Board (the "**UDAF**"), and applicable local licensing authorities, necessary for the transfer of the ownership interests in the Company as required due to certain Company Entities' ownership of the Cannabis Licenses issued to such Company Entity by the UDAF, pursuant to Title 4, Chapter 41a of the Utah Code (the "**State Licenses**"), as required by Title 4, Chapter 41a of the Utah Code and Title R66 of the Utah Administrative Code, in connection with the consummation of the Merger as contemplated hereby (the "**UDAF Consent**"), and shall cooperate to submit all necessary applications, forms, supporting documents, background checks, investigations, interviews, and the like to the UDAF, and any county, municipal and other local Governmental Authorities, in accordance with Title 4, Chapter 41a of the Utah Code, Title R66 of the Utah Administrative Code, and any county, municipal and other local Laws (collectively, "**Utah Cannabis Laws**").

Section 5.13. Termination of Equity Incentive Plan and Wholesome Options. On or prior to the Closing, the Company shall terminate the WholesomeCo, Inc. 2020 Equity Incentive Plan, dated July 15, 2020 (the "**Company Incentive Plan**"). Prior to the Closing, and subject to the prior review and approval of Parent, the Company shall terminate all of the Wholesome Options issued under the Company Incentive Plan. In exchange for such termination, the Company shall issue, to each holder of Wholesome Options, the number of shares of Company Common Stock subject to each Wholesome Option, net of the option exercise price and any applicable required tax withholding. Each former holder of Wholesome Options who receives Company Common Stock in exchange for the termination of a Wholesome Option shall become a Stockholder and participate in the transactions contemplated hereunder along with all other Stockholders. From and after the Closing, no Wholesome Options shall be issued and outstanding. The Company shall deliver all required notices, obtain all necessary approvals and consents, and deliver evidence reasonably satisfactory to Parent that all necessary determinations by the board of directors of the Company or applicable committee thereof to terminate the Plan and all Wholesome Options have been made.

Section 5.14. Preparation of Proxy Statement/Circular; Parent Shareholder Approval.

(a) As promptly as reasonably practicable following the date hereof, Parent shall prepare (and the Company will reasonably cooperate with Parent in preparing) a management information circular, which will also constitute the proxy statement containing the information specified in Schedule 14A under the Exchange Act relating to the matters to be submitted to the shareholders of Parent at the Parent Shareholder Meeting (together with any amendments or supplements thereto, the "**Proxy Statement/Circular**") in compliance with all applicable Laws and in accordance with Exchange policies and Parent shall file, in all jurisdictions where the same is required to be filed, including with the Exchange (and including any preliminary filings with the SEC required to be made in accordance with applicable Laws) such Proxy Statement/Circular in accordance with applicable Laws. Parent shall use reasonable best efforts to have the preliminary Proxy Statement/Circular cleared by the SEC (and, if applicable, any other Governmental Authority) as promptly as practicable. As promptly as practicable after such clearance and other required approvals therefor, Parent shall cause the Proxy Statement/Circular and other documentation required in connection with the Parent Shareholder Meeting to be mailed or otherwise distributed to such Persons as required by applicable Laws. The Proxy Statement/Circular shall include the Parent Board Recommendation and a statement that each director and senior officer of Parent intends to vote all of their Parent Shares and, as may be applicable, any other Parent Shares in favor of the Parent Resolution and any other resolution presented at the Parent Shareholder Meeting required to give effect to this Agreement and the Merger.

(b) Each party shall promptly advise the other party after receipt thereof of any comments (written or oral) received by such party with respect to the Proxy Statement/Circular received from the SEC, the Exchange or any of the Canadian Securities Regulators or any other Governmental Authority or their respective staff for amendments or supplements to the Proxy Statement/Circular or for additional information and shall supply each other with copies of all material correspondence between it or any of its Representatives, on the one hand, and the SEC, the Exchange or any of the Canadian Securities Regulators or any other Governmental Authority or their respective staff, on the other hand, with respect to the Proxy Statement/Circular. Each party shall use reasonable best efforts to respond promptly to any comments of the SEC, the Exchange or any of the Canadian Securities Regulators or any other Governmental Authority or their respective staff with respect to the Proxy Statement/Circular; provided, that each party will provide the other party with a reasonable opportunity to participate in preparing any proposed response by such party to any such comments.

(c) Parent shall use its reasonable best efforts to ensure that the Proxy Statement/Circular complies in all material respects with applicable Laws, the rules and regulations of the SEC and Canadian Securities Regulators or any other Governmental Authority applicable thereto, and the rules and regulations of the Exchange, and each party shall make available to the other party such information as is reasonably necessary to comply therewith, including with respect to the preparation and inclusion of any required pro forma or audited financial information.

(d) If, at any time prior to the Parent Shareholder Meeting, any information relating to any of the parties or their respective Affiliates, officers or directors is discovered by any party, and either party reasonably believes that such information is required to be or should be set forth in an amendment or supplement to the Proxy Statement/Circular so that the Proxy Statement/Circular would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party that discovers such information shall promptly notify the other party and, to the extent required by applicable Law or the rules and regulations of the SEC or any relevant Canadian Securities Regulators, an appropriate amendment or supplement describing such information, Parent shall cause to be promptly filed with the SEC and Canadian Securities Regulators (or, if applicable, any other Governmental Authority) and, to the extent required by Law, disseminated to the shareholders of Parent, provided that the delivery of such notice and the filing of any such amendment or supplement shall not affect or be deemed to modify any representation or warranty made by any party or otherwise affect the remedies available hereunder to any party.

(e) Parent shall use commercially reasonable efforts to obtain approval of the Exchange, including providing or submitting on a timely basis all documentation and information that is reasonably required or advisable in connection with obtaining such approvals and the Company shall provide such assistance as may be reasonably required in connection therewith. Upon reasonable request of Parent, the Company will cause its directors and executive officers who are required or requested by a Governmental Authority to deliver personal information forms under the rules of the SEC or the Exchange to complete and deliver such forms in a timely manner.

(f) Parent shall keep the Company reasonably apprised of the status of obtaining the approvals of the Exchange, SEC and Canadian Securities Regulators, and of filings with the Exchange, SEC and Canadian Securities Regulators related to, and the date and status of, the Parent Shareholder Meeting.

(g) Subject to the terms of this Agreement, following the date on which the SEC clears the Proxy Statement/Circular, Parent shall give notice of, convene and conduct a special meeting of shareholders of Parent to be called and held for, among other things, the purpose of obtaining the Parent Shareholder Approval (the "**Parent Shareholder Meeting**") in accordance with Parent's notice of articles and articles, Exchange policies and applicable Securities Laws as soon as reasonably practicable. Thereafter, subject to the terms of this Agreement, Parent shall use reasonable best efforts to solicit proxies in favor of the Parent Shareholder Approval and against any resolution submitted by a shareholder of Parent that is inconsistent with the Parent Resolution and the completion of the transactions contemplated by this Agreement and take all other actions reasonably necessary to obtain the Parent Shareholder Approval and all other matters to be brought before the Parent Shareholder Meeting intended to facilitate and complete the transactions contemplated by this Agreement.

(h) Notwithstanding the foregoing, the shareholders of Parent may authorize and approve the Parent Shareholder Approval by written consent in lieu of holding the Parent Shareholder Meeting in accordance with the rules and policies of the Exchange; however, should Parent obtain approval of the Parent Shareholder Approval by written consent of fewer than all shareholders entitled to vote on the Parent Shareholder Approval, Parent shall comply with applicable Securities Laws requiring the preparation and filing of an information statement related to the approval of the Parent Shareholder Approval, including any requirement to file a preliminary information statement related to the approval of the Parent Shareholder Approval.

(i) Without limitation of any of the foregoing, the Company shall cooperate with Parent as reasonably required for Parent to comply with its obligations under this Section 5.14, including by providing all necessary information in connection with obtaining the Parent Shareholder Approval. Notwithstanding anything to the contrary and for the avoidance of doubt, for purposes of this Section 5.14, the terms "party" and "parties" shall not include the Stockholder Representative.

Section 5.15. Further Assurances. At and after the Effective Time, the officers and directors of the Surviving Corporation shall be authorized to execute and deliver, in the name and behalf of the Company or Merger Sub, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of the Surviving Corporation, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets of the Company acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

Section 5.16. Takeover Statutes. If any state antitakeover statute, "moratorium," "control share acquisition," "business combination," "fair price" or similar statute or regulation (collectively, "Takeover Laws") is or may become applicable to the transactions contemplated by this Agreement, the Company and its Affiliates shall use reasonable best efforts to (a) grant such approvals and take all such actions as are legally permissible so that the transactions contemplated hereby may be consummated as promptly as practicable on the terms contemplated hereby and (b) otherwise act to eliminate or minimize the effects of any Takeover Laws on the transactions contemplated hereby.

Section 5.17. Disclosure Schedules Updates.

(a) Without limiting Section 5.06, from and after the date of this Agreement until the Closing Date, the Company may prepare and deliver to Parent supplements or amendments to the Disclosure Schedules (which may contain additional disclosures that are not in existence as of the date hereof relating to any of the provisions contained in Article III, such supplement, amendment or new Disclosure Schedule being referred to as a "**Company Update**"), with respect to matters (i) first arising or of which the Company first obtains knowledge after the date hereof, and (ii) which were not included in the Disclosure Schedules as of the date hereof, but were matters in the Ordinary Course of Business and are in an aggregate amount for all such Company Updates pursuant to this subsection (ii) not in excess of $150,000, and each such Company Update shall be deemed to be an amendment to this Agreement for all purposes hereof other than for purposes of the conditions set forth in Section 8.02(a); *provided* that a Company Update pursuant to subsection (ii) above shall be deemed to be an amendment to this Agreement for purposes of the conditions set forth in Section 8.02(a); *provided further* that, in the event that the disclosure of the facts, circumstances and events included in such Company Update relate to a fact, circumstance or event having (or which could reasonably have) an adverse effect on the Company Entities, or their business or operations, with respect to matters updated pursuant to subsection (i) above, in an aggregate amount in excess of $500,000 for all Company Updates, such Company Update shall not be deemed to be an amendment to this Agreement. Without limiting the foregoing, the Company shall use commercially reasonable efforts to provide prior to the Closing a schedule of the powers of attorney with respect to Taxes described in Section 3.22(k) that will remain in effect at the Closing.

(b) From and after the date of this Agreement until the Closing Date, Parent may prepare and deliver to the Company supplements or amendments to the Disclosure Schedules (which may contain additional disclosures that are not in existence as of the date hereof relating to any of the provisions contained in Article IV, such supplement, amendment or new Disclosure Schedule being referred to as a "**Parent Update**"), with respect to matters (i) first arising or of which Parent first obtains knowledge after the date hereof, and (ii) which were not included in the Disclosure Schedules as of the date hereof, but were matters in the Ordinary Course of Business and are in an aggregate amount for all such Parent Updates pursuant to this subsection (ii) not in excess of $150,000, and each such Parent Update shall be deemed to be an amendment to this Agreement for all purposes hereof other than for purposes of the conditions set forth in Section 8.03(a); *provided* that a Parent Update pursuant to subsection (ii) above shall be deemed to be an amendment to this Agreement for purposes of the conditions set forth in Section 8.03(a); *provided further* that, in the event that the disclosure of the facts, circumstances and events included in such Parent Update relate to a fact, circumstance or event having (or which could reasonably have) an adverse effect on Parent or Merger Sub, or their business or operations, with respect to matters updated pursuant to subsection (i) above, in an aggregate amount in excess of $500,000 for all Parent Updates, such Parent Update shall not be deemed to be an amendment to this Agreement.

Section 5.18. Arches Covenants.

(a) From the date hereof until the Closing, the Company shall retain all of, and not sell, assign, transfer, convey or deliver any of, its rights, title, and interest in and to all of the capital stock or other equity interests owned beneficially or of record by the Company in Arches as of the date hereof (the "**Arches Equity**"), or permit or suffer any Encumbrance upon such Arches Equity, such that, at the Closing, the Merger shall effectively deliver and convey to, and vest in, Parent, directly or indirectly, the full right, title, and interest in and to such Arches Equity free and clear of any Encumbrances (other than restrictions on transfer arising under federal or state securities Laws).

(b) From the date hereof until the Closing, Arches shall not, and the Company shall not permit Arches to, incur any Indebtedness for borrowed money other than the Intercompany Indebtedness.

(c) From the date hereof until the Closing, Arches shall not, and the Company shall not permit Arches to, (i) make any dividend or other distribution of Cash to Arches' stockholders or other equity holders, (ii) use or expend Cash other than in the Ordinary Course of Business, or (iii) use or expend the proceeds of any Intercompany Indebtedness other than to fund cash shortfalls in the Ordinary Course of Business.

Section 5.19. Payment of Intercompany Indebtedness. In the event that this Agreement is terminated pursuant to its terms or the Closing does not occur for any reason, the Company shall, or shall cause Arches to, promptly pay back any amounts of Intercompany Indebtedness if Parent or any its Affiliates is the lender for such Intercompany Indebtedness.

ARTICLE VI.
TAX MATTERS

Section 6.01. Tax Covenants and Transfer Taxes.

(a) Without the prior written consent of Parent (such consent not to be unreasonably withheld, conditioned or delayed), and except as set forth on Section 6.01 of the Disclosure Schedules, prior to the Closing, the Company Entities shall not make, change or rescind any Tax election, amend any Tax Return, or take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the Tax liability or reducing any Tax asset of Parent or the Surviving Corporation in respect of any Post-Closing Tax Period, in each case, outside the Ordinary Course of Business and without departure from the Company's (or the applicable Company Entity's) historic practices and except as required by applicable Law.

(b) All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest and any real property transfer Tax and any other similar Tax) incurred in connection with this Agreement and the Ancillary Documents and the transactions contemplated hereby and thereby, shall be borne and paid equally by Parent or the Surviving Corporation, on the one hand, and the Stockholders (in accordance with their Pro Rata Shares), on the other hand, when due. The Company and Stockholders shall reasonably cooperate with Parent in connection with the filing of any Tax Returns with respect thereto as necessary.

Section 6.02. Termination of Existing Tax Sharing Agreements. Any and all existing Tax sharing agreements (whether written or not) binding upon the Company Entities shall be terminated as of the Closing Date. After such date none of the Company Entities nor any of their Representatives shall have any further rights or liabilities thereunder.

Section 6.03. Tax Indemnification. Subject to Section 9.04(c) and excluding all Excluded Taxes, Stockholders shall, severally and not jointly (in accordance with their Pro Rata Shares), indemnify the Parent Indemnitees and hold them harmless from and against (a) all Taxes required to be withheld by the Company as a result of the distributions or other payments contemplated by Section 2.02(b) hereof; (b) all Taxes of any Company Entity for all Pre-Closing Tax Periods (including any income Taxes attributable to 280E which are, in the aggregate, in excess of the 280E Tax Reserve without duplication thereof, but subject, without duplication, to Section 6.10); (c) all Taxes of any member of an affiliated, consolidated, combined or unitary group of which such Company Entity (or any predecessor of such Company Entity) is or was a member on or prior to the Closing Date by reason of a liability under Treasury Regulation Section 1.1502-6 or any comparable provisions of foreign, state or local Law; (d) any and all Taxes of any person imposed on any Company Entity arising under the principles of transferee or successor liability or by contract, in each case relating to an event or transaction occurring before the Closing Date; and (e) all Taxes resulting from the Company's failure to deliver the certificate and required notice, properly completed and executed, as contemplated by Section 2.03(a)(vi) hereof (collectively, "**Indemnified Taxes**"). In each of the above cases, the term "Taxes" shall include Losses arising from or relating to such Taxes including the non-payment thereof. Further, in each of the above cases, at the election of the Stockholder Representative for and on behalf of the Stockholders, within ten (10) Business Days after payment of such Indemnified Taxes by Parent or its Affiliates, Stockholder Representative shall either: (A) direct Parent or the Surviving Corporation to release to Parent, from the Stockholder Representative Expense Fund, an amount of cash equal to such Indemnified Taxes that are the responsibility of the Stockholders pursuant to this Section 6.03, with any excess of the amount of Indemnified Taxes over the amount of such release from the Stockholder Representative Expense Fund to be paid, at the election of Stockholder Representative, by (I) directing the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole number) equal to the quotient of (1) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (2)) of the excess Indemnified Taxes, divided by (2) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange, as reported by Bloomberg Finance L.P., or (II) Stockholders to Parent in cash in immediately available funds in the amount of their respective Pro Rata Shares thereof, severally and not jointly; or (B) direct the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole number) in an amount of such Indemnified Taxes equal to the quotient of (I) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (II)) of such Indemnified Taxes, divided by (II) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange, as reported by Bloomberg Finance L.P.; provided, that (i) if the Stockholder Representative elects cash payment under the foregoing clause (A)(II), and any Stockholder does not pay any such excess Indemnified Taxes owed pursuant thereto within 30 days thereafter, such Stockholder shall, at the option of Parent, have such amounts settled in Escrow Shares pursuant to the foregoing clause (A)(I) (or if the Escrow Shares are not sufficient, in accordance with the following clause (ii)), and (ii) in the event the Stockholder Representative chooses settlement in Escrow Shares pursuant to the foregoing clauses (A)(I) or (B) but the amount of Indemnified Taxes (or amount of excess Indemnified Taxes, in the case of the foregoing clause (A)(I)) are in excess of the Escrow Shares, the Stockholders shall transfer to Parent a number of Parent Shares (rounded up to the nearest whole share) equal to the quotient of (I) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (II)) of such remaining excess Indemnified Taxes, divided by (II) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange), as reported by Bloomberg Finance L.P., in accordance with their respective Pro Rata Shares, severally and not jointly. Notwithstanding the foregoing, any claim for indemnification by the Parent Indemnitees pursuant to Section 6.03 for Indemnified Taxes, Section 9.02(a) for any breach of a representation contained in Section 3.22, or Section 9.02(b) for any breach of a covenant, undertaking, agreement or obligation contained in this Article VI, in each case, other than those arising out of or related to 280E for Pre-Closing Tax Periods, to the extent asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the Indemnified Party to the Indemnifying Party on or prior to the applicable expiration date of the applicable survival period shall not thereafter be barred by the expiration of such survival period and such claims shall survive until finally resolved.

Section 6.04. Tax Returns.

(a) The Company Entities shall prepare and timely file, or cause to be prepared and timely filed, at the Company Entities' expense, all Tax Returns required to be filed by the Company Entities that are due on or before the Closing Date (taking into account any extensions), and shall timely pay all Taxes that are shown as due and payable on such Tax Returns. Any such Tax Return shall be prepared in a manner consistent with past practice of the Company Entities (unless otherwise required by Law). The Company Entities shall submit to Parent any income Tax Return (together with schedules, statements and, to the extent requested by Parent, supporting documentation) at least 30 days prior to the due date (including extensions) of such Tax Return for Parent's review and comment, and the Company Entities shall consider in good faith such changes as are reasonably requested by Parent.

(b) For U.S. federal and applicable state and local income tax purposes, as a result of the Merger, the taxable year of the Company shall end on the Closing Date and the Company shall become a member of the consolidated group of which Parent is the common parent beginning on the date following the Closing Date. Parent shall, at its expense, prepare and timely file, or cause to be prepared and timely filed, all Tax Returns required to be filed by the Company Entities that are due after the Closing Date with respect to a Pre-Closing Tax Periods. Any such Tax Return shall be prepared in a manner consistent with past practice of the Company Entities (unless otherwise required by Law, except Parent shall file all such income Tax Returns in a manner consistent with the Company Entities' position with respect to the inapplicability of 280E to such Company Entities as provided on the Company's amended federal income Tax Returns for taxable years 2020 through 2023; provided that Parent shall not be obligated to file such income Tax Returns in such manner if, after the date of this Agreement, there is a subsequent change in applicable Tax law or regulation or the interpretation thereof by official IRS guidance, or a judicial decision published by a United States federal court, including the United States Tax Court (for the avoidance of doubt, disregarding any dicta or footnotes in any such decision), in each case, that materially and adversely affects the basis for such position), and, if it is an income or other material Tax Return, shall be submitted by Parent to Stockholder Representative (together with schedules, statements and, to the extent requested by Stockholder Representative, supporting documentation) at least 30 days prior to the due date (including extensions) of such Tax Return for Stockholder Representative's review and comment. Parent shall consider Stockholder Representative's comments in good faith. The parties agree to treat any Transaction Tax Deductions as deductible in the Pre-Closing Tax Period ending on the Closing Date to the extent supported by a "more likely than not" or higher reporting basis. The parties shall cooperate in good faith to resolve any dispute regarding all such Tax Returns, and to the extent Parent and Stockholder Representative are unable to resolve all disputes with respect to any such Tax Return, such items remaining in dispute shall be submitted to the Independent Accountant for resolution in accordance with the provisions of Section 2.17(c)(iii)-(v). The preparation and filing of any Tax Return of the Company that does not relate in whole or in part to a Pre-Closing Tax Period shall be exclusively within the control of Parent. Within ten (10) Business Days after payment by Parent of Taxes due with respect to the filing of any such Tax Return that relates to Pre-Closing Tax Periods, Stockholder Representative shall cause to be paid or released to Parent the amount of Taxes shown as due on such Tax Return that are attributable to a Pre-Closing Tax Period (to the extent such Taxes due are not Excluded Taxes) in a manner consistent with the payment of any indemnifiable amounts owed to Parent under Section 6.03.

Section 6.05. Straddle Period. In the case of Taxes that are payable with respect to a taxable period that begins on or before the Closing Date and ends after the Closing Date (each such period, a "**Straddle Period**"), the portion of any such Taxes that are allocable to the portion of such Straddle Period ending on the Closing Date for purposes of this Agreement shall be:

(a) in the case of Taxes (i) based upon, or related to, income, receipts, profits, wages, capital or net worth, (ii) imposed in connection with the sale, transfer or assignment of property, or (iii) required to be withheld, deemed equal to the amount which would be payable if the taxable year ended with the Closing Date; provided that any transactions or events undertaken, or caused to be undertaken, by Parent that are outside the Ordinary Course of Business and occur after the Closing on the Closing Date (other than any transactions or events taken pursuant to this Agreement) will be treated for all purposes under this Agreement as occurring in the portion of the Straddle Period beginning after the Closing Date; and

(b) in the case of other Taxes, deemed to be the amount of such Taxes for the entire period multiplied by a fraction the numerator of which is the number of days in the period ending on the Closing Date and the denominator of which is the number of days in the entire period.

Section 6.06. Contests. Parent shall give prompt written notice to Stockholder Representative (and in all events, within thirty (30) calendar days of the receipt thereof) of the receipt of any written notice by the Surviving Corporation, Parent or any of Parent's Affiliates (including the other Company Entities), which involves the assertion of any claim, or the commencement of any Action relating to Taxes in respect of which an indemnification claim may be made by any Parent Indemnitee pursuant to this Agreement (a "**Tax Claim**"); provided, that the failure to comply with such notice provision shall not affect Parent's right to indemnification hereunder, except to the extent that the Stockholders are materially prejudiced thereby. Parent shall control the contest or resolution of any Tax Claim; provided, however, that (i) Parent shall provide Stockholder Representative copies of all written correspondence related to such Tax Claim and otherwise keep Stockholder Representative apprised of all material developments with respect to any Tax Claim, (ii) Parent shall obtain the prior written consent of Stockholder Representative (which consent shall not be unreasonably withheld, conditioned or delayed) before entering into any settlement of a claim or ceasing to defend such claim, and (iii) Stockholder Representative shall be entitled to participate in the defense of such claim and to employ counsel of its choice for such purpose, the fees and expenses of which separate counsel shall be borne solely by Stockholder Representative (on behalf of the Stockholders).

Section 6.07. Cooperation and Exchange of Information. The Company shall use its reasonable best efforts to provide Parent, prior to the Closing Date but effective as of the Closing Date, with customary representations and warranties in form and substance reasonably necessary or appropriate for Parent to comply with Section 2.22 hereof. The Stockholder Representative, the Surviving Corporation and Parent shall provide each other with such cooperation and information as either of them reasonably may request of the others in filing any Tax Return pursuant to this Article VI or in connection with any audit or other proceeding in respect of Taxes of the Company. Such cooperation and information shall include providing copies of relevant Tax Returns or portions thereof, together with accompanying schedules, related work papers and documents relating to rulings or other determinations by tax authorities. Each of Stockholder Representative, the Surviving Corporation and Parent shall retain all Tax Returns, schedules and work papers, records and other documents in its possession relating to Tax matters of the Company for any taxable period beginning before the Closing Date until the expiration of the statute of limitations of the taxable periods to which such Tax Returns and other documents relate, without regard to extensions except to the extent notified by any of the other parties in writing of such extensions for the respective Tax periods. Prior to transferring, destroying or discarding any Tax Returns, schedules and work papers, records and other documents in its possession relating to Tax matters of the Company for any taxable period beginning before the Closing Date, Stockholder Representative, the Surviving Corporation or Parent (as the case may be) shall provide the other parties with reasonable written notice and offer the other parties the opportunity to take custody of such materials.

Section 6.08. [Reserved].

Section 6.09. Section 280E of the Code. The parties acknowledge and agree that the Company Entities are engaged in the cannabis industry in the State of Utah, which includes, as applicable, the businesses of operating licensed cannabis dispensaries, which includes the retail and medical sale of cannabis, and the cultivation, distribution and manufacturing of cannabis, which is currently classified as a Schedule I controlled substance under Section 812 of the Controlled Substances Act. As a result, for U.S. federal income tax purposes, the Company Entities are currently subject to Section 280E of the Code ("**280E**").

Section 6.10. Survival; Limited 280E Survival. The provisions of this Article VI shall survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof) plus 60 days. Notwithstanding the preceding sentence or Section 9.01 to the extent related to the survival period for representations in Section 3.22, any claim for indemnification by the Parent Indemnitees pursuant to Section 6.03 for Indemnified Taxes or Section 9.02(a) for any breach of a representation contained in Section 3.22, in each case, arising out of or related to 280E for Pre-Closing Tax Periods in excess of the 280E Tax Reserve, shall be made on or prior to the date that is three (3) years from the Closing Date; provided, that any such claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the Indemnified Party to the Indemnifying Party on or prior to such three-year anniversary shall not thereafter be barred by the expiration of the relevant survival period and such claims shall survive until finally resolved.

Section 6.11. Precedence. Notwithstanding anything to the contrary in this Agreement, Section 6.06 shall govern with respect to Tax Claims and, to the extent that any obligation or responsibility pursuant to Article IX may conflict with an obligation or responsibility pursuant to this Article VI, the provisions of this Article VI shall govern.

Section 6.12. Refunds. All refunds of Taxes of a Company Entity attributable to any Tax Return filed by or with respect to a Company Entity for a Pre-Closing Tax Period (net of any documented, out-of- pocket expenses of Parent or its Affiliates (including the Surviving Corporation) reasonably incurred to obtain such refund and net of any portion of such Tax refund that is attributable (as determined on a with and without basis) to the carryback of a Tax attribute (including a net operating loss, net capital loss, foreign tax credit, or research and development credit) arising in a Post-Closing Tax Period) (a "**Pre-Closing Tax Refund**"), shall be the property of Stockholders. Promptly upon receipt of any Pre-Closing Tax Refund (other than a 280E Pre-Closing Tax Refund), and in no event later than ten (10) Business Days after such receipt by Parent or its Affiliates (including the Company Entities), Parent shall, at its sole option, pay the amount of such Pre-Closing Tax Refund to Stockholders in accordance with their respective Pro Rata Shares by (x) wire transfer of immediately available funds, or (y) issuance of Parent Shares (rounded up to the nearest whole number) equal to the quotient of (A) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (B)) of the Pre-Closing Tax Refund, divided by (B) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such issuance on the Exchange, as reported by Bloomberg Finance L.P.; provided that, for any such refund, if at the time such Pre-Closing Tax Refund would otherwise be payable to Stockholders pursuant to this Section 6.12, without limiting the applicability of any survival periods or other limitations on Stockholders' indemnification obligations pursuant to Section 6.03 or Article IX, it has been agreed or finally adjudicated that Parent Indemnitee is entitled to indemnification for a Loss under Section 6.03 or Article IX, Parent may retain such Pre-Closing Tax Refund, or a portion thereof, in the amount of such Loss, and Stockholders' indemnification obligations under Section 6.03 and Article IX with respect to such Loss shall be reduced by the amount of such Pre- Closing Tax Refund retained pursuant to this Section 6.12. The amount of any Pre-Closing Tax Refund arising from any 280E Liability due to Stockholders under this Section 6.12, including any such Pre-Closing Tax Refund arising from the Company's filing of amended federal income Tax Returns for any Pre-Closing Period (a "**280E Pre-Closing Tax Refund**"), shall be retained and held by the Surviving Corporation until the expiration of the statute of limitations for an audit, review or other examination of such Tax Return underlying such 280E Pre-Closing Tax Refund by the applicable Governmental Authority (or the conclusion of any such audit, review or examination) (each, a "**Refund Holding Period**"), at which time the amount of such 280E Pre-Closing Tax Refund, less any 280E Liability determined to be payable in connection with such 280E Pre-Closing Tax Refund, taking into account any then-remaining 280E Tax Reserve and any other cash reserve specifically designated as being a reserve solely for unpaid Taxes (excluding the 280E Tax Reserve), or other amounts payable in connection with any such audit, review or examination (the "**Net Pre-Closing Tax Refund**"), shall be (a) applied to the calculation and determination of the Earnout Amount and Forfeiture Amount and permanently retained by Parent and its Affiliates, or (b) to the extent that the Earnout Amount and Forfeiture Amount have previously been calculated and determined, paid not later than ten (10) Business Days after the expiration of the Refund Holding Period, by Parent to Stockholders in accordance with their respective Pro Rata Shares of the Net Pre-Closing Tax Refund by either, at Parent's sole option, (x) wire transfer of immediately available funds, or (y) issuance of Parent Shares (rounded up to the nearest whole number) equal to the quotient of (A) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (B)) of the Net Pre-Closing Tax Refund, divided by (B) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such issuance on the Exchange, as reported by Bloomberg Finance L.P.

Section 6.13. Prohibited Actions. Without the prior written consent of the Stockholder Representative (which shall not be unreasonably withheld, conditioned, or delayed), following the Closing, Parent and its Affiliates (including the Surviving Corporation) shall not (i) amend any previously filed Tax Return of a Company Entity or waive or extend any statute of limitations period in respect of any Tax or Tax Return of the Company Entities for any Pre-Closing Tax Period, (ii) make or change any Tax election of a Company Entity that would have the effect of increasing Taxes owed by a Company Entity for a Pre- Closing Tax Period, (iii) initiate discussions or examinations (including any voluntary disclosure proceedings) with any taxing authority regarding Taxes or Tax Returns of the Company Entities with respect to Pre-Closing Tax Periods, or (iv) cause the Company Entities to enter into any transaction or take any action on the Closing Date outside of the Ordinary Course of Business that results in Taxes that would be borne by the Stockholders pursuant to this Agreement. Parent and its affiliates shall not make any election under Section 338 of the Code with respect to the transactions contemplated by this Agreement.

Section 6.14. Cash Limitation. Notwithstanding anything to the contrary in this Agreement, the total amount of any and all cash consideration payable by Parent to or for the benefit of the Stockholders in connection with the Merger (including pursuant to Sections 2.17(d), 2.19, 6.12, and any cash payments by Parent in respect of the Dissenting Shares, if any) shall at no time exceed 19% of the fair market value of the Closing Share Payment (determined in accordance with Treasury Regulations Section 1.368-1(e)) and all other Parent Shares actually issued to the Stockholders as additional consideration in the Merger.

ARTICLE VII.
[RESERVED]

ARTICLE VIII.
CONDITIONS TO CLOSING

Section 8.01. Conditions to Obligations of All Parties. The obligations of each party to consummate the Merger and the other transactions contemplated by this Agreement shall be subject to the fulfillment (or waiver, to the extent permitted by Law), at or prior to the Closing, of each of the following conditions:

(a) The Requisite Company Vote shall have been obtained and shall be valid and in full force and effect.

(b) Parent Shareholder Approval shall have been obtained and shall be valid and in full force and effect.

(c) Filings of Parent and the Company pursuant to the HSR Act if any, shall have been made and the applicable waiting period and any extensions thereof shall have expired or been terminated.

(d) No Governmental Authority of competent jurisdiction shall have commenced, and not terminated or withdrawn, any Action against Parent, Merger Sub or the Company for the purpose of obtaining any Governmental Order that would have the effect of making the consummation of the Merger or the other transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(e) No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Governmental Order after the date of this Agreement, and no Law shall have been enacted or promulgated after the date of this Agreement, in each case, which is in effect and has the effect of making the consummation of the Merger or the other transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof, other than Federal Cannabis Laws.

(f) Parent shall have closed an equity investment in Parent from various investors in an aggregate amount at least equal to $75 million.

(g) The Company or Parent, as applicable, shall have received the Regulatory Consents, and Parent shall have received all required consents, authorizations, orders and approvals from the Governmental Authorities with respect to Parent Cannabis Laws and the Utah Cannabis Laws referred to in Section 4.02, in each case, in form and substance reasonably satisfactory to the other party, and no such consent, authorization, order and approval shall have been revoked.

Section 8.02. Conditions to Obligations of Parent and Merger Sub. The obligations of Parent and Merger Sub to consummate the Merger and the other transactions contemplated by this Agreement shall be subject to the fulfillment (or Parent's waiver, to the extent permitted by Law), at or prior to the Closing, of each of the following additional conditions:

(a) Other than the representations and warranties of the Company contained in Section 3.01, Section 3.02, Section 3.04, Section 3.06 and Section 3.25, the representations and warranties of the Company contained in this Agreement shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and, subject to Section 5.17(a)(ii), on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date shall be so true and correct as of such date). The representations and warranties of the Company contained in Section 3.01, Section 3.02, Section 3.04, Section 3.06 and Section 3.25 shall be true and correct in all respects (other than de minimis inaccuracy) on and as of the date hereof and, subject to Section 5.17(a)(ii), on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date).

(b) The Company shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the Ancillary Documents to be performed or complied with by it prior to or on the Closing Date; provided, that, with respect to agreements, covenants and conditions that are qualified by materiality, the Company shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

(c) The Company licenses set forth on Section 8.02(c) of the Disclosure Schedules shall each be valid and in full force and effect, with no violations having been experienced, noted or recorded, which violations have not been cured to the satisfaction of Parent in its sole discretion as of the Closing Date, and no Proceeding pending or threatened to revoke or limit such licenses on the Closing Date.

(d) The Requisite Company Vote and Company Board Recommendation shall have been received, and executed counterparts thereof shall have been delivered to Parent at or prior to the Closing.

(e) From the date of this Agreement, there shall not have occurred any Material Adverse Effect, 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.

(f) The Company shall have delivered each of the closing deliverables set forth in Section 2.03(a).

(g) No holders of any outstanding shares of Company Stock as of immediately prior to the Effective Time shall have exercised, or remain entitled to exercise, statutory appraisal rights pursuant to the DGCL with respect to such shares of Company Stock.

(h) The Company Entities shall have Cash in an amount not less than the Minimum Cash Amount.

(i) The Exchange Approval shall have been received.

(j) The Company shall have delivered to Parent (or the Exchange Agent if applicable) a Letter of Transmittal properly completed and duly executed by each Stockholder (other than any Dissenting Stockholders) with respect to all the Shares and delivered to Parent Written Consents contemplated by Section 5.5(b).

(k) The Company Incentive Plan shall have been terminated.

(l) The Third-Party Consents shall have been received in form and substance reasonably satisfactory to Parent, and no such consent, authorization, order and approval shall have been revoked.

Section 8.03. Conditions to Obligations of the Company. The obligations of the Company to consummate the Merger and the other transactions contemplated by this Agreement shall be subject to the fulfillment (or the Company's waiver, to the extent permitted by Law), at or prior to the Closing, of each of the following additional conditions:

(a) Other than the representations and warranties of Parent and Merger Sub contained in Section 4.01, Section 4.04 and Section 4.07, the representations and warranties of Parent and Merger Sub contained in this Agreement shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and, subject to Section 5.17(b)(ii), on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be so true and correct as of such date). The representations and warranties of Parent and Merger Sub contained in Section 4.01, Section 4.04 and Section 4.07 shall be true and correct in all respects (other than de minimis inaccuracy) on and as of the date hereof and, subject to Section 5.17(b)(ii), on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be so true and correct as of such date).

(b) Parent and Merger Sub shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the Ancillary Documents to be performed or complied with by them prior to or on the Closing Date; provided, that, with respect to agreements, covenants and conditions that are qualified by materiality, Parent and Merger Sub shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

(c) Parent shall have delivered each of the closing deliverables set forth in Section 2.03(b).

(d) From the date of this Agreement, there shall not have occurred a Parent Material Adverse Effect.

(e) John Mazarakis shall have been appointed by the board of directors of Parent as, and shall be serving as of Closing as, Chief Executive Officer and Co-Executive Chairman of Parent.

(f) Upon the closing of the transactions contemplated by this Agreement, Parent shall be, and will continue to be, treated as a United States domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Code.

ARTICLE IX.
INDEMNIFICATION

Section 9.01. Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing until the date that is 12 months from the Closing Date; provided, that the representations and warranties in Section 3.01, Section 3.02, Section 3.03, Section 3.04, Section 3.22, Section 3.25, Section 4.01, Section 4.02, Section 4.04, Section 4.07 and Section 4.12 (collectively, the "**Fundamental Representations**") shall survive Closing until the expiration of the applicable statute of limitations plus 60 days, except as expressly otherwise set forth in Section 6.10. All covenants and agreements of the parties contained herein (other than any covenants or agreements contained in Article VI which are subject to the survival periods specified in Article VI) shall survive the Closing indefinitely or for the period explicitly specified therein; provided, that the covenant with respect to indemnification for Closing Indebtedness set forth in Section 9.02(g) shall survive the Closing for twenty-four (24) months. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the Indemnified Party to the Indemnifying Party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation, warranty or covenant and such claims shall survive until finally resolved.

Section 9.02. Indemnification By Stockholders. From and after the Closing, subject to the other terms and conditions of this Article IX, the Stockholders, severally and not jointly (in accordance with their Pro Rata Shares, provided that, notwithstanding anything to the contrary set forth herein or in any Ancillary Document, for all breaches or defaults of any individual Stockholder's representations, warranties, covenants or agreements, the indemnification obligations of each Stockholder to the Parent Indemnitees shall be specific to such Stockholder in breach or default of any such representations, warranties, covenants or agreements), shall indemnify and defend each of Parent and its Affiliates (including the Company Entities) and their respective Representatives (collectively, the "**Parent Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Parent Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of the Company contained in this Agreement or in any certificate or instrument delivered by or on behalf of the Company, the Stockholder Representative or any Stockholder pursuant to this Agreement;

(b) any breach, violation or non-fulfillment of any covenant, agreement or obligation to be performed by the Company Entities (if before or at the Closing), the Stockholder Representative (if after the Closing), or any Stockholder pursuant to this Agreement or in any certificate or instrument delivered by or on behalf of the Company, the Stockholder Representative or any Stockholder pursuant to this Agreement;

(c) any claim made by any Stockholder relating to such Person's rights with respect to the Total Merger Consideration, or the calculations and determinations set forth on the Consideration Spreadsheet (and any allocations in respect thereof);

(d) any claims of any Stockholder under the Stockholders Agreement or any claims of any Stockholder that the appointment of the Stockholder Representative, or any indemnification or other obligations of such Stockholder under this Agreement or any Ancillary Document, is or was not enforceable against such Stockholder;

(e) any amounts paid to the holders of Dissenting Shares, including any interest required to be paid thereon, that are in excess of what such holders would have received hereunder had such holders not been holders of Dissenting Shares, plus any reasonable expenses incurred by the Parent Indemnitees arising out of the exercise of such appraisal or dissenters' rights;

(f) any amounts paid or required to be paid by Parent or any of its Affiliates (including the Surviving Corporation) pursuant to Section 5.09; or

(g) any Transaction Expenses or Closing Indebtedness to the extent not paid or satisfied by the Company at or prior to the Closing, or if paid by Parent or Merger Sub at or prior to the Closing, to the extent not deducted in the determination of Closing Merger Consideration.

Section 9.03. Indemnification By Parent. From and after the Closing, subject to the other terms and conditions of this Article IX, Parent shall indemnify and defend each of the Stockholders and their Affiliates and their respective Representatives (collectively, the "**Stockholder Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Stockholder Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of Parent and Merger Sub contained in this Agreement or in any certificate or instrument delivered by or on behalf of Parent or Merger Sub pursuant to this Agreement; or

(b) any breach, violation or non-fulfillment of any covenant, agreement or obligation to be performed by Parent or Merger Sub pursuant to this Agreement.

Section 9.04. Certain Limitations. The indemnification provided for in Section 9.02 and Section 9.03 (and, with respect to Section 9.04(c), Section 6.03) shall be subject to the following limitations and additional provisions:

(a) Except as set forth in Section 9.04(c), Stockholders shall not be liable to the Parent Indemnitees for indemnification under Section 9.02(a) until the aggregate amount of all Losses in respect of indemnification under Section 9.02(a) exceeds an amount equal to $339,422 (the "**Deductible**"), in which event Stockholders shall be required to pay or be liable for all such Losses in excess of the Deductible. Except as set forth in Section 9.04(c), the aggregate amount of all Losses for which Stockholders shall be liable pursuant to Section 9.02(a) shall not exceed $6,788,433 (the "**Cap**") (except for (i) any Losses related to any inaccuracy in or breach of any Fundamental Representations, which are subject to the limitation set forth in Section 9.04(c), and (ii) any Losses on the part of the Parent Indemnitee claiming indemnification hereunder resulting from Fraud, intentional misrepresentations and intentional misconduct, which shall not be subject to the Cap).

(b) Except as set forth in Section 9.04(c), Parent shall not be liable to the Stockholder Indemnitees for indemnification under Section 9.03(a) until the aggregate amount of all Losses in respect of indemnification under Section 9.03(a) exceeds the Deductible, in which event Parent shall be required to pay or be liable for all such Losses in excess of the Deductible. Except as set forth in Section 9.04(c), the aggregate amount of all Losses for which Parent shall be liable pursuant to Section 9.03(a) shall not exceed the Cap (except for any Losses on the part of a Stockholder Indemnitee claiming indemnification hereunder resulting from Fraud, intentional misrepresentations and intentional misconduct, which shall not be subject to the Cap).

(c) Notwithstanding anything to the contrary herein, (i) the limitations set forth in Section 9.04(a) and Section 9.04(b) shall not apply to Losses based upon, arising out of, with respect to or by reason of any inaccuracy in or breach of any Fundamental Representation, (ii) the aggregate amount of all Losses based upon, arising out of, with respect to or by reason of any inaccuracy in or breach of any Fundamental Representation, for which Stockholders shall be liable pursuant to Section 9.02(a), or for which Parent shall be liable pursuant to Section 9.03(a), shall not exceed one hundred percent (100%) of the Actual Closing Merger Consideration, (iii) in no event shall the Stockholders' liability pursuant to Article VI and this Article IX exceed the value (as if such amounts were all received as of Closing) of the Actual Closing Merger Consideration that the Stockholders actually receive, and (iv) in no event shall any Stockholder's liability pursuant to Article VI or this Article IX exceed the value (as if such amounts were all received as of Closing) of its Pro Rata Share of the Actual Closing Merger Consideration that such Stockholder actually received.

(d) Notwithstanding anything to the contrary elsewhere in this Agreement, for purposes of calculating the amount of any Losses with respect to any inaccuracy in or breach of any representation or warranty related to Arches, the amount of such Losses shall first be multiplied by the Company Percentage before determining what amounts are otherwise indemnifiable pursuant to Section 9.02, which resulting amounts shall remain subject to the other limitations set forth in this Section 9.04.

(e) For purposes of this Section 9.04, in determining the existence of an inaccuracy in or a breach of any representation or warranty and for purposes of calculating the amount of any Losses with respect to any inaccuracy in or breach of any representation or warranty, the amount of such Losses shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty.

(f) Any indemnification payment required under this Article IX shall be adjusted for the amount of any Losses that are actually recovered from any insurance proceeds (net of cost of enforcement and collection of insurance proceeds and deductibles and increases in insurance premiums) and any indemnity, contribution or similar payment received by the Indemnified Party in respect of any such Losses. Each party shall use commercially reasonable efforts to assert a claim where coverage for such claim may be available pursuant to applicable existing insurance policies; provided, that neither Parent Indemnitees nor Stockholder Indemnitees will have any obligation to have any claims under such insurance policies finally resolved prior to making a claim for indemnification hereunder.

(g) No party shall be entitled to (i) double recovery for any indemnifiable Losses even though such Losses may have resulted from the breach of more than one of the representations, warranties, agreements and covenants in this Agreement or (ii) recover any Losses with respect to Excluded Taxes or, without duplication, any amounts to the extent such amounts were treated as liabilities or were otherwise specifically taken into account in computing the Total Merger Consideration.

(h) Nothing in this Agreement is intended to limit any obligation under applicable Law with respect to mitigation of damages.

Section 9.05. Indemnification Procedures. The party making a claim under this Article IX (whether Parent or, collectively, the Stockholders is referred to as the "**Indemnified Party**"), and the party against whom such claims are asserted under this Article IX (whether Parent or, collectively, the Stockholders is referred to as the "**Indemnifying Party**"). For purposes of this Section 9.05, if the Stockholders, collectively, comprise the Indemnified Party or Indemnifying Party, then in each such case all references to such Indemnified Party or Indemnifying Party, as the case may be (except for provisions relating to an obligation to make or a right to receive any payments), shall be deemed to refer to the Stockholder Representative acting on behalf of such Indemnified Party or Indemnifying Party, as applicable.

(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 a Stockholder) 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, written notice shall promptly be given (but in any event not later than 30 calendar days after receipt of such notice of such Third Party Claim) to the Stockholder Representative if the Third Party Claim is being made or brought against a Parent Indemnitee, and to Parent if the Third Party Claim is being made or brought against a Stockholder Indemnitee. 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 or is otherwise adversely impacted thereby. 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 Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense; provided, that if the Indemnifying Party is a Stockholder, such Indemnifying Party shall not have the right to defend or direct the defense of any such Third Party Claim (w) for which the Indemnified Party has been reasonably advised by counsel that there exists a reasonable likelihood of a conflict of interest between the Indemnified Party and the Indemnifying Party, (x) that is asserted directly by or on behalf of a Person that is a supplier or customer of the Company Entities, (y) that seeks an injunction or other equitable relief against the Indemnified Parties or (z) that is with respect to a criminal action against the Indemnified Parties. In the event that the Indemnifying Party assumes the defense of any Third Party Claim, subject to Section 9.05(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party, provided, that if the Indemnified Party has been reasonably advised by counsel that (A) there are legal defenses available to an Indemnified Party that are different from or additional to those available to the Indemnifying Party; or (B) there exists a reasonable likelihood of a conflict of interest between the Indemnifying Party and the Indemnified Party, the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party determines counsel is required. If the Indemnifying Party elects not to (or is not permitted to, as set forth above) assume the defense of, compromise or defend such Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third Party Claim, the Indemnified Party may, subject to Section 9.05(b), pay, compromise, settle and defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. Stockholder Representative and Parent shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(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 will not be unreasonably withheld, conditioned or delayed). If the Indemnified Party has assumed the defense pursuant to Section 9.05(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed).

(c) **Direct Claims**. Any Action by an Indemnified Party on account of a 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 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 or is otherwise materially and adversely impacted thereby. 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 Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall reasonably assist the Indemnifying Party's investigation by giving such information and assistance as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30 day period, the Indemnifying Party shall be deemed to have accepted such claim.

Section 9.06. Setoff. Without limiting any other provision of this Article IX or any rights of setoff or other similar rights that an Indemnified Party may have at common law, (i) Parent will have the right to set-off, withhold and deduct, in accordance with this Section 9.06, from any payment of any Earn- Out Amount due to a Stockholder hereunder, such Stockholder's Pro Rata Share of any Losses determined, by final, non-appealable adjudication, to be owed by such Stockholder to a Parent Indemnitee pursuant to such Parent Indemnitee's right to indemnification set forth in Article VI or this Article IX (or to which the Stockholder Representative otherwise acknowledges is agreed to as an indemnifiable Loss, and Stockholder Representative will be deemed to agree to indemnifiable Losses in respect of any Third Party Claim for which Stockholder Representative has assumed the defense as an Indemnifying Party); provided that Parent may set-off, withhold and deduct from any Earn-Out Amount any Losses or other amounts actually paid by Parent, the Surviving Corporation, or any Parent Indemnitee to (a) a D&O Indemnified Party in respect of a D&O Claim (including any payments or reimbursements in respect of any such D&O Indemnified Party's fees or expenses in connection with any such D&O Claim) indemnifiable under Section 9.02(f) and (b) any Person in respect of any of the matters that are indemnifiable by the Stockholders as set forth in Section 9.02(c), (d) or (e), and the Stockholders and the Stockholder Representative will be deemed to accept the foregoing set-offs, withholdings, or deductions, set forth in (a) and (b) above, and no such set-off, withholding, or deduction set forth in (a) and (b) above shall be subject to any requirement to obtain a final, non-appealable adjudication (including as set forth in subsection (ii) of this sentence), in each case subject in all respects to the applicable limitations and other provisions set forth herein, including (as applicable), Section 5.09, Article VI and this Article IX, and (ii) with respect to any matters for which the foregoing clause (i) does not apply, to the extent that a Parent Indemnitee suffers Losses or incurs any other amounts to which a Parent Indemnitee reasonably believes such Parent Indemnitee is entitled to indemnification under Article VI or this Article IX, Parent shall be entitled to submit (on behalf of the Parent Indemnitee) a notice of such good faith claim (each, a "**Set-Off Claim**") thereof to Stockholder Representative. Any Set-Off Claim shall be resolved in accordance with the procedures set forth in Article VI or this Article IX, as applicable, depending on the nature of the underlying claim; provided that in the event that Parent is unable to resolve any timely objections made by the Stockholder Representative to such Set-Off Claim within thirty (30) days following the delivery of the notice of such Set-Off Claim, then Parent or the applicable Parent Indemnitee may seek judicial determination of such claim and upon a final, non- appealable determination of such Set-Off Claim (or upon agreement of the Stockholder Representative), may set-off, withhold, and deduct such finally determined Losses and other amounts against the Earn-Out Amount. For the avoidance of doubt, (a) Parent may hold back and delay the issuance and delivery of any Earn-Out Shares in respect of any Earn-Out Amount that is subject to a Set-Off Claim pending final determination thereof (or agreement of the Stockholder Representative) pursuant to subsection (ii) of the previous sentence, and (b) Parent shall issue and deliver to the applicable Stockholders any Earn-Out Shares in respect of any Earn-Out Amounts (i) that are not subject to a Set-Off Claim pursuant to and in accordance with the terms and conditions of this Agreement, and (ii) that are subject to a Set-Off Claim that are finally determined to be issuable to such Stockholders promptly following their final determination pursuant to subsection (ii) of the previous sentence.

Section 9.07. Payments; Recovery.

(a) Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this Article IX, the Indemnifying Party shall satisfy its obligations within 15 Business Days of such agreement or such final, non-appealable adjudication by the methods set forth in Section 9.07(b)). The parties hereto agree that should an Indemnifying Party not make full payment of any such obligations within such 15 Business Day period, any amount payable shall accrue interest from the expiration of such 15 Business Day period at a rate per annum equal to the lesser of (1) the Prime Rate then in effect plus two percent (2%) per annum, or (2) ten percent (10%) per annum. Such interest shall be non-compounding and calculated daily on the basis of a 365 day year and the actual number of days elapsed.

(b) Without limitation of Section 9.06, any Losses determined to be payable to a Parent Indemnitee pursuant to Article IX shall be satisfied, at the election of Stockholder Representative, as follows: Stockholder Representative shall (i) direct Parent or the Surviving Corporation to release to Parent, from the Stockholder Representative Expense Fund, the amount of such Losses, with any excess of the foregoing amounts over the amount of such release from the Stockholder Representative Expense Fund to be paid, at the election of Stockholder Representative, by (A) directing the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole share) equal to the quotient of (I) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (II)) of such amounts, divided by (II) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange), as reported by Bloomberg Finance L.P., or (B) Stockholders to Parent in cash in immediately available funds the amount of their respective Pro Rata Shares thereof, severally and not jointly, or (ii) direct the Escrow Agent to release to Parent an aggregate number of Escrow Shares (rounded up to the nearest whole share) equal to the quotient of (A) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (B)) of such amounts, divided by (B) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange), as reported by Bloomberg Finance L.P.; provided, that (x) if the Stockholder Representative elects cash payment under the foregoing clause (i)(B), and any Stockholder does not pay any such excess amounts owed pursuant thereto within 30 days thereafter, such Stockholder shall, at the option of Parent, have such amounts settled in Escrow Shares pursuant to the foregoing clause (i)(A) (or if the Escrow Shares are not sufficient, in accordance with the following clause (y)), and (y) in the event the Stockholder Representative chooses settlement in Escrow Shares pursuant to the foregoing clause (i)(A) or (ii) but the foregoing amounts are in excess of the Escrow Shares, the Stockholders shall transfer to Parent a number of Parent Shares (rounded up to the nearest whole share) equal to the quotient of (I) the Canadian dollar equivalent (based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during the period described in the following clause (II)) of such remaining excess, divided by (II) the 20-day volume weighted average price of the Parent Shares ending on the day prior to such release on the Exchange), as reported by Bloomberg Finance L.P., in accordance with their respective Pro Rata Shares, severally and not jointly.

Section 9.08. Tax Treatment of Indemnification Payments. To the extent permitted by applicable Law, the parties agree to treat all payments made under this Article IX, or under any other indemnity provision contained in this Agreement, as adjustments to the Total Merger Consideration for all Tax purposes.

Section 9.09. Effect of Investigation. The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Indemnified Party's waiver of any condition set forth in Section 8.02 or Section 8.03, as the case may be.

Section 9.10. Exclusive Remedies. Subject to Section 2.17, Section 2.19, Section 11.01, and Section 11.12, the parties acknowledge and agree that, from and after the Closing, their sole and exclusive remedy with respect to any and all claims (other than claims arising from Fraud, intentional misrepresentation or intentional misconduct on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the provisions set forth in Article VI and this Article IX. Nothing in this Section 9.10 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any party's Fraud, intentional misrepresentation or intentional misconduct.

ARTICLE X.
TERMINATION

Section 10.01. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of the Company and Parent;

(b) by Parent by written notice to the Company if:

(i) neither Parent nor Merger Sub is then in material breach of any provision of this Agreement such that the conditions specified in Section 8.03(a) or Section 8.03(b) would not be satisfied and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Company pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Section 8.02(a) or Section 8.02(b) and, to the extent curable, such breach, inaccuracy or failure has not been cured by the Company within 30 days of the Company's receipt of written notice of such breach from Parent;

(ii) the Closing shall not have occurred by February 28, 2026 (the "**Outside Closing Date**"); provided, that the right of Parent to terminate this Agreement under this Section 10.01(b)(ii) shall not be available to Parent if Parent's failure to perform or comply with any of its covenants or agreements hereof in any material respect has been the principal cause of or principally resulted in the failure of the Closing to have occurred on or before the Outside Closing Date;

(iii) (A) all of the conditions set forth in Section 8.01 and Section 8.03 have been satisfied (other than those conditions which by their terms or nature are to be satisfied at the Closing, but which are capable of being satisfied as of the date of termination of this Agreement pursuant to this Section 10.01(b)(iii)), (B) Parent has given irrevocable written notice to Company that all the conditions set forth in Section 8.02 have been satisfied or waived (other than those conditions which by their terms or nature are to be satisfied at the Closing, but which are capable of being satisfied as of the date of termination of this Agreement pursuant to this Section 10.01(b)(iii)) and it is ready, willing, and able to consummate the Closing, and (C) the Company has failed to consummate the transactions contemplated by this Agreement on or prior to the date which is two (2) Business Days following the date on which the Closing should have occurred pursuant to Section 2.02; or

(iv) within ten (10) Business Days following the execution and delivery of this Agreement by all of the parties hereto, the Company shall not have delivered to Parent a copy of the executed Written Consent evidencing receipt of the Requisite Company Vote.

(c) by the Company by written notice to Parent if:

(i) the Company is not then in material breach of any provision of this Agreement such that the conditions specified in Section 8.02(a) or Section 8.02(b) would not be satisfied and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Parent or Merger Sub pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Section 8.03(a) or Section 8.03(b) and, to the extent curable, such breach, inaccuracy or failure has not been cured by Parent or Merger Sub within 30 days of Parent's or Merger Sub's receipt of written notice of such breach from the Company;

(ii) the Closing shall not have occurred by the Outside Closing Date; provided, that the right of the Company to terminate this Agreement under this Section 10.01(c)(ii) shall not be available to the Company if the Company's failure to perform or comply with any of its covenants or agreements hereof in any material respect has been the principal cause of or principally resulted in the failure of the Closing to have occurred on or before the Outside Closing Date;

(iii) (A) all of the conditions set forth in Section 8.01 and Section 8.02 have been satisfied (other than those conditions which by their terms or nature are to be satisfied at the Closing, but which are capable of being satisfied as of the date of termination of this Agreement pursuant to this Section 10.01(c)(iii)), (B) the Company has given irrevocable written notice to Parent that all the conditions set forth in Section 8.03 have been satisfied or waived (other than those conditions which by their terms or nature are to be satisfied at the Closing, but which are capable of being satisfied as of the date of termination of this Agreement pursuant to this Section 10.01(c)(iii)) and it is ready, willing, and able to consummate the Closing, and (C) Parent has failed to consummate the transactions contemplated by this Agreement on or prior to the date which is two (2) Business Days following the date on which the Closing should have occurred pursuant to Section 2.02; or

(d) by Parent or the Company if:

(i) any Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Governmental Order after the date of this Agreement, or any Law shall have been enacted or promulgated after the date of this Agreement, in each case, which is in effect and has the effect of making the consummation of the Merger or the other transactions contemplated by this Agreement illegal (other than Federal Cannabis Laws), otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof, and in the case of a Governmental Order, such Governmental Order shall have become final and non-appealable; or

(ii) the Parent Shareholder Approval shall not have been obtained upon a vote taken thereon at the Parent Shareholder Meeting duly convened therefor or at any adjournment or postponement thereof at which a vote on the issuance of Parent Shares pursuant to this Agreement was taken.

Section 10.02. Effect of Termination. In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

(a) as set forth in this Article X, Section 5.03(b) and Article XI hereof, which shall survive such termination; and

(b) subject to Section 10.03, nothing in this Section 10.02 shall relieve any party hereto from liability or damages to the extent such liabilities or damages were the result of Fraud, intentional misconduct or intentional breach of such party of any of its representations, warranties, covenants or other agreements set forth in this Agreement prior to such termination.

Section 10.03. Fees Following Termination.

(a) If this Agreement is terminated by Parent pursuant to Section 10.01(b)(iii) or Section 10.01(b)(iv), then the Company shall pay to Parent (by wire transfer of immediately available funds), within five (5) Business Days after such termination, the Termination Fee, as Parent's sole and exclusive remedy; provided that, if (i) the Company violates its obligations of confidentiality pursuant to the Confidentiality Agreement, (ii) the Company violates its obligations under Section 5.04, or (iii) the Company or Stockholders otherwise commit Fraud or intentional misconduct (provided, that for purposes thereof, "intentional misconduct", with respect to a termination pursuant to Section 10.01(b)(iii), shall not include the failure by the Company to close as described in Section 10.01(b)(iii)), then, in addition to any Termination Fee to which Parent was otherwise entitled, Parent may also pursue all other available legal rights and remedies.

(b) If this Agreement is terminated by the Company pursuant to Section 10.01(c)(iii), then Parent shall pay to the Company (by wire transfer of immediately available funds), within five (5) Business Days after such termination, the Termination Fee as the Company's sole and exclusive remedy; provided that, if (i) Parent violates its obligations of confidentiality pursuant to the Confidentiality Agreement or (ii) Parent otherwise commits Fraud or intentional misconduct (provided, that for purposes thereof, "intentional misconduct", with respect to a termination pursuant to Section 10.01(c)(iii), shall not include the failure by Parent to close as described in Section 10.01(c)(iii), then, in addition to any Termination Fee to which the Company was otherwise entitled, the Company may also pursue all other available legal rights and remedies.

(c) If this Agreement is terminated by Parent for any reason other than as set forth in Section 10.03(a) and (i) the Company violated its obligations under Section 5.04 prior to the termination of this Agreement, and (ii) the Company proceeds to enter into a definitive agreement with respect to an Acquisition Proposal (or otherwise effects a transaction with respect to an Acquisition Proposal) with a third party within fifteen (15) months of the termination of this Agreement, then the Company shall pay Parent, the Termination Fee at the earlier of the entry of the definitive agreement with respect to an Acquisition Proposal or the consummation of a transaction with respect thereto.

(d) The parties acknowledge and hereby agree that: (i) the provisions of this Section 10.03 are an integral part of the transactions contemplated by this Agreement (including the Merger), and that, without such provisions, the parties would not have entered into this Agreement, (ii) it is difficult or impossible to quantify the damages suffered by the non-breaching party and its representatives as the result of a termination of this Agreement as set forth in this Section 10.03, (iii) the Termination Fee is in the nature of liquidated damages, and not a penalty, and is fair and reasonable, and (iv) the Termination Fee represents a reasonable estimate of fair compensation for the losses that may reasonably be anticipated from such termination. If the Company, on the one hand, or Parent and Merger Sub, on the other hand, shall fail to pay in a timely manner the amounts due pursuant to this Section 10.03, and, in order to obtain such payment, the other party makes a claim against the non-paying party that results in a judgment, the non-paying party shall pay to the other party the reasonable costs and expenses (including its reasonable attorneys' fees and expenses) incurred or accrued in connection with such suit. For avoidance of doubt, if a Termination Fee is payable under Section 10.03(c), such Termination Fee shall not be a limitation of the Company's liability with respect to Section 10.03(c).

ARTICLE XI.
MISCELLANEOUS

Section 11.01. Stockholder Representative.

(a) By approving this Agreement and the transactions contemplated hereby, by executing and delivering a Letter of Transmittal or the Stockholder Consent or Written Consent or by receiving the benefits under this Agreement, including any consideration payable hereunder, each Stockholder shall be deemed to have irrevocably authorized and appointed Stockholder Representative as of the Closing as such Person's agent, proxy, representative and attorney-in-fact to act on behalf of such Person and their successors and assigns for all purposes in connection with this Agreement and any related agreements, including to take any and all actions and make any decisions required or permitted to be taken by Stockholder Representative, in its sole judgment and as it may deem to be in the best interests of the Stockholders, pursuant to this Agreement, including the exercise of the power to:

(i) give and receive notices and communications;

(ii) direct Parent or the Surviving Corporation to deliver to Parent cash from the Stockholder Representative Expense Fund in satisfaction of any amounts owed to Parent pursuant to Section 2.17 or in satisfaction of claims for indemnification made by Parent or a Parent Indemnitee pursuant to Article VI and Article IX;

(iii) agree to, negotiate, enter into settlements and compromises of, and comply with orders or otherwise handle any other matters described in Section 2.17, Section 2.19, and Section 2.20;

(iv) agree to, negotiate, enter into settlements and compromises of, and comply with orders of courts with respect to claims for indemnification made by Parent or a Parent Indemnitee pursuant to Article VI and Article IX;

(v) litigate, arbitrate, resolve, settle or compromise any claim for indemnification pursuant to Article VI and Article IX;

(vi) execute and deliver all documents necessary or desirable to carry out the intent of this Agreement and any Ancillary Document;

(vii) make all elections or decisions contemplated by this Agreement and any Ancillary Document;

(viii) engage, employ or appoint any agents or representatives (including attorneys, accountants and consultants) to assist Stockholder Representative in complying with its duties and obligations; and

(ix) take all actions necessary or appropriate in the good faith judgment of Stockholder Representative for the accomplishment of the foregoing or any other matters related to or arising from this Agreement or any Ancillary Document.

After the Closing, Parent shall be entitled to deal exclusively with Stockholder Representative on all matters relating to this Agreement (including Article VI and Article IX but excluding matters regarding payment of any amounts owed directly by any Stockholder to Parent or any Parent Indemnitee) and shall be entitled to rely conclusively (without further evidence of any kind whatsoever) on any document executed or purported to be executed on behalf of any Stockholder by Stockholder Representative, and on any other action taken or purported to be taken on behalf of any Stockholder by Stockholder Representative, as being fully binding upon such Person. After the Closing, notices or communications to or from Stockholder Representative shall constitute notice to or from each of the Stockholders. Any decision or action by Stockholder Representative hereunder, including any agreement between Stockholder Representative and Parent relating to the defense, payment or settlement of any claims for indemnification hereunder, shall constitute a decision or action of all Stockholders and shall be final, binding and conclusive upon each such Person. No Stockholder shall have the right to object to, dissent from, protest or otherwise contest the same. The provisions of this Section, including the power of attorney granted hereby, are independent and severable, are irrevocable and coupled with an interest and shall not be terminated by any act of any one or more of the Stockholders, or by operation of Law, whether by death or other event.

(b) The Stockholder Representative, by its signature below, agrees to serve in the capacities described in this Section 11.01 as of the Closing. The Stockholder Representative may resign at any time, and may be removed for any reason or no reason by the vote or written consent of a majority in interest of the holders of the Company Common Stock (the "**Majority Holders**"); provided, however, in no event shall Stockholder Representative be removed by the Majority Holders without the Majority Holders having first appointed a new Stockholder Representative who shall assume such duties immediately upon the removal of Stockholder Representative. In the event of the death, incapacity, resignation or removal of Stockholder Representative, a new Stockholder Representative shall be appointed by the vote or written consent of the Majority Holders. Notice of such vote or a copy of the written consent appointing such new Stockholder Representative shall be sent to Parent, such appointment to be effective upon the later of the date indicated in such consent or the date such notice is received by Parent; provided, that until such notice is received, Parent, Merger Sub and the Surviving Corporation shall be entitled to rely on the decisions and actions of the prior Stockholder Representative as described in Section 11.01(a) above.

(c) The Stockholder Representative shall not be liable to the Stockholders for actions taken or omitted to be taken in connection with this Agreement or any Ancillary Document, and each Stockholder forever voluntarily releases and discharges the Stockholder Representative, its representatives, successors and assigns, from any and all losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, whether known or unknown, anticipated or unanticipated, arising as a result of or incurred in connection with any actions taken or omitted to be taken by the Stockholder Representative in connection with this Agreement or any Ancillary Document, except to the extent such actions by the Stockholder Representative shall have been determined by a court of competent jurisdiction to have constituted Fraud or willful misconduct. The Stockholder Representative shall not be liable for any action or omission pursuant to the advice of counsel. The Stockholders shall indemnify and hold harmless Stockholder Representative from and against, compensate it for, reimburse it for and pay any and all losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, whether known or unknown, anticipated or unanticipated, arising out of or in connection with this Agreement or any Ancillary Document (the "**Representative Losses**"), in each case as such Representative Loss is suffered or incurred; provided, that in the event it is finally adjudicated that a Representative Loss or any portion thereof was primarily caused by the Fraud or willful misconduct of Stockholder Representative, Stockholder Representative shall reimburse the Stockholders the amount of such indemnified Representative Loss attributable to such Fraud or willful misconduct. The Representative Losses may be recovered by the Stockholder Representative: (i) from the Stockholder Representative Expense Fund; and (ii) from any other funds that become payable to the Stockholders under this Agreement at such time as such amounts would otherwise be distributable to the Stockholders; provided, that while the Stockholder Representative may be paid from the aforementioned sources of funds, this does not relieve the Stockholders from their obligation to promptly pay such Representative Losses as they are suffered or incurred. In no event will the Stockholder Representative be required to advance its own funds on behalf of the Stockholders or otherwise. Notwithstanding anything in this Agreement to the contrary, any restrictions or limitations on liability or indemnification obligations of, or provisions limiting the recourse against non-parties otherwise applicable to, the Stockholders set forth elsewhere in this Agreement are not intended to be applicable to the indemnities provided to the Stockholder Representative hereunder. The foregoing indemnities will survive the Closing, the resignation or removal of the Stockholder Representative or the termination of this Agreement.

Section 11.02. Expenses. Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred; provided, however, Parent and the Company (with, in the case of the Company, such amounts to be included as Transaction Expenses) shall be equally responsible for all filing and other similar fees payable in connection with the first filing or submission under the HSR Act (thereafter, the parties agree that Parent shall be 100% responsible for all subsequent filings or submissions under the HSR Act).

Section 11.03. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission and copy by other method of notice provided by this Section 11.03) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 11.03):

If to the Company:

WholesomeCo, Inc.

580 West 100 North, Suite 1
West Bountiful, Utah 84010
Attention: Christopher Jeffery
Phone: (814) 574-7770
Email: chris@wholesome.co

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

Polsinelli PC
2950 N. Harwood St.
Suite 2100
Attention: Adam Hull
Phone: 214-754-5714
Email: ahull@polsinelli.com

If to the Stockholder Representative:

Shareholder Representative Services LLC
950 17th Street, Suite 1400
Denver, CO 80202
Attention: Managing Director
Phone: (303) 648-4085
Email: deals@srsacquiom.com

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

Polsinelli PC
2950 N. Harwood St.
Suite 2100
Attention: Adam Hull
Phone: 214-754-5714
Email: ahull@polsinelli.com

If to Parent or Merger Sub:

Vireo Growth Inc.
209 South 9th St.
Minneapolis, Minnesota 55402
Attention: Amber Shimpa
Phone: (612) 999-1606
Email: ambershimpa@vireohealth.com

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

Dorsey & Whitney LLP
2325 E. Camelback Road #300
Phoenix, Arizona 85016
Attention: Nicole Stanton
Phone: (602) 735-2700
Email: Stanton.Nicole@dorsey.com

Section 11.04. Interpretation. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

Section 11.05. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 11.06. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 11.07. Entire Agreement. This Agreement and the Ancillary Documents (together with the Confidentiality Agreement) constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the Ancillary Documents, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 11.08. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 11.09. No Third-party Beneficiaries. Except as provided in Section 5.09, Section 6.03 and Article IX, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 11.10. Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by Parent, Merger Sub, the Stockholder Representative (only to the extent such amendment affects any duties, obligations, liability, or indemnities of the Stockholder Representative) and the Company at any time prior to the Effective Time; provided, however, that after the Requisite Company Vote is obtained, there shall be no amendment or waiver that, pursuant to applicable Law, requires further approval of the Stockholders, without the receipt of such further approvals. Any failure of Parent or Merger Sub, on the one hand, or the Company, on the other hand, to comply with any obligation, covenant, agreement or condition herein may be waived, if before the Closing, by the Company or, if after the Closing, by the Stockholder Representative (with respect to any failure by Parent or Merger Sub) or by Parent or Merger Sub (with respect to any failure by the Company), respectively, only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

Section 11.11. Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction).

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE ANCILLARY DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MUST BE INSTITUTED IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE (OR, SOLELY TO THE EXTENT THAT SUCH COURT DOES NOT HAVE SUBJECT MATTER JURISDICTION, THE SUPERIOR COURT OF THE STATE OF DELAWARE AND THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE), 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.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE ANCILLARY DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE ANCILLARY DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.11(c).

Section 11.12. 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 shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity, in each case without the necessity of posting any bond or similar requirement in respect thereof (which each party hereby waives).

Section 11.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 11.14. Federal Cannabis Laws. THE PARTIES AGREE AND ACKNOWLEDGE THAT NO PARTY MAKES, WILL MAKE OR SHALL BE DEEMED TO MAKE OR HAVE MADE ANY REPRESENTATION OR WARRANTY OF ANY KIND REGARDING THE COMPLIANCE OF THIS AGREEMENT WITH ANY FEDERAL CANNABIS LAWS. NO PARTY SHALL HAVE ANY RIGHT OF RESCISSION OR AMENDMENT ARISING OUT OF OR RELATING TO ANY NON- COMPLIANCE WITH FEDERAL CANNABIS LAWS UNLESS SUCH NON-COMPLIANCE ALSO CONSTITUTES A VIOLATION OF APPLICABLE CANADIAN OR STATE LAW AS DETERMINED IN ACCORDANCE WITH THE ACT OR BY A GOVERNMENTAL AUTHORITY.

Section 11.15. Regulatory Compliance. This Agreement is subject to strict requirements for ongoing regulatory compliance by the parties hereto, including requirements that the parties take no action in violation of either any state cannabis Laws (together with all related rules and regulations thereunder, and any amendment or replacement act, rules, or regulations, including Utah Cannabis Laws, as amended, and the rules and policies adopted by UDAF or any other state or local government agency with authority to regulate any cannabis operation (or proposed operation), together, the "**Act**") or the guidance or instruction of UDAF and any other Governmental Authority with overlapping jurisdiction. The parties acknowledge and understand that the Act or the requirements of the UDAF are subject to change and are evolving as the marketplace for state-compliant cannabis businesses continues to evolve. Notwithstanding anything herein to the contrary, if necessary or desirable to comply with the requirements of the Act or the UDAF, the parties hereby agree to (and to cause their respective Affiliates and related parties and representatives to) use their respective commercially reasonable efforts to take all actions reasonably requested to ensure compliance with the Act or the UDAF, including negotiating in good faith to amend, restate, amend and restate, supplement, or otherwise modify this Agreement to reflect terms that most closely approximate the parties' original intentions but are responsive to and compliant with the requirements of the Act or the UDAF. In furtherance, not in limitation of the foregoing, the parties further agree to cooperate with the UDAF to promptly respond to any informational requests, supplemental disclosure requirements, or other correspondence from the UDAF and, to the extent permitted by the UDAF, keep all other parties hereto fully and promptly informed as to any such requests, requirements, or correspondence. Notwithstanding anything to the contrary and for the avoidance of doubt, for purposes of this Section 11.15, the terms "party" and "parties" shall not include the Stockholder Representative.

Section 11.16. Privileged Matters.

(a) Each of the parties hereby agrees, on its own behalf and on behalf of its directors, officers, stockholders, employees, agents and Affiliates, that Polsinelli PC ("**Counsel**") may serve as counsel to the Stockholders, Stockholder Representative, and their Affiliates (individually and collectively, the "**Seller Group**"), on the one hand, and the Company, on the other hand, in connection with the negotiation, preparation, execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, and that, following consummation of the transactions contemplated hereby, Counsel (or any successor) may serve as counsel to Seller Group, or any director, officer, stockholder, manager, member, partner, employee or Affiliate of any member of Seller Group, in connection with any litigation, claim or obligation arising out of or relating to this Agreement or the transactions contemplated by this Agreement notwithstanding such representation. In connection with any representation of the Company expressly permitted pursuant to the prior sentence, Parent and Merger Sub hereby irrevocably waive and agree not to assert, and agree to cause the Surviving Corporation and their Affiliates to irrevocably waive and not to assert any conflict of interest arising from or in connection with (i) Counsel's prior representation of the Company, and (ii) Counsel's representation of Seller Group prior to and after the Closing. As to any privileged attorney-client communications between Counsel and the Seller Group, Counsel and the Company, or between Counsel and the Company's Affiliates prior to the Closing (collectively, the "**Privileged Communications**"), Parent, Merger Sub and the Surviving Corporation, together with any of their respective Affiliates, subsidiaries, successors or assigns, agree that no such party may use or rely on any of the Privileged Communications in any action against or involving any of the parties after the Closing.

(b) Parent and Merger Sub further agree on their behalf and, after the Closing, on behalf of the Surviving Corporation, and any of their respective Affiliates, subsidiaries, successors or assigns, that all privileged communications in any form or format whatsoever between or among Counsel, on the one hand, and the Company, Seller Group, or any of their respective directors, officers, stockholders, employees or other agents, representatives or Affiliates, on the other hand, that relate in any way to the negotiation, documentation and consummation of the transactions contemplated by this Agreement, any alternative transactions to the transactions contemplated by this Agreement presented to or considered by the Company or Seller Group, or any dispute arising under this Agreement (collectively, the "**Privileged Deal Communications**"), shall remain privileged after the Closing and that the Privileged Deal Communications and the expectation of client confidence relating thereto shall belong solely to Seller Group, shall be controlled by Seller Group and shall not pass to or be claimed by Parent, Merger Sub, the Surviving Corporation, or any of their respective Affiliates, subsidiaries, successors or assigns. Parent and Merger Sub agree that they will not, and that they will cause the Surviving Corporation, and their respective Affiliates, subsidiaries, successors or assigns, not to, (i) access or use the Privileged Deal Communications, (ii) seek to have Seller Group waive the attorney client privilege or any other privilege, or otherwise assert that Parent, Merger Sub, the Surviving Corporation, or any of their respective Affiliates, subsidiaries, successors or assigns, has the right to waive the attorney client privilege or other privilege applicable to the Privileged Deal Communications, or (iii) seek to obtain the Privileged Deal Communications or Non- Privileged Deal Communications from Seller Group or Counsel.

(c) Parent and Merger Sub further agree, on their behalf and, after the Closing, on behalf of the Surviving Corporation, and any of their respective Affiliates, subsidiaries, successors or assigns, that all communications in any form or format whatsoever between or among any of Counsel, the Company, Seller Group, or any of their respective directors, officers, stockholders, employees or other agents, representatives or Affiliates that relate in any way to the negotiation, documentation and consummation of the transactions contemplated by this Agreement, any alternative transactions to the transactions contemplated by this Agreement presented to or considered by the Company or Seller Group, or any dispute arising under this Agreement and that are not Privileged Deal Communications (collectively, the "**Non- Privileged Deal Communications**"), shall also belong solely to Seller Group, shall be controlled by Seller Group and ownership thereof shall not pass to or be claimed by Parent, Merger Sub, the Surviving Corporation, or any of their respective Affiliates, subsidiaries, successors or assigns.

(d) Notwithstanding the foregoing, in the event that a dispute arises between Parent, Merger Sub, the Surviving Corporation, or any of their respective Affiliates, subsidiaries, successors or assigns, on the one hand, and a third party other than Seller Group, on the other hand, then Parent, Merger Sub, the Surviving Corporation, and their respective Affiliates, subsidiaries, successors and assigns, may assert the attorney-client privilege to prevent the disclosure of the Privileged Deal Communications to such third party; provided, however, that to the extent such dispute relates in any way to this Agreement or the transactions contemplated hereby, none of Parent, Merger Sub, the Surviving Corporation, nor their respective Affiliates, subsidiaries, successors or assigns, may waive such privilege without the prior written consent of Stockholder Representative. If Parent, Merger Sub, the Surviving Corporation or any of their respective Affiliates, subsidiaries, successors or assigns, is legally required by Governmental Order or otherwise to access or obtain a copy of all or a portion of the Privileged Deal Communications, then Parent shall immediately (and, in any event, within five (5) Business Days) notify Stockholder Representative in writing (including by making specific reference to this Section 11.16) so that Seller Group can seek at Seller Group's sole cost and expense, a protective order, and Parent, Merger Sub, the Surviving Corporation or any of their respective Affiliates, subsidiaries, successors or assigns, agree to use all commercially reasonable efforts to assist therewith.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

COMPANY:

WHOLESOMECO. INC.

By: /s/ Christopher Jeffery
Name: Christopher Jeffery
Title: Chief Executive Officer

PARENT:

VIREO GROWTH INC.

By: /s/ John Mazarakis
Name: John Mazarakis
Title: Chief Executive Officer

MERGER SUB:

VIREO WH MERGER SUB, INC.

By: /s/ Amber Shimpa
Name: Amber Shimpa
Title: President

STOCKHOLDER REPRESENTATIVE:

SHAREHOLDER REPRESENTATIVE SERVICES LLC

By: Corey Quinlan
Name: Corey Quinlan
Title: Director, Deal Intake

CONFIDENTIAL

Bill's Nursery, Inc.

Attention: Elad Kohen

December 17, 2024

Re: Memorandum of Understanding ("MOU") regarding a Proposed Transaction involving a to-be determined U.S. affiliate of Vireo Growth Inc., a British Columbia corporation (as applicable, "Vireo") and Bill's Nursery, Inc., a Florida corporation (the "Company").

Dear Mr. Kohen:

Vireo is pleased to provide this MOU outlining certain of the terms and conditions under which Vireo and the Company agree to negotiate in good faith a definitive agreement or agreements (the "Definitive Agreement") reasonably acceptable to Vireo and the Company, pursuant to which Vireo would acquire from the holders thereof (collectively, the "Sellers") all or substantially all of the issued and outstanding capital stock of the Company (the "Proposed Transaction"). The purchase price to be paid by Vireo to the Company at the closing of the Proposed Transaction would be 210,000,000 subordinate voting shares in the authorized share structure of Vireo, at a per-share value of US$0.52 per share (the "Vireo Shares" and such Vireo Shares to be issued pursuant to this sentence, the "Consideration Shares"). The Definitive Agreement would also be expected to provide that the stockholders of the Company will be eligible to receive an earn-out payment to be reasonably agreed upon between Vireo and the Company, and a clawback of up to 95,000,000 Consideration Shares, in each case subject to the Company's and Vireo's performance during 2026 and customary covenants with respect to the operation of Vireo and the Company from and after the closing of the Proposed Transaction. The Vireo Shares issued above would be subject to customary lock-up provisions as would be further described in the Definitive Agreement.

The Proposed Transaction would be structured in a tax efficient manner mutually agreeable to the Parties (as defined below) after further diligence, but would result in all of the issued and outstanding capital stock of the Company being solely owned by Vireo, including (as applicable) with respect to any equity interests issued or to be issued upon the exercise or conversion of any outstanding options, warrants, or other securities, including any equity issued or to be issued that is related to any convertible loans.

It is acknowledged that this MOU does not address all customary matters that would be reflected in a typical Definitive Agreement for a transaction of this nature. Vireo and the Company would negotiate such customary matters to be reflected in the Definitive Agreement in good faith. Vireo, Sellers and the Company are sometimes each referred to herein as a "Party" and together the "Parties". All terms set forth in this MOU remain subject to each Party's due diligence review in all respects. Other than the Binding Provisions (as defined below) which shall be legally binding against the Parties, the remaining provisions of this MOU are non-binding against the Parties.

1. Definitive Agreement

The precise terms of the Definitive Agreement would include customary terms for a transaction in the nature of the Proposed Transaction, including but not limited to mutual representations and warranties, as well as customary covenants and corresponding mutual indemnities from the Parties. To facilitate the negotiations of the Definitive Agreement, the Parties intend that Vireo's legal counsel would prepare initial drafts of the Definitive Agreement.

2. Costs

Except as set forth herein or in the Definitive Agreement, the Company and Vireo will each be responsible for their respective costs, expenses and legal, accounting and other professional fees incurred in connection with the negotiation, preparation and execution of the Definitive Agreement and the completion of the Proposed Transaction (including any broker's or finder's fees, due diligence investigation costs and the expenses of its representatives).

3. Exclusivity; Notification of Certain Matters

During the period commencing upon the full execution of this MOU and ending at 5:00 p.m., Eastern Standard Time, on January 24, 2025 (the "Exclusivity Period"), the Company agrees to negotiate in good faith a Definitive Agreement with Vireo in accordance with the terms described in the first three paragraphs of this MOU, and neither the Company nor its subsidiaries nor anyone acting on their respective behalf will engage in any efforts to, and will not knowingly, directly or indirectly, through any officer, employee, director, representative, parent, affiliate, broker, advisor or otherwise:

(a) solicit, initiate or entertain the submission of inquiries, proposals or offers from any corporation, partnership, person or other entity, person or group relating to, directly or indirectly, (i) any acquisition or purchase of, or any debt, convertible debt, equity or profit sharing interest, voting rights or control rights in (A) the Company, (B) any of the Company's subsidiaries or controlled affiliates or (C) any operating company that has a management services agreement with the Company or any of its subsidiaries or controlled affiliates (provided that the Company shall be permitted to create and implement equity compensation plans or programs for certain Company employees and/or contractors), or (ii) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, of any of the assets of the Company, its subsidiaries or controlled affiliates (other than sales of inventory on commercial terms in the ordinary course of business) (each an "Acquisition Proposal"); or

(b) participate or engage in, in each case directly or indirectly, any negotiations or other discussions relating to any Acquisition Proposal.

During the Exclusivity Period, the Company will notify Vireo in writing within two (2) business days of the receipt of any Acquisition Proposal. Such written notification will describe in

Immediately upon execution of this MOU, the Company shall, and shall cause its officers, employees, directors, representatives, affiliates, brokers and advisors to, terminate any and all existing discussions or negotiations with any person or group of persons regarding an Acquisition Proposal.

4. Deposit

In consideration of the Parties' agreements herein, Vireo hereby agrees that, on or prior to December 20, 2024, it will pay the Company an amount equal to US$1 million in cash to an account designated by the Company. In the event that the Parties do not execute and deliver a Definitive Agreement by the end of the Exclusivity Period, the Company agrees to pay Vireo an amount in cash equal to US$1.25 million within two business days of the end of such period to an account designated by Vireo. If the Parties execute and deliver a Definitive Agreement, the Parties hereby agree that the US$1 million paid by Vireo as described herein will be repaid by the Company to Vireo (in the amount of US$1 million) in connection with the closing of the Proposed Transaction.

5. Termination

This MOU will expire if it is not executed and delivered by the Company and Vireo as of 5:00 p.m., Eastern Standard Time, on December 19, 2024. Upon termination of this MOU, the Parties will have no further obligations under this MOU other than pursuant to Sections 2, 3, 4, 6, 7, and 8 of this MOU (collectively the "Binding Provisions").

6. Waiver

No Party will be deemed to have waived the exercise of any right that it holds under this MOU unless that waiver is made in writing. No waiver made with respect to any instance involving the exercise of any right will be deemed to be a waiver with respect to any other instance involving the exercise of that right or with respect to any other right.

7. Non-Binding Nature

Except for the Binding Provisions, this MOU constitutes only a preliminary, non-binding statement of the intentions of the Parties, does not contain all matters upon which agreement must be reached for the Proposed Transaction to be consummated, and except for the Binding Provisions, creates no legal obligations on the part of any Party. A binding commitment with respect to the Proposed Transaction will result only from the negotiation and execution of the Definitive Agreement. It is understood that this MOU does not constitute an obligation or commitment of any Party to enter into the Definitive Agreement, and any obligations or commitments to proceed with the Proposed Transaction shall be contained only in the Definitive Agreement. Notwithstanding the foregoing, in order to induce the Parties to expend fees and expenses necessary to evaluate the Proposed Transaction, the Binding Provisions will be fully binding upon each of the Parties. Any Party may terminate negotiations at any time.

8. General Provisions

(a) Each Party represents and warrants that it is duly authorized and has all necessary power and authority to execute and deliver this MOU.

(b) No Party may transfer or assign its rights or obligations hereunder without the prior written consent of the other Parties.

(c) This MOU may be executed electronically and in one or more counterparts, by original, facsimile, email or other means of electronic signature, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same agreement.

(d) This MOU shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to the conflict of laws provisions thereof. Any suit, action or other proceeding whatsoever arising under the MOU shall be heard in the state or federal courts located in the State of Delaware, County of New Castle. Each Party hereby irrevocably and unconditionally waives any right to a trial by jury with respect to any suit, action or proceeding arising out of or relating to this MOU.

(e) The Binding Provisions constitute the entire agreement between the Parties with respect to the subject matter thereof, and supersede all prior oral or written agreements, understandings, representations and warranties, and courses of conduct and dealing between the Parties on such subject matter. Except as otherwise provided herein, the Binding Provisions may be amended or modified only by a writing executed by the Parties.

We trust that this MOU reflects our mutual understanding with respect to the matters described herein.

Yours very truly,

Vireo Growth, Inc.

By: /s/ Kyle Kingsley
Name: Kyle Kingsley
Title: Executive Chairman

Subject to the receipt of approval from the Board and the Sellers as set out below, the undersigned hereby accepts the above MOU on behalf of the Company and confirms that it reflects the Parties' understanding.

Dated this 16th day of December, 2024

Bill's Nursery, Inc.

By: /s/ Elad Kohen
Name: Elad Kohen
Title: CEO

Approval and Ratification:

The Company's execution of this MOU is, and shall be, subject to approval and ratification by: (i) the Company's Board of Directors (the "Board"); and (ii) the Sellers. The approvals and ratifications referenced in clauses (i) and (ii) of the immediately preceding sentence shall not be deemed or understood by Vireo to have been received unless and until the undersigned signs below, on behalf of the Company, which shall constitute the Company's confirmation that the required approvals and ratifications by the Board and the Sellers have in fact been received.

Dated this 18th day of December, 2024

Bill's Nursery, Inc.

By: /s/ Elad Kohen
Name: Elad Kohen
Title: CEO

Exhibit 10.2

SUBSCRIPTION AGREEMENT
(For U.S. Accredited Investors that are in the United States and that are Offshore Investors)

IMPORTANT INSTRUCTIONS	
The following items in this Subscription Agreement have been completed (subscriber, please initial each applicable box):	
All Subscribers:	
	All subscribers must complete the section entitled "Subscription and Subscriber Information" on pages 1 and 2 of this Subscription Agreement and sign the execution page of this Subscription Agreement on page 1.
All Subscribers:	
	All subscribers must complete and execute Schedule "A" – U.S. Accredited Investor Certificate.
Offshore Investors Only:	
	If you are NOT resident of or otherwise subject to the securities laws of Canada or the United States, complete and execute Schedule "B" – Offshore Investor Certificate.
All Subscribers:	
	All subscribers must complete, execute and deliver a Registration Rights Agreement in the form attached to the accompanying Private Placement Memorandum as Annex C and a Selling Shareholder Questionnaire in the form attached to the accompanying Private Placement Memorandum as Annex D.

Return this executed Subscription Agreement and all applicable Schedules to:

Return by:
November 15, 2024

Return to:
Email: investor@vireohealth.com

Payment of the aggregate Subscription Amount set out on the following page will be made in accordance with the Payment Instructions in Schedule "C".

The Company derives a substantial portion of its revenues from the cannabis industry in certain states of the United States, which industry is illegal under U.S. Federal Cannabis Laws. The Company is involved directly (through subsidiaries) in the cannabis industry in the United States where local state laws permit such activities.

SUBSCRIPTION AGREEMENT

TO: VIREO GROWTH INC. (THE "COMPANY")

The undersigned, on its own behalf and, if applicable, on behalf of a Disclosed Principal (as defined herein) for whom it is acting hereunder (the "**Subscriber**"), hereby irrevocably subscribes for and agrees to purchase that number of subordinate voting shares (each a "**Share**") as set out below at a price of US$0.625 per Share (the "**Subscription Price**"). The Subscriber agrees to be bound by the terms and conditions set forth in the attached "Terms and Conditions of Subscription", including, without limitation, the terms, representations, warranties, covenants, certifications and acknowledgements set forth in the applicable Schedules attached thereto. The Subscriber further agrees, without limitation, that the Company may rely upon the Subscriber's representations, warranties, covenants, certifications and acknowledgments contained in such documents.

SUBSCRIPTION AND SUBSCRIBER INFORMATION

Please print all information (other than signatures), as applicable, in the space provided below

Subscriber Information and Signature

_____
(Name of Subscriber)

Account Reference (if applicable): _____

By: _____
Authorized Signature

_____
(Official Capacity or Title – if the Subscriber is not an individual)

_____
(Name of individual whose signature appears above if different than the name of the Subscriber printed above.)

_____
(Subscriber's Residential Address, including County/Municipality and State and ZIP Code)

_____

_____
(Subscriber's Telephone Number) (Email Address)

Per Share Subscription Price: _____

Dollar Commitment Amount: _____
(the "**Subscription Amount**")

If the Subscriber is signing as agent or trustee for a principal (a "Disclosed Principal") and is not purchasing as trustee or agent for accounts fully managed by it, so as to be deemed to be purchasing as principal pursuant to NI 45-106 complete the following:

_____
(Name of Disclosed Principal)

_____
(Residential Address of Disclosed Principal)

_____
(Telephone Number of Disclosed Principal)

_____
(Account Reference, if applicable)

The Company derives a substantial portion of its revenues from the cannabis industry in certain states of the United States, which industry is illegal under U.S. Federal Cannabis Laws. The Company is involved directly (through subsidiaries) in the cannabis industry in the United States where local state laws permit such activities.

The Subscriber hereby provides the Company the following instructions in connection with the settlement of the Shares being purchased hereunder and hereby directs the Company to issue, register and deliver direct registration statements representing the Shares as follows.

Account Registration Information:

(Name)

(Account Reference, if applicable)

(Address, including ZIP Code)

Delivery Instructions:

(Name)

(Account Reference, if applicable)

(Address, including ZIP Code)

(Telephone Number) (Fax Number)

(Contact Name)

Number and kind of securities of the Company held, directly or indirectly, or over which control or direction is exercised by the Subscriber, if any:

State whether Subscriber is an Insider* of the Company:

YES ☐ No ☐

State whether Subscriber is a Registrant*:

YES ☐ No ☐

State whether Subscriber is a Related Person* of the Company:

YES ☐ No ☐

(*see Article 1, section 1.1. – Definitions)

Execution by the Subscriber above shall constitute an irrevocable offer and agreement by the Subscriber to subscribe for the securities described herein on the terms and conditions herein set out. The Company shall be entitled to rely on the delivery of a PDF or facsimile copy of this subscription, and acceptance by the Company of such PDF or facsimile subscription shall be legally effective to create a valid and binding agreement between the Subscriber and the Company in accordance with the terms and conditions hereof.

TERMS AND CONDITIONS OF SUBSCRIPTION

ARTICLE 1 - INTERPRETATION

1.1 Definitions

Whenever used in this Subscription Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and phrases shall have the respective meanings ascribed to them as follows:

"**Affiliate**" means, with respect to any person, any other person which directly or indirectly controls, is controlled by, or is under common control with, such person.

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks in the Province of British Columbia, Canada or the State of Minnesota, U.S.A. are open for the general transaction of business.

"**Closing**" has the meaning ascribed to such term in Section 4.1.

"**Closing Date**" has the meaning ascribed to such term in Section 4.1.

"**Company**" has the meaning ascribed to such term on page 1 of this Subscription Agreement.

"**Company Financial Statements**" means collectively, the audited financial statements of the Company as at and for the years ended December 31, 2023 and 2022, together with the notes thereto and the auditor's report thereon, and the unaudited condensed interim consolidated financial statements of the Company as at and for the three and six months ended June 30, 2024 and 2023, together with the notes thereto.

"**CSE**" means the Canadian Securities Exchange.

"**Disclosed Principal**" has the meaning ascribed to such term on page 1 of this Subscription Agreement.

"**EDGAR**" means the SEC's Electronic Data Gathering Analysis and Retrieval system.

"**Governmental Body**" means any (i) multinational, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental, self-regulatory organization or private body exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above.

"**including**" means including without limitation.

"**Intellectual Property**" has the meaning ascribed to such term in Section 5.1(y).

"**Insider**" means (a) a director or senior officer of the Company (or a subsidiary of the Company), (b) any Person who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all voting securities of the Company for the time being outstanding, or (c) a director or senior officer of an Insider of the Company.

"**Investor Presentation**" means the investor presentation, dated October 2024, prepared by or on behalf of the Company to provide to prospective purchasers in the Offering, describing the business and affairs of the Company.

"**Knowledge of the Company**" means the actual knowledge of Kyle Kingsley, Founder and Executive Chairman of the Company; Amber Shimpa, Chief Executive Officer of the Company; and Joe Duxbury, Interim Chief Financial Officer of the Company; in each case after due enquiry.

"**Leased Premises**" means the premises which are material to the Company or any Material Subsidiary, and which the Company or any Material Subsidiary occupies as a tenant.

"**Material Adverse Effect**" means a material adverse effect on (i) the business, affairs, operations, condition (financial or otherwise), earnings, assets, liabilities (absolute, accrued, contingent or otherwise) the Company and the Material Subsidiaries, taken as a whole, whether or not arising in the ordinary course of business, (ii) the transactions contemplated by this Agreement, or (iii) the ability of the Company to perform its obligations under this Agreement.

"**Material Agreement**" means any material contract, commitment, agreement (written or oral), instrument, lease or other document, license agreement and agreements relating to Intellectual Property, to which the Company or any subsidiary are a party or to which any of their property or assets are otherwise bound.

"**Material Subsidiaries**" means Vireo Health, Inc., Vireo Health of New York LLC, Vireo Health of Minnesota, LLC, MaryMed, LLC and Charm City, LLC.

"**Offering**" means the private placement offering in the United States of Shares to be issued and sold by the Company pursuant to the Subscription Agreements on the Closing Date(s).

"**Offshore Investor**" means a Person who is not resident or otherwise subject to the securities laws of Canada or the United States.

"**Offshore Jurisdiction**" has the meaning ascribed to such term in 6.1(u).

"**OTCQX**" means the OTCQX tier of the OTC Markets.

"**Person**" includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning.

"**Private Placement Memorandum**" means the private placement memorandum, dated as of November 15, 2024, describing the business of the Company, that accompanies this Subscription Agreement.

"**Public Record**" means all documents filed by or on behalf of the Company on SEDAR+ and/or EDGAR under applicable Securities Laws.

"**Purchased Securities**" has the meaning ascribed to such term in Section 3.1.

"**Registrant**" means a dealer, adviser, investment fund manager, an ultimate designated person or chief compliance officer as those terms are used pursuant to Securities Laws, or a person registered or otherwise required to be registered under the Securities Laws.

"**Registration Rights Agreement**" means the registration rights agreement to be entered into between the Company and the Subscriber contemporaneously with this Subscription Agreement pursuant to which, among other things, the Company will agree to provide certain registration rights with respect to the Shares under the U.S. Securities Act and the rules and regulations promulgated thereunder and applicable state securities laws, substantially in the form attached to the Private Placement Memorandum as Annex C.

"**Regulation D**" means Regulation D under the U.S. Securities Act.

"**Related Person**" has the meaning ascribed to such term in the policies of the CSE.

"**Reporting Jurisdictions**" means British Columbia, Alberta and Ontario.

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

"**SEC Documents**" means the reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) filed by the Company with the SEC since January 1, 2023 but prior to the date hereof and publicly available on EDGAR.

"**Securities Laws**" means, as applicable, the securities laws, regulations, rules, rulings and orders in each of Canada and the United States, the applicable policy statements, notices, blanket rulings, orders and all other regulatory instruments of the securities regulators in each of the Canada and the United States, the rules and policies of the CSE and the rules of the OTCQX.

"**SEDAR+**" means the System for Electronic Document Analysis and Retrieval.

"**Selling Jurisdictions**" means the United States, and such other jurisdictions outside of Canada and the United States as agreed to by the Company.

"**Selling Shareholder Questionnaire**" means the Selling Shareholder Questionnaire to be completed, executed and delivered by each Subscriber contemporaneously with this Subscription Agreement pursuant to which each Subscriber shall provide information relevant to the completion and filing by the Company of a resale registration statement for the resale of the Shares, substantially in the form attached to the Private Placement Memorandum as Annex D.

"**Shares**" has the meaning ascribed to such term on page 1 of this Subscription Agreement.

"**Subscriber**" means the subscriber for the Purchased Securities as set out on page 1 of this Subscription Agreement and includes, as applicable, each Disclosed Principal for whom it is acting.

"**Subscription Agreement**" means this subscription agreement (including any Schedules hereto) and any instrument amending this Subscription Agreement; "**hereof**", "**hereto**", "**hereunder**", "**herein**" and similar expressions mean and refer to this Subscription Agreement and not to a particular Article or Section.

"**Subscription Amount**" has the meaning ascribed to such term on page 1 of this Subscription Agreement.

"**Subscription Price**" has the meaning ascribed to such term on page 1 of this Subscription Agreement.

"**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

"**U.S. Accredited Investor**" means an "accredited investor" within the meaning of Rule 501(a) of Regulation D.

"**U.S. Accredited Investor Certificate**" has the meaning ascribed to such term in Section 4.2(c).

"**U.S. Cannabis Laws**" means all applicable requirements of U.S. state and municipal laws, rules and regulations regarding regulated medical and recreational cannabis in each U.S. jurisdiction in which the Company conducts its business and operations including, but not limited to, all U.S. state and municipal laws related to cultivation, processing, manufacturing, storage, sales, preparation, testing, taxation, security, employee qualifications, transport, equity ownership restrictions, management services restrictions, or intellectual property license restrictions.

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**U.S. Federal Cannabis Laws**" means, collectively, U.S. federal laws, statutes, and/or regulations, as applicable, that is directly or indirectly related to the production, trafficking, distribution, extraction, cultivation, processing manufacturing, storage, sales, preparation, testing, taxation, security, employee qualifications, transport, equity ownership restrictions, management services restrictions, or intellectual property license restrictions. of cannabis and cannabis-related substances and products.

"**U.S. GAAP**" means generally accepted accounting principles in the United States.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.2 Gender and Number

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine gender and words importing persons shall include firms and corporations and vice versa.

1.3 Currency

Unless otherwise specified, all dollar amounts in this Subscription Agreement and the Schedules, including the symbol "$", are expressed in United States dollars.

1.4 Subdivisions and Headings

The division of this Subscription Agreement into Articles, Sections, Schedules and other subdivisions and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Subscription Agreement. The headings in this Subscription Agreement are not intended to be full or precise descriptions of the text to which they refer. Unless something in the subject matter or context is inconsistent therewith, references herein to an Article, Section, Subsection, paragraph, clause or Schedule are to the applicable article, section, subsection, paragraph, clause or schedule of this Subscription Agreement.

ARTICLE 2 - SCHEDULES

2.1 Description of Schedules

The following are the Schedules attached to and incorporated in this Subscription Agreement by reference and deemed to be a part hereof:

Schedule "A"	-	U.S. Accredited Investor Certificate
Schedule "B"	-	Offshore Investor Certificate
Schedule "C"	-	Payment Instructions

ARTICLE 3 - SUBSCRIPTION AND DESCRIPTION OF SECURITIES

3.1 Subscription for the Securities

The Subscriber hereby confirms its irrevocable subscription for and offer to purchase from the Company that number of Shares (the "**Purchased Securities**") indicated on page 1 of this Subscription Agreement, on and subject to the terms and conditions set out in this Subscription Agreement, for the Subscription Amount which is payable as described in Article 4 hereto.

3.2 Acceptance and Rejection of Subscription by the Company

The Subscriber acknowledges and agrees that the Company reserves the right, in its absolute discretion, to reject this subscription for the Shares, in whole or in part, at any time prior to the Closing Date. The Company will be deemed to have accepted this offer upon the Company's execution of the acceptance form of this Subscription Agreement and the delivery of the Purchased Securities in accordance with the provisions of this Subscription Agreement.

If this subscription is rejected in whole, any payment delivered by the Subscriber to the Company representing the Subscription Amount pursuant to this Subscription Agreement, will be promptly returned to the Subscriber without interest or deduction. If this subscription is accepted only in part, a cheque representing any refund of the Subscription Amount for that portion of the subscription for the Purchased Securities which is not accepted will be promptly returned to the Subscriber by the Company without interest or deduction.

3.3 Offering

The Purchased Securities form part of a larger Offering of Shares. The Offering may be completed in one or more tranches and the size of the Offering may be increased at the Company's sole discretion. There is no minimum amount required to be raised pursuant to the Offering and the proceeds of the Offering will be immediately available to the Company.

ARTICLE 4 - CLOSING

4.1 Closing

Delivery and sale of the Purchased Securities and payment of the aggregate Subscription Amount will be completed (the "**Closing**") electronically on one or multiple dates or after November 15, 2024 (the "**Closing Date**"). If on or prior to the Closing Date, the terms and conditions contained in this Subscription Agreement have been complied with, this completed Subscription Agreement (including all applicable Schedules) has been delivered to and accepted by the Company and the Subscription Amount for the Purchased Securities subscribed for under this Subscription Agreement has been paid in accordance with Section 4.2(a), the Subscription Amount will be released to the Company and the Shares subscribed for hereunder will be issued. The Subscriber will take up, purchase and pay for the Shares purchased hereunder at the Closing upon acceptance of this offer by the Company and the satisfaction by the Company of the conditions set out herein.

If, prior to the Closing Date, the terms and conditions contained in this Subscription Agreement (other than the delivery by the Company of a direct registration statement representing the Shares or of such other evidence of the issue of the Shares as the Company may determine) have not been complied with, the Company and the Subscriber will have no further obligations under this Subscription Agreement.

4.2 Conditions of Closing

The Subscriber acknowledges and agrees that the Company is relying on the truth of the representations and warranties of the Subscriber contained in this Subscription Agreement as of the date of this Subscription Agreement, and as of the Closing Date as if made at and as of the Closing Date, and the fulfillment of the following additional conditions prior to the Closing Date:

(a) on or before the Closing Date, the Subscriber having delivered a properly completed and signed Subscription Agreement (including all applicable Schedules hereto) by email to: investor@vireohealth.com, and having made payment arrangements for the Subscription Amount by wire or electronic funds transfer in accordance with the Payment Instructions set out in Schedule "C";

(b) on or before the Closing Date, the Subscriber having properly completed, signed and delivered Schedule "A" (the "**U.S. Accredited Investor Certificate**");

(c) on or before the Closing Date, if the Subscriber is an Offshore Investor, the subscriber having properly completed, signed and delivered Schedule "B";

(d) on or before the Closing Date, the Subscriber having properly completed, signed and delivered a Registration Rights Agreement, in the form attached to the Private Placement Memorandum as Annex C;

(e) the Subscriber having executed and returned to the Company, at the Company's request, all other documents as may be required by the Securities Laws for delivery by the Company on behalf of the Subscriber;

(f) the Company having obtained all necessary approvals and consents, including regulatory approvals in respect of the Offering; and

(g) the initial offer and sale of the Shares being exempt from the requirement to file a prospectus or registration statement under applicable Securities Laws relating to the sale of the Shares, or the Company having received such orders, consents or approvals as may be required to permit such initial offer and sale without the requirement to file a prospectus or registration statement (provided that the Company shall be obligated to file a registration statement under the U.S. Securities Act with the SEC in respect of resale of the Shares, as set forth in the Registration Rights Agreement).

4.3 Authorization of the Company

The Subscriber irrevocably authorizes the Company in its discretion, to act as the Subscriber's representative at the Closing, and hereby appoints the Company, with full power of substitution, as its true and lawful attorney with full power and authority in the Subscriber's place and stead to complete and correct any errors or omissions in any form or document provided by the Subscriber, including this Subscription Agreement and the Schedules hereto, in connection with the subscription for the securities offered hereby.

ARTICLE 5 – REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY

5.1 Representations, Warranties and Covenants of the Company

The Company hereby represents and warrants to, and covenants with the Subscriber as follows and acknowledges that the Subscriber is relying on such representations, warranties and covenants in connection with the transactions contemplated herein:

(a) Each of the Company and the Material Subsidiaries (A) is a corporation or a limited liability company duly incorporated, organized, continued or amalgamated and validly existing under the laws of the jurisdiction in which it was incorporated, organized, continued or amalgamated, as the case may be; (B) has all requisite corporate or limited liability company power and authority and is duly qualified and holds all material permits, licenses and authorizations necessary or required to carry on its business as now conducted and to own, lease or operate its properties and assets; (C) where required, has been duly qualified as an extra-provincial corporation or foreign corporation for the transaction of business and is in good standing under the laws of each jurisdiction in which it owns or leases property, or conducts business unless, in each case, the failure to do so would not individually or in the aggregate, have a Material Adverse Effect; and (D) no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing its dissolution or winding up.

(b) All necessary corporate action has been taken or will have been taken prior to the Closing Date by the Company so as to (i) authorize the execution, delivery and performance of this Subscription Agreement and the Registration Rights Agreement; and (ii) validly issue and sell the Shares.

(c) The execution and delivery of this Subscription Agreement and the Registration Rights Agreement and the performance by the Company of its obligations hereunder and thereunder and the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action of the Company and upon the execution and delivery hereof and thereof each of this Subscription Agreement and the Registration Rights Agreement shall constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with their respective terms, provided that enforcement thereof may be limited by (i) applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws from time to time in effect affecting creditors' rights and remedies generally; and (ii) general principles of equity (regardless of whether such principles are considered in a proceeding in equity or at law).

(d) At the Closing Date, all consents, approvals, permits, authorizations or filings as may be required by the Company under applicable Securities Laws necessary for the execution and delivery of this Subscription Agreement and the Registration Rights Agreement and the issuance and sale of the Shares, and the consummation of the transactions contemplated hereby and thereby shall have been made or obtained, as applicable, other than customary post-closing filings required to be submitted within the applicable time frame pursuant to applicable Securities Laws, and the filing of the registration statement required to be filed under the Registration Rights Agreement.

(e) The form of certificate representing the Shares has been approved and adopted by the board of directors of the Company and does not conflict with any of the constating documents or applicable laws and complies with the rules and regulations of the CSE and no order ceasing or suspending trading in any securities of the Company or prohibiting the trading of any of the Company's issued securities has been issued and no proceedings for such purpose are pending or, to the Knowledge of the Company, threatened.

(f) The currently issued and outstanding Shares are listed and posted for trading on the CSE and quoted on the OTCQX, and the Company has not taken any action which would reasonably be expected to result in the delisting or suspension of the same on or from the CSE or the removal of the same from quotation on the OTCQX.

(g) The Company is in compliance in all material respects with the policies of the CSE and the rules of the OTCQX existing as of the Closing Date.

(h) The Company is a "reporting issuer" in each of the Reporting Jurisdictions.

(i) The Company is not in material default of any requirement of the Securities Laws of the Reporting Jurisdictions and is not included on a list of defaulting reporting issuers maintained by any of the securities commissions or securities regulatory authorities in the Reporting Jurisdictions.

(j) The Company has timely filed or furnished the SEC Documents. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the U.S. Securities Act or the U.S. Exchange Act, and the applicable rules and regulations thereunder, as the case may be, applicable to such SEC Documents.

(k) The Shares have been duly authorized and validly allotted and upon receipt by the Company of the consideration therefor, will be issued as fully paid and non-assessable Shares.

(l) Odyssey Trust Company, at its offices in Calgary, Alberta and Vancouver, British Columbia has been duly appointed as the transfer agent and registrar for the Shares.

(m) Each of the Company and the Material Subsidiaries has conducted and is conducting its business in compliance in all material respects with all applicable laws of each jurisdiction in which it carries on business, other than in respect of U.S. Federal Cannabis Laws, and except where the failure to so comply would not have a Material Adverse Effect and each of the Company and the Material Subsidiaries holds all material requisite licenses, registrations, qualifications, permits and consents necessary or appropriate for carrying on its business as currently carried on and all such licenses, registrations, qualifications, permits and consents are valid and subsisting and in good standing in all material respects. Without limiting the generality of the foregoing, to the Knowledge of the Company, neither the Company nor any of the Material Subsidiaries has received a written notice of material non-compliance which remains in effect, nor does it know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of material non-compliance with any such laws, regulations or permits, other than in respect of U.S. Federal Cannabis Laws.

(n) Other than the Leased Premises, the Company or a Material Subsidiary is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material properties and assets thereof and no other property or assets are necessary for the conduct of the business of the Company and the Material Subsidiaries as currently conducted, other than as would not have a Material Adverse Effect. Any and all of the agreements and other documents and instruments pursuant to which the Company and any of the Material Subsidiaries hold the property and assets thereof (including any interest in, or right to earn an interest in, any Intellectual Property) are valid and subsisting agreements, documents and instruments in full force and effect, enforceable in accordance with the terms thereof, and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated other than U.S. Federal Cannabis Laws, and all Material Agreements pursuant to which the Company derives the interests thereof in such property are in good standing. The Company does not know of any claim or the basis for any claim that might or could materially and adversely affect the right of the Company or any of the Material Subsidiaries to use, transfer or otherwise exploit its assets, none of the properties (or any interest in, or right to earn an interest in, any property) of the Company or any of the Material Subsidiaries is subject to any right of first refusal or purchase or acquisition right, and neither the Company nor any of the Material Subsidiaries has a responsibility or obligation to pay any commission, royalty, license fee or similar payment to any person with respect to the property and assets thereof, except as disclosed in the Public Record.

(o) Other than as disclosed in the Public Record, no legal or governmental proceedings or inquiries are pending to which the Company or each of the Material Subsidiaries is a party or to which the property thereof is subject that would result in the revocation or modification of any material certificate, authority, permit or license necessary to conduct the business now owned or operated by the Company which, if the subject of an unfavourable decision, ruling or finding could reasonably be expected to have a Material Adverse Effect and, to the Knowledge of the Company, no such legal or governmental proceedings or inquiries have been threatened against or are contemplated with respect to the Company or any of the Material Subsidiaries or the respective properties or assets thereof.

(p) Other than as disclosed in the Public Record, there are no material actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding or, to the Knowledge of the Company, pending or threatened against or affecting the Company or any of the Material Subsidiaries at law or in equity or before or by any commission, board, bureau or agency of any kind whatsoever and, to the Knowledge of the Company, there is no basis therefor. Neither the Company nor any of the Material Subsidiaries is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any governmental authority, which, either separately or in the aggregate, may have a Material Adverse Effect.

(q) Neither the Company nor any of the Material Subsidiaries is in violation of its constating documents or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any Material Agreement to which it is a party or by which it or its property or assets may be bound.

(r) To the Knowledge of the Company, no counterparty to any Material Agreement, or other agreement or instrument to which the Company or any of the Material Subsidiaries is a party is in default in the performance or observance thereof, except where such violation or default in performance would not have a Material Adverse Effect.

(s) No order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the Knowledge of the Company, are pending, contemplated or threatened by any regulatory authority.

(t) The Company Financial Statements filed on EDGAR have been prepared in accordance with U.S. GAAP, contain no material misrepresentations and present fairly, in all material respects, the financial condition of the applicable entity or group on a consolidated basis as at the date thereof and the results of the operations and cash flows of the of the applicable entity or group on a consolidated basis for the period then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the applicable entity or group on a consolidated basis that are required to be disclosed in such financial statements.

(u) All tax returns, declarations, remittances and filings required to be filed by the Company or any of the Material Subsidiaries have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them materially misleading. Other than in the ordinary course of an applicable Governmental Body, no examination of any tax return of the Company or any of the Material Subsidiaries is currently in progress to the Knowledge of the Company and there are no issues or disputes outstanding with any Governmental Body respecting any taxes that have been paid, or may be payable, by Company or any of the Material Subsidiaries in any case, other than as would not have a Material Adverse Effect.

(v) The Company maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization, and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. GAAP and to maintain accountability for assets.

(w) The assets of the Company and each of the Material Subsidiaries and the respective businesses and operations thereof are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and neither the Company nor any of the Material Subsidiaries has breached the terms of any policies in respect thereof or failed to promptly give any notice or present any material claim thereunder.

(x) To the Knowledge of the Company, the Company and each of the Material Subsidiaries own or have all proprietary rights provided in law and at equity to use all material patents, trademarks, copyrights, industrial designs, software, trade secrets, know-how, concepts, information and other intellectual and industrial property (collectively, "**Intellectual Property**") necessary to permit the Company and each of the Material Subsidiaries to conduct its business as currently conducted. Neither the Company nor any of the Material Subsidiaries has received any notice, nor does the Company have knowledge, of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances that would render any Intellectual Property invalid or inadequate to protect the interests of the Company or any of the Material Subsidiaries therein and which infringement or conflict (if subject to an unfavorable decision, ruling or finding) or invalidity or inadequacy would have a Material Adverse Effect; provided that Vireo Health, Inc. has filed an opposition with the USPTO Trial and Appeal Board because it will be damaged by the registration of the mark "GREEN GOODS", serial number 90792474, applied for by Henke Management, Inc. dba Henke Distribution ("**Henke**"). Vireo Health, Inc. opposes the Henke application based on a likelihood of confusion with and priority of Vireo's senior mark "GREEN GOODS".

(y) The Company is not affected by any commitment, agreement or document containing any covenant which expressly and materially limits the freedom of the Company to compete in any line of business, transfer or move any of its respective assets or operations or which adversely materially affects the business practices, operations or condition of the Company.

(z) To the Knowledge of the Company, the Company and the Material Subsidiaries are in material compliance with, in connection with the ownership, use, maintenance or operation of the property and assets thereof, all applicable federal, state, municipal or local laws, by-laws, regulations, orders, policies, permits, licenses, certificates or approvals having the force of law, in the United States or a foreign jurisdiction, relating to environmental, health or safety matters, other than the U.S. Federal Cannabis Laws.

(aa) With respect to each of the Leased Premises, the Company or a Material Subsidiary occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Company or a Material Subsidiary occupies the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement and the completion of the transactions described herein by the Company, will not afford any of the parties to such leases or any other person the right to terminate such leases or result in any additional or more onerous obligations under such leases.

(bb) The Company is in compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where non-compliance with such laws could not reasonably be expected to have a Material Adverse Effect.

(cc) The Company is in compliance in all material respects with its timely and continuous disclosure obligations under applicable Securities Laws and, without limiting the generality of the foregoing, there has been no material fact or material change relating to the Company which has not been publicly disclosed, the information and statements in the Public Record were true and correct in all material respects as of the respective dates of such information and statements and at the time such documents were filed on SEDAR+ and EDGAR, as applicable, and do not contain any misrepresentations (other than any information and statements which have been superseded and corrected by subsequent information and statements in the Public Record) and the Company has not filed any confidential material change reports which remain confidential as at the date hereof.

(dd) The auditors who reported on and audited the applicable Company Financial Statements were independent with respect to the entities for which they provided such auditing services within the meaning of the rules of professional conduct applicable to auditors in Canada and the United States, as applicable, and the Company's current auditors are independent with respect to the Company within the meaning of the rules of professional conduct applicable to auditors in Canada and there has never been a "reportable event" (within the meaning of applicable Securities Laws) with the current, or to the Knowledge of the Company any predecessor, auditors of the Company.

(ee) To the Knowledge of the Company, none of the directors or officers of the Company are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange.

(ff) Other than the Company, there is no Person that is or will be entitled to demand any of the net proceeds of the Offering.

(gg) The Company will file a registration statement on Form S-3 (or a supplement thereto) or Form S-1 (or such other form the Company is eligible to use at that time) relating to the resale of the Shares following Closing, and will use commercially reasonable efforts to have it taken effective by the expiration of the Lock-Up Period, and to maintain the effectiveness of such registration statement until all Shares covered by such registration statement are sold in accordance with the intended plan of distribution set forth in the registration statement, on the terms and conditions set forth in the Registration Rights Agreement.

ARTICLE 6- ACKNOWLEDGEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE SUBSCRIBER

6.1 Acknowledgements, Representations, Warranties and Covenants of the Subscriber

The Subscriber, on its own behalf and, if applicable, on behalf of a Disclosed Principal for whom it is acting hereunder, hereby acknowledges, represents and warrants to, and covenants with, the Company as follows and acknowledges that the Company is relying on such acknowledgements, representations, warranties and covenants in connection with the transactions contemplated herein:

(a) The Subscriber confirms that it:

(i) has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Purchased Securities, including the potential loss of its entire investment;

(ii) is aware of the characteristics of the Shares and understands the risks relating to an investment therein; and

(iii) is able to bear the economic risk of loss of its investment in the Purchased Securities.

(b) The Subscriber is resident, or if not an individual has its head office, in the jurisdiction set out on page 1 of this Subscription Agreement and intends that the Securities Laws of that jurisdiction govern the Subscriber's subscription and is not aware of any reason why the laws of such jurisdictions would not govern such subscription. Such address was not created and is not used solely for the purpose of acquiring the Shares and the Subscriber was solicited to purchase in only such jurisdiction.

(c) The execution and delivery of this Subscription Agreement and the Registration Rights Agreement, the performance and compliance with the terms hereof, the subscription for the Purchased Securities and the completion of the transactions described herein by the Subscriber will not result in any material breach of, or be in conflict with or constitute a material default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a material default under any term or provision of the constating documents, by-laws or resolutions of the Subscriber, if applicable, the Securities Laws or any other laws applicable to the Subscriber, any agreement to which the Subscriber is a party, or any judgment, decree, order, statute, rule or regulation applicable to the Subscriber.

(d) The Subscriber is subscribing for the Purchased Securities as principal for its own account and not for the benefit of any other Person (within the meaning of applicable Securities Laws) or if it is not subscribing as principal it is acting as agent for a Disclosed Principal (whose identity is disclosed on page 1 of this Subscription Agreement) who is purchasing as principal for its own account and not for the benefit of any other Person.

(e) If the Subscriber is contracting hereunder as trustee or agent for a fully managed account (including for greater certainty, a portfolio manager or comparable advisor) or as trustee or agent for a Disclosed Principal, the Subscriber is duly authorized to execute and deliver this Subscription Agreement, the Registration Rights Agreement and all other necessary documentation in connection with such subscription and if the Subscriber is acting as trustee or agent for a Disclosed Principal, who is subscribing as principal for its own account and not for the benefit of any other Person, this Subscription Agreement and the Registration Rights Agreement have been duly authorized, executed and delivered by or on behalf of and constitute legal, valid and binding agreements of such Disclosed Principal and the Subscriber acknowledges that the Company may be required by law to disclose to certain regulatory authorities the identity of such Disclosed Principal for whom it is acting.

(f) In the case of a subscription for the Purchased Securities by the Subscriber acting as principal, this Subscription Agreement and the Registration Rights Agreement have been duly authorized, executed and delivered by, and constitute legal, valid and binding agreements of the Subscriber. This Subscription Agreement and the Registration Rights Agreement are enforceable in accordance with its terms against the Subscriber.

(g) If the Subscriber is:

(i) a corporation, the Subscriber is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to execute and deliver this Subscription Agreement and the Registration Rights Agreement, to subscribe for the Purchased Securities as contemplated herein and to carry out and perform its covenants and obligations under the terms of this Subscription Agreement and the Registration Rights Agreement and has obtained all necessary approvals in respect thereof, and the individual signing this Subscription Agreement and the Registration Rights Agreement has been duly authorized to execute and deliver this Subscription Agreement and the Registration Rights Agreement;

(ii) a partnership, syndicate or other form of unincorporated organization, the Subscriber has the necessary legal capacity and authority to execute and deliver this Subscription Agreement and the Registration Rights Agreement, to subscribe for the Purchased Securities as contemplated herein and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof and the individual signing this Subscription Agreement and the Registration Rights Agreement has been duly authorized to execute and deliver this Subscription Agreement and the Registration Rights Agreement; or

(iii) an individual, the Subscriber is of the full age of majority in his or her jurisdiction of residence and is legally competent to execute, deliver and be bound by the terms of this Subscription Agreement and the Registration Rights Agreement, to subscribe for the Purchased Securities contemplated herein and to observe and perform his or her covenants and obligations hereunder.

(h) If the Subscriber, or any Disclosed Principal, is a corporation or a partnership, syndicate, trust, association, or any other form of unincorporated organization or organized group of persons, the Subscriber or such Disclosed Principal was not created or being used solely to permit purchases of or to hold securities without a prospectus or registration statement in reliance on a prospectus or registration exemption.

(i) The Subscriber acknowledges and understands that in connection with the issue and sale of the Purchased Securities pursuant to the Offering, the Company may pay certain cash finder's fees, commissions or other broker fees.

(j) The Subscriber is not acting jointly or in concert with any other subscriber in connection with the Offering for the purpose of the acquisition of the Shares.

(k) If required by applicable Securities Laws, the Subscriber will execute, deliver and file or assist the Company in filing such reports, undertakings and other documents with respect to the issue of the Purchased Securities as may be required by any securities commission, stock exchange or other regulatory authority.

(l) The Subscriber has been advised to consult its own legal advisors with respect to the execution, delivery and performance by it of this Subscription Agreement and the Registration Rights Agreement and the transactions contemplated herein and therein, including trading in the Shares, and with respect to the hold periods imposed by the Securities Laws of the jurisdiction in which the Subscriber resides and other applicable securities laws, and acknowledges that the Subscriber is solely responsible (and the Company is not in any way responsible) for compliance with applicable resale restrictions and that the Subscriber (or others for whom it is contracting hereunder) is aware that it may not resell such securities except pursuant to a registration statement that has been declared effective by the SEC or in accordance with limited exemptions under the Securities Laws and other applicable securities laws.

(m) Other than the Private Placement Memorandum and the Investor Presentation, the Subscriber has not received or been provided with a prospectus, offering memorandum (within the meaning of the Securities Laws) or any sales or advertising literature in connection with the Offering or any document purporting to describe the business and affairs of the Company which has been prepared for review by prospective purchasers to assist in making an investment decision in respect of the Shares, and the Subscriber's decision to subscribe for the Purchased Securities was not based upon, and the Subscriber has not relied upon, any oral or written representations as to facts made by or on behalf of the Company, or any employee, agent or affiliate thereof or any other person associated therewith, except as set forth herein. The Subscriber's decision to subscribe for the Purchased Securities was based solely upon this Subscription Agreement, the Registration Rights Agreement, the Private Placement Memorandum, the Investor Presentation and any information about the Company which is publicly available, including the Public Record (any such information having been obtained by the Subscriber without independent investigation or verification by the Company).

(n) Neither the Company, nor any of its directors, employees, officers, affiliates or agents has made any written or oral representations:

(i) that any Person will resell or repurchase the Shares;

(ii) that any Person will refund all or any part of the Subscription Amount; or

(iii) as to the future price or value of Shares.

(o) The Subscriber is not purchasing the Purchased Securities with knowledge of any material information concerning the Company that has not been generally disclosed.

(p) The subscription for the Purchased Securities has not been made through or as a result of, and the offer and sale of the Shares is not being accompanied by any advertisement, including without limitation in printed public media, radio, television or telecommunications, including electronic display, or as part of a general solicitation.

(q) The funds representing the Subscription Amount which will be advanced by the Subscriber to the Company hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**PCMLTFA**"), the United Kingdom's *Proceeds of Crime Act 2002* (the "**POCA**") or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**"), and the Subscriber acknowledges that the Company may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA, POCA or the PATRIOT Act. To the best of its knowledge (a) none of the subscription funds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under the laws of Canada, the United States, or any other jurisdiction, or (ii) are being tendered on behalf of a Person or entity who has not been identified to the Subscriber, and (b) the Subscriber shall promptly notify the Company if the Subscriber discovers that any of such representations ceases to be true, and to provide the Company with appropriate information in connection therewith.

(r) The Subscriber is not a person or entity identified in any regulation made under (i) the United Nations Act including the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism, the United Nations Al-Qaida and Taliban Regulations, the Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea, the Regulations Implementing the United Nations Resolution on Iran, the Regulations Implementing the United Nations Resolution on Eritrea, the Regulations Implementing the United Nations Resolution on Lebanon, the Regulations Implementing the United Nations Resolution on Libya, the Regulations Implementing the United Nations Resolution on Somalia, the United Nations Cote d'Ivoire Regulations, the United Nations Democratic Republic of the Congo Regulations, the Regulations Implement the United Nations Resolutions on Liberia, the United Nations Iraq Regulations, the Regulations Implementing the United Nations Resolution on the Central African Republic, and the United Nations Sudan Regulations; (ii) the Special Economic Measures Act including the Special Economic Measures (Zimbabwe) Regulations, the Special Economic Measures (Burma) Regulations, the Special Economic Measures (Democratic People's Republic of Korea) Regulations, the Special Economic Measures (Iran) Regulations, the Special Economic Measures (Syria) Regulations, the Special Economic Measures (Ukraine) Regulations, and the Special Economic Measures (Russia) Regulations; (iii) the Freezing Assets of Corrupt Foreign Officials Act or, (iv) the Criminal Code of Canada; (collectively, the "Trade Sanctions"). The Subscriber acknowledges that the Corporation may in the future be required by law to disclose the name and other information of the Subscriber related to the acquisition of the Offered Shares hereunder, on a confidential basis, pursuant to the Trade Sanctions or as otherwise may be required by applicable laws or regulations.

(s) Neither the Subscriber nor any of its affiliates has, in the five trading days on the CSE or OTCQX immediately preceding the Subscriber's execution of this Subscription Agreement and the Registration Rights Agreement, sold or sold short any Shares or other securities of the Company.

(t) The Subscriber is a U.S. Accredited Investor and the Subscriber has properly completed, executed and delivered to the Company this Subscription Agreement and Schedule "A" (the U.S. Accredited Investor Certificate) and the Registration Rights Agreement and the acknowledgements, representations, warranties, covenants and information contained herein and therein are true and correct as of the date hereof and will be true and correct as of the Closing Date and if less than a complete copy of this Subscription Agreement and the Registration Rights Agreement are delivered to the Company, then the Company and its advisors are entitled to assume that the Subscriber accepts and agrees to all the terms and conditions of the pages not delivered, unaltered.

(u) The Subscriber is aware that the Shares have not been registered under the U.S. Securities Act or the securities laws of any state and that the Shares may not be offered or sold, directly or indirectly, without registration under the U.S. Securities Act and applicable state securities laws or in compliance with the requirements of an exemption from such registration. The Subscriber agrees that the Shares shall be subject to a 6-month lock-up period from the Closing Date during which time the Shares will not be transferable by the Subscriber without the prior written consent of the Company (the "**Lock-Up Period**").

(v) The Subscriber undertakes and agrees that it will not offer or sell any of the Purchased Securities unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, or an exemption from such registration requirement is available.

(w) The Subscriber acknowledges that the Company has agreed to file a registration statement on Form S-3 (or a supplement thereto) or Form S-1 related to resale of the Shares as soon as reasonably practicable following Closing, and to use commercially reasonable efforts to have taken effective and to maintain the effectiveness of such registration statement until all Shares covered by such registration statement are sold in accordance with the intended plan of distribution set forth in the registration statement, on the terms and conditions set forth in the Registration Rights Agreement; provided that, if the Subscriber does not provide the Company with the requested information to enable the Company to include the Subscriber in the resale registration statement, it acknowledges and agrees that this is a waiver of its rights to be included in the resale registration statement.

International Subscribers

(x) If the Subscriber is resident in or otherwise subject to the securities laws of any jurisdiction outside of Canada and the United States (the "**Offshore Jurisdiction**"):

(i) The Subscriber has completed, executed and delivered an Offshore Investor Certificate in the form attached hereto as Schedule "B".

(ii) The Subscriber is knowledgeable of, or has been independently advised as to, the applicable Securities Laws of the Offshore Jurisdiction which would apply to this subscription, if any.

(iii) The delivery of the Agreement, the acceptance of it by the Company and the issuance of the Purchased Securities to the Subscriber complies with all laws applicable to the Subscriber, including the laws of such Subscriber's jurisdiction of residence, and will not cause the Company to become subject to, or require it to comply with, any disclosure, prospectus, filing or reporting requirements under any applicable laws of the Offshore Jurisdiction.

(iv) The Company is offering and selling the Shares and the Subscriber is purchasing the Shares pursuant to exemptions from the prospectus and registration requirements under the Applicable Securities laws of the Offshore Jurisdiction or, if such is not applicable, the Company is permitted to offer and sell the Shares and the Subscriber is permitted to purchase the Shares under the Securities Laws of such Offshore Jurisdiction without the need to rely on exemptions.

(v) The Securities Laws of the Offshore Jurisdiction do not require the Company to register any of the Purchased Securities, file a prospectus, registration statement, offering memorandum or similar document, or make any filings or disclosures or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in the Offshore Jurisdiction.

(vi) The Subscriber will, if requested by the Company, deliver to the Company a certificate or opinion of local counsel from the Offshore Jurisdiction which will confirm the matters referred to in subparagraphs (i) through (v) above to the satisfaction of the Company, acting reasonably.

6.2 Acknowledgments and Covenants of the Subscriber

The Subscriber, on its own behalf and, if applicable, on behalf of a Disclosed Principal for whom it is acting hereunder, hereby acknowledges to, and covenants with, the Company as follows and acknowledges that the Company is relying on such acknowledgements and covenants in connection with the transactions contemplated herein:

(a) It (i) has received and reviewed a copy of the Private Placement Memorandum and the Investor Presentation, and (ii) has had the opportunity to ask and have answered any and all questions which the Subscriber wished to have answered with respect to the subscription for the Purchased Securities made hereunder.

(b) The offer of the Shares does not constitute a recommendation to purchase the Shares or financial product advice and the Subscriber acknowledges that the Company has not had regard to the Subscriber's particular objectives, financial situation or needs.

(c) There are risks associated with the purchase of the Purchased Securities and no securities commission, agency, governmental authority, regulatory body, stock exchange or similar regulatory authority has reviewed or passed on the merits of the Shares nor have any such agencies or authorities made any recommendations or endorsement with respect to the Shares.

(d) The Shares will be subject to resale restrictions under the Securities Laws of the United States and under other applicable Securities Laws, and the Subscriber covenants that it will not resell the Shares except in compliance with such laws and the Subscriber acknowledges that it is solely responsible (and the Company is not in any way responsible) for such compliance.

(e) The Subscriber's ability to transfer the Shares is limited by, among other things, applicable Securities Laws.

(f) The Company hereby notifies the Subscriber that, unless permitted under Securities Law in Canada, the Subscriber must not trade the Purchased Securities in Canada before the date that is four months and one day following the Closing Date.

(g) During the four-month period following the Closing Date, the Subscriber will not dispose of the Purchased Securities to any Person located in Canada, provided that the foregoing shall not prohibit the Subscriber from disposing of any Purchased Securities through the facilities of a stock exchange or market place outside of Canada where the Subscriber does not have reason to believe that the purchaser thereof is located in Canada.

(h) The Shares shall have attached to them, through an ownership statement issued under a direct registration system, legends setting out resale restrictions under applicable United States Securities Laws substantially in the following form:

> "**THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT. THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER, DIRECTLY OR INDIRECTLY, THESE SECURITIES EXCEPT (A) TO THE COMPANY, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, OR (C) IN COMPLIANCE WITH AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, AND EACH CASE IN COMPLIANCE WITH ALL APPLICABLE STATE SECURITIES LAWS; PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C) ABOVE, A LEGAL OPINION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY MUST FIRST BE PROVIDED TO THE COMPANY AND ITS TRANSFER AGENT. DELIVERY OF THIS INSTRUMENT MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.**"

(i) The Company is relying on an exemption from the requirement to provide the Subscriber with a prospectus or registration statement under the Securities Laws and, as a consequence of acquiring the Purchased Securities pursuant to such exemption:

(i) certain protections, rights and remedies provided by the Securities Laws will not be available to the Subscriber;

(ii) the common law may not provide investors with an adequate remedy in the event that they suffer investment losses in connection with securities acquired in a private placement;

(iii) the Subscriber may not receive information that would otherwise be required to be given under the Securities Laws; and

(iv) the Company is relieved from certain obligations that would otherwise apply under the Securities Laws.

(j) In purchasing the Purchased Securities, the Subscriber has relied solely upon this Subscription Agreement, the Registration Rights Agreement, the Private Placement Memorandum, the Investor Presentation and publicly available information relating to the Company (including the Public Record), not upon any verbal or written representation as to any fact or otherwise made by or on behalf of the Company or any of its directors, officers, employees, agents or representatives.

(k) The offer, issuance, sale and delivery of the Shares is conditional upon such initial offer, issuance, sale by the Company to the Subscribers being exempt from the prospectus and registration requirements in connection with the offer and sale of the Shares under the Securities Laws of the United States and Canada or upon the issuance of such orders, consents or approvals as may be required to permit such offer and sale without the requirement of filing a prospectus or registration statement.

(l) The Company may complete additional financings in the future in order to develop the business of the Company and fund its ongoing development, and such future financings may have a dilutive effect on current shareholders or securityholders of the Company, including the Subscriber. However, there is no assurance that any future financings will be available, on reasonable terms or at all, and if not so available, could have a Material Adverse Effect.

(m) The Subscriber is responsible for obtaining such legal and tax advice as it considers appropriate in connection with the execution, delivery and performance of this Subscription Agreement and the Registration Rights Agreement and the transactions contemplated under this Subscription Agreement and the Registration Rights Agreement.

(n) This offer to subscribe is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber without the consent of the Company.

(o) There is no government or other insurance covering the Shares.

(p) Legal counsel retained by the Company is acting as counsel to the Company, and not as counsel to the Subscriber.

(q) The Subscriber acknowledges that this Subscription Agreement and the exhibits and Schedules hereto and the Registration Rights Agreement require the Subscriber to provide certain personal information to the Company. Such information is being collected by the Company for the purposes of completing the Offering and complying with the Company's Canadian and U.S. regulatory requirements, which includes, without limitation, determining the Subscriber's eligibility to purchase the Purchased Securities under the Securities Laws, other applicable securities laws and U.S. Cannabis Laws and completing filings required by any stock exchange or securities regulatory authority or by any U.S. state, local or municipal regulatory authority. The Subscriber's personal information may be disclosed by the Company to: (i) stock exchanges or securities regulatory authorities, (ii) the Canada Revenue Agency, the U.S. Internal Revenue Service or other taxing authorities, (iii) U.S. state, local or municipal regulatory authorities as required under U.S. Cannabis Laws, and (iv) any of the other parties involved in the Offering, including legal counsel to the Company and may be included in record books in connection with the Offering. By executing this Subscription Agreement and the Registration Rights Agreement, the Subscriber is deemed to be consenting to the foregoing collection, use and disclosure of the Subscriber's personal information. The Subscriber also consents to the filing of copies or originals of any of the Subscriber's documents described herein as may be required to be filed with any stock exchange or securities regulatory authority or any U.S. state, local or municipal regulatory authorities as required under U.S. Cannabis Laws in connection with the transactions contemplated hereby. The Subscriber represents and warrants that it has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of each Disclosed Principal, as applicable.

(r) The information provided by the Subscriber on pages 1 and 2 of this Subscription Agreement and in the Registration Rights Agreement, as well as additional information reasonably requested from the Subscriber by the Company to comply with U.S. Cannabis Laws, identifying among other things, the name, address, telephone number, email address, date of birth, and government-issued identification card number of the Subscriber, the number of Shares being purchased hereunder, the Subscription Amount, and the Closing Date may be disclosed to U.S. state and local regulatory agencies as required under U.S. Cannabis Laws.

6.3 Risks Associated with the Purchase of Shares

The Subscriber further acknowledges and agrees that the Company is and will continue to be subject to, among other things, the risks and uncertainties outlined in the Private Placement Memorandum.

6.4 Reliance on Representations, Warranties, Covenants and Acknowledgements

The Subscriber acknowledges and agrees that the representations, warranties, covenants and acknowledgements made by the Subscriber in this Subscription Agreement and the Registration Rights Agreement are made with the intention that they may be relied upon by the Company and its legal counsel in determining the Subscriber's eligibility (and if applicable, the eligibility of the Disclosed Principal) to purchase the Purchased Securities. The Subscriber further agrees that by accepting the Purchased Securities, the Subscriber shall be representing and warranting that such representations, warranties, covenants and acknowledgements are true as at the Closing Date with the same force and effect as if they had been made by the Subscriber at the Closing Date.

ARTICLE 7 - SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

7.1 Survival of Representations, Warranties and Covenants of the Company

The representations, warranties and covenants of the Company contained in this Subscription Agreement and the Registration Rights Agreement shall survive the Closing and continue in full force and effect for the benefit of the Subscriber for a period of two years following Closing, in each case notwithstanding such Closing or any investigation made by or on behalf of the Subscriber with respect thereto.

7.2 Survival of Representations, Warranties and Covenants of the Subscriber

The representations, warranties and covenants of the Subscriber contained in this Subscription Agreement and the Registration Rights Agreement shall survive the Closing and continue in full force and effect for the benefit of the Company for a period of two years following the Closing, in each case notwithstanding such Closing or any investigation made by or on behalf of the Company with respect thereto and notwithstanding any subsequent disposition by the Subscriber of any of the Shares.

ARTICLE 8 - MISCELLANEOUS

8.1 Further Assurances

Each of the parties hereto upon the request of the other party hereto, whether before or after the Closing Date, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may reasonably be necessary or desirable to complete the transactions contemplated herein.

8.2 Notices

(a) Any notice, direction or other instrument required or permitted to be given to any party hereto shall be in writing and shall be sufficiently given if delivered personally, or transmitted electronically tested prior to transmission to such party, as follows:

(i) in the case of the Company, to:

Vireo Growth Inc.
207 South 9th Street
Minneapolis, MN 55402

Attention: Amber Shimpa
Email: investor@vireohealth.com

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

Troutman Pepper Hamilton Sander LLP
125 High Street, 19th Floor
Boston, MA 02110

Attention: Thomas Rose
Email: Thomas.rose@troutman.com

(ii) in the case of the Subscriber, at the address specified on page 1 hereof.

(b) Any such notice, direction or other instrument, if delivered personally, shall be deemed to have been given and received on the day on which it was delivered, provided that if such day is not a Business Day then the notice, direction or other instrument shall be deemed to have been given and received on the first Business Day next following such day and if transmitted electronically, shall be deemed to have been given and received on the day of its transmission, provided that if such day is not a Business Day or if it is transmitted or received after the end of normal business hours then the notice, direction or other instrument shall be deemed to have been given and received on the first Business Day next following the day of such transmission.

(c) Any party hereto may change its address for service from time to time by notice given to the other party hereto in accordance with the foregoing provisions.

8.3 Time of the Essence

Time shall be of the essence of this Subscription Agreement and every part hereof.

8.4 Costs and Expenses

All costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Subscription Agreement and the Registration Rights Agreement and the transactions herein contemplated shall be paid and borne by the party incurring such costs and expenses.

8.5 Applicable Law

This Subscription Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Delaware. Any and all disputes arising under this Subscription Agreement, whether as to interpretation, performance or otherwise, shall be subject to the non-exclusive jurisdiction of the courts of the State of Delaware and each of the parties hereto hereby irrevocably attorns to the jurisdiction of the courts of such State.

8.6 Entire Agreement

This Subscription Agreement, including the Schedules hereto, and the Registration Rights Agreement, constitutes the entire agreement between the parties with respect to the transactions contemplated herein and cancels and supersedes any prior understandings, agreements, negotiations and discussions between the parties. There are no representations, warranties, terms, conditions, undertakings or collateral agreements or understandings, express or implied, between the parties hereto other than those expressly set forth in this Subscription Agreement and the Registration Rights Agreement or in any such agreement, certificate, affidavit, statutory declaration or other document as aforesaid. This Subscription Agreement may not be amended or modified in any respect except by written instrument executed by each of the parties hereto.

8.7 Counterparts

This Subscription Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same Subscription Agreement. Counterparts may be delivered either in original, PDF or faxed form and the parties adopt any signatures received by PDF or a receiving fax machine as original signatures of the parties. If less than a complete copy of this Subscription Agreement and the Registration Rights Agreement are delivered to the Company, the Company and its advisors are entitled to assume that the Subscriber accepts and agrees to all the terms and conditions of the pages not delivered, unaltered.

8.8 Indemnity

The Subscriber agrees to indemnify and hold harmless the Company and its directors, officers, employees, agents, advisers, shareholders and affiliates from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Subscriber contained herein or in any document furnished by the Subscriber to the Company in connection herewith being untrue in any material respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any document furnished by the Subscriber to the Company in connection herewith.

8.9 Assignment

This Subscription Agreement may not be assigned by any party except with the prior written consent of the other party hereto.

8.10 Enurement

This Subscription Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors (including any successor by reason of the amalgamation or merger of any party), administrators and permitted assigns.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

The Company hereby accepts the subscription for Shares as set forth on page 1 of this Subscription Agreement on the terms and conditions contained in this Subscription Agreement (including all applicable Schedules) this ____ day of _____, 2024.

VIREO GROWTH INC.

Per: _____

Authorized Signing Officer

SCHEDULE "A"

U.S. ACCREDITED INVESTOR CERTIFICATE

The categories listed herein contain certain specifically defined terms. Terms not otherwise defined herein have the meanings attributed to them in the Subscription Agreement. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.

All monetary references herein are in United States dollars.

TO: **VIREO GROWTH INC.** (the "**Company**")

In connection with the purchase by the undersigned Subscriber of the Purchased Securities, the Subscriber, on its own behalf or on behalf of each Disclosed Principal for whom the Subscriber is acting (collectively, the "**Subscriber**"), hereby represents, warrants, covenants and certifies to the Company (and acknowledges that the Company and its counsel are relying thereon) that:

(1) it is authorized to consummate the subscription for the Purchased Securities in the Offering and has the necessary power and authority to execute and deliver the Subscription Agreement and this U.S. Accredited Investor Certificate and the Registration Rights Agreement and to perform the covenants and obligations thereunder and hereunder, and has taken all necessary action in respect of them;

(2) it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Purchased Securities and it is able to bear the economic risks of such investment and is able, without impairing its financial condition, to bear the economic risks, and withstand a complete loss of such investment;

(3) it is aware that the Purchased Securities have not been registered under the U.S. Securities Act or the securities laws of any state of the United States, and that the offer and sale of the Purchased Securities in the United States is being made in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D and similar registration exemptions under applicable state securities laws to U.S. Accredited Investors;

(4) it (i) is a U.S. Accredited Investor and is acquiring the Purchased Securities for its own account or for the account of one or more U.S. Accredited Investors with respect to which it exercises sole investment discretion, and not with a view to resale, distribution or other disposition of any of the Purchased Securities in violation of United States federal or state securities laws and (ii) satisfies one or more of the categories indicated below (**the Subscriber must initial "SUB" for the Subscriber, and "DP" for each Disclosed Principal, if any, on the appropriate line(s)**):

_____	Category 1. [Rule 501(a)(1)]	A bank, as defined in Section 3(a)(2) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or
_____	Category 2. [Rule 501(a)(1)]	A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or
_____	Category 3. [Rule 501(a)(1)]	A broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934, as amended; or

_____	Category 4. [Rule 501(a)(1)]	An investment adviser registered pursuant to Section 203 of the U.S. Investment Advisers Act of 1940, as amended, or registered pursuant to the laws of a state; or
_____	Category 5. [Rule 501(a)(1)]	An investment adviser relying on the exemption from registering with the Commission under Section 203(l) or (m) of the U.S. Investment Advisers Act of 1940, as amended; or
_____	Category 6. [Rule 501(a)(1)]	An insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; or
_____	Category 7. [Rule 501(a)(1)]	An investment company registered under the U.S. Investment Company Act of 1940, as amended; or
_____	Category 8. [Rule 501(a)(1)]	A business development company as defined in Section 2(a)(48) of the U.S. Investment Company Act of 1940, as amended; or
_____	Category 9. [Rule 501(a)(1)]	A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958, as amended; or
_____	Category 10. [Rule 501(a)(1)]	A Rural Business Investment Company as defined in Section 384A of the U.S. Consolidated Farm and Rural Development Act of 1972, as amended; or
_____	Category 11. [Rule 501(a)(1)]	A plan established and maintained by a state, its political subdivision or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with assets in excess of U.S. $5,000,000; or
_____	Category 12. [Rule 501(a)(1)]	An employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974, as amended**,** in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company or registered investment advisor, or an employee benefit plan with total assets in excess of U.S. $5,000,000 or, if a self-directed plan, the investment decisions are made solely by persons who are accredited investors; or
_____	Category 13. [Rule 501(a)(2)]	A private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940, as amended; or

_____ Category 14. [Rule 501(a)(3)] An organization described in Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended, a corporation, a Massachusetts or similar business trust, a partnership, or a limited liability company, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of U.S. $5,000,000; or

_____ Category 15. [Rule 501(a)(4)] A director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer; or

_____ Category 16. [Rule 501(a)(5)] A natural person whose individual net worth, or joint net worth with that person's spouse or spousal equivalent, exceeds U.S. $1,000,000; or

(**Note**: For the purposes of calculating "net worth"

(i) the person's primary residence shall not be included as an asset;

(ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the Offering, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the closing of the Offering exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

(iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability.)

(**Note**: For the purposes of calculating "joint net worth", joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent, and assets need not be held jointly to be included in the calculation. Reliance on the joint net worth standard does not require that the securities be purchased jointly.)

(**Note**: The term "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.)

_____ Category 17. [Rule 501(a)(6)] A natural person who had an individual income in excess of U.S. $200,000 in each year of the two most recent years or joint income with that person's spouse or spousal equivalent in excess of U.S. $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or

(**Note**: The term "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.)

_____ Category 18. [Rule 501(a)(7)] A trust, with total assets in excess of U.S. $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under Regulation D under the U.S. Securities Act; or

_____ Category 19. [Rule 501(a)(8)] An entity in which each of the equity owners are accredited investors; or

(**Note:** It is permissible to look through various forms of equity ownership to natural persons in determining the accredited investor status of entities under this category. If those natural persons are themselves accredited investors, and if all other equity owners of the entity seeking accredited investor status are accredited investors, then this category may be available.)

_____	Category 20. [Rule 501(a)(9)]	An entity, of a type not listed in Categories 1 through 14, 18 or 19 above, not formed for the specific purpose of acquiring the securities offered, owning "investments" (as defined in Rule 2a51-1(b) under the U.S. Investment Company Act of 1940, as amended) in excess of U.S. $5,000,000; or
_____	Category 21. [Rule 501(a)(10)]	A natural person holding in good standing one or more of the following professional licenses: (i) General Securities Representative license (Series 7); (ii) Private Securities Offerings Representative license (Series 82), and (iii) Investment Adviser Representative license (Series 65); or
_____	Category 22. [Rule 501(a)(11)]	A natural person who is a "knowledgeable employee" (as defined in Rule 3c-5(a)(4) under the U.S. Investment Company Act of 1940, as amended) of the issuer of the securities being offered or sold where the issuer would be an "investment company" (as defined in Section 3 of U.S. Investment Company Act of 1940, as amended), but for the exclusion provided by either Section 3(c)(1) or section 3(c)(7) of U.S. Investment Company Act of 1940, as amended; or
_____	Category 23. [Rule 501(a)(12)]	A "family office" (as defined in Rule 202(a)(11)(G)-1 under the U.S. Investment Advisers Act of 1940, as amended): (i) with assets under management in excess of U.S. $5,000,000, (ii) that is not formed for the specific purpose of acquiring the securities offered, and (iii) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or
_____	Category 24. [Rule 501(a)(13)]	A "family client" (as defined in Rule 202(a)(11)(G)-1 under the U.S. Investment Advisers Act of 1940, as amended) of a family office meeting the requirements in Category 23 above and whose prospective investment in the issuer is directed by such family office pursuant to clause (iii) of Category 23.

(5) it understands and acknowledges that the Purchased Securities are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and it agrees that if it decides to offer, sell, pledge or otherwise transfer any of the Purchased Securities, directly or indirectly, it will not offer, sell, pledge or otherwise transfer any of such securities, directly or indirectly, other than in compliance with any restrictive legend imprinted thereon and pursuant to an available exemption from the registration requirements under the U.S. Securities Act and the securities laws of all applicable states of the United States or the SEC has declared effective a registration statement in respect of such securities;

(6) it understands and acknowledges that direct registration statements representing the Purchased Securities and all direct registration statements issued in exchange for or in substitution of such direct registration statements, will bear the following legend upon the original issuance and until the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT. THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER, DIRECTLY OR INDIRECTLY, THESE SECURITIES EXCEPT (A) TO THE COMPANY, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, OR (C) IN COMPLIANCE WITH AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, AND EACH CASE IN COMPLIANCE WITH ALL APPLICABLE STATE SECURITIES LAWS; PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C) ABOVE, A LEGAL OPINION OR OTHER EVIDENCE IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY MUST FIRST BE PROVIDED TO THE COMPANY AND ITS TRANSFER AGENT. DELIVERY OF THIS INSTRUMENT MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that if any of the Purchased Securities are being sold pursuant to Rule 144 under the U.S. Securities Act, the legend may be removed by delivery to the Company and its transfer agent of an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Company to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act;

(7) it consents to the Company making a notation on its records or giving instructions to its transfer agent in order to implement the restrictions on transfer set forth and described in this Schedule "A" and the Subscription Agreement;

(8) it has decided to subscribe for the Purchased Securities based solely on the Subscriber's independent investigation and evaluation of the Company and its assets and the Subscriber has had access to all materials, books and records and documents relating to the Company as the Subscriber has desired;

(9) it has been provided an opportunity to ask questions of, and receive answers from, authorized representatives of the Company concerning the Company, the Purchased Securities, and the terms of the Offering and that any request for such information has been complied with to the Subscriber's satisfaction and that it has had the opportunity to consult with its legal and tax advisors with regards thereto;

(10) it understands and acknowledges that, pursuant to the Registration Rights Agreement entered into by the Subscriber and the Company on the date hereof, the Company is obligated to file with the SEC a registration statement under the U.S. Securities Act with respect to the resale of the Shares, in accordance with the terms and conditions set forth therein; provided that, if the Subscriber does not provide the Company with the requested information to enable the Company to include the Subscriber in the resale registration statement, it acknowledges and agrees that this is a waiver of its rights to be included in the resale registration statement;

(11) (i) it will sell the Purchased Securities only pursuant to either the registration requirements of the U.S. Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, (ii) that if the Purchased Securities are sold pursuant to a registration statement, they will be sold in compliance with the plan of distribution set forth therein and (iii) that if, after the effective date of the registration statement covering the resale of the Purchased Securities, such registration statement ceases to be effective and the Company has provided notice to such Subscriber to that effect, such Subscriber will sell Purchased Securities only in compliance with an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws;

(12) neither it nor any affiliates acting on its behalf or pursuant to any understanding with it will trade in the securities of the Company and will not execute any "short sales" (as defined in Rule 200 of Regulation SHO under the U.S. Exchange Act) during the period from the date hereof until the earlier of such time as (i) the transactions contemplated by this Subscription Agreement are first publicly announced or (ii) this Subscription Agreement is terminated in full;

(13) it acknowledges that purchasing, holding and disposing of the Purchased Securities may have tax consequences under the laws of both Canada and the United States, and that it is solely responsible for determining the tax consequences of investment in such securities;

(14) it understands and acknowledges that no agency, governmental authority, regulatory body, stock exchange or other entity (including, without limitation, the SEC or any state securities commission) has made any finding or determination as to the merit of investment in, nor have any such agencies or governmental authorities made any recommendation or endorsement with respect to the Purchased Securities;

(15) if required by applicable securities legislation, regulatory policy or order or by any securities commission, stock exchange or other regulatory authority, it will execute, deliver and file and otherwise assist the Company in filing reports, questionnaires, undertakings and other documents with respect to the issuance of the Purchased Securities;

(16) it understands and acknowledges that (i) if the Company is deemed to have been at any time previously an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents (a "**Shell Company**"), Rule 144 under the U.S. Securities Act may not be available for resales of the Purchased Securities, and (ii) the Company is not obligated to make Rule 144 under the U.S. Securities Act available for resales of such Purchased Securities;

(17) it represents and warrants that the offer, sale and issuance of the Purchased Securities is not a transaction, or part of a series of transactions which, although in technical compliance with an available exemption under the U.S. Securities Act, is part of a plan or scheme to evade the registration requirements of the U.S. Securities Act;

(18) it is aware that its ability to enforce civil liabilities under the United States federal securities laws may be affected adversely by, among other things: (i) the fact that the Company is organized under the laws of British Columbia, Canada and (ii) some of the Company's directors and officers may be residents of countries other than the United States. Consequently, it may be difficult to provide service of process on the Company and such officers and directors and it may be difficult to enforce any judgment against the Company;

(19) it acknowledges that the Subscriber has not purchased the Purchased Securities as a result of any form of "general solicitation" or "general advertising" (as such terms are defined in Regulation D under the U.S. Securities Act) including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over the Internet, radio, or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising; and

(20) it understands and acknowledges that it is making the representations, warranties and agreements contained herein with the intent that they may be relied upon by the Company in determining its eligibility or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to subscribe for the Purchased Securities.

[*signature page follows*]

The foregoing representations contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing Date (as defined in the Subscription Agreement to which this Schedule "A" is attached) and the Subscriber acknowledges that this U.S. Accredited Investor Certificate is incorporated into and forms a part of the Subscription Agreement to which it is attached. If any such representations shall not be true and accurate prior to the Closing Date, the undersigned shall give immediate written notice of such fact to the Company prior to the Closing Date.

Dated: _____ Signed: _____

_____ _____

Witness (If Subscriber is an Individual) Print the name of Subscriber

_____ _____

Print Name of Witness If Subscriber is a corporation, print name and title of Authorized Signing Officer

The Company derives a substantial portion of its revenues from the cannabis industry in certain states of the United States, which industry is illegal under U.S. Federal Cannabis Laws. The Company is involved directly (through subsidiaries) in the cannabis industry in the United States where local state laws permit such activities.

SCHEDULE "B"

OFFSHORE INVESTOR CERTIFICATE
(Residents of Jurisdictions outside of Canada or the United States)

Reference is made to the subscription agreement between the Company and the undersigned (referred to herein as the Subscriber) dated as of the date hereof (the "**Subscription Agreement**"). Terms not otherwise defined herein have the meanings ascribed to them in the Subscription Agreement to which the certificate forms a schedule. The undersigned Subscriber, a resident of a jurisdiction other than Canada or the United States, hereby represents and warrants as follows:

1. The Subscriber is a resident of an Offshore Jurisdiction and the decision to subscribe for Shares was taken in such Offshore Jurisdiction.

2. The delivery of the Subscription Agreement, the acceptance of it by the Company and the issuance of the Purchased Securities to the Subscriber complies with all laws applicable to the Subscriber, including the laws of such purchaser's jurisdiction of residence, and all other applicable laws, and will not cause the Company to become subject to, or require it to comply with, any disclosure, prospectus, filing or reporting requirements under any applicable laws of the Offshore Jurisdiction.

3. The Subscriber is knowledgeable of, or has been independently advised as to, the application or jurisdiction of the securities laws of the Offshore Jurisdiction that would apply to the subscription (other than the Securities Laws of Canada and the United States).

4. The Company is offering and selling the Shares and the Subscriber is purchasing the Shares pursuant to exemptions from the prospectus and registration requirements under the applicable Securities Laws of the Offshore Jurisdiction or, if such is not applicable, the Company is permitted to offer and sell the Shares and the Subscriber is permitted to purchase the Shares under the applicable Securities Laws of such Offshore Jurisdiction without the need to rely on exemptions.

5. The applicable Securities Laws do not require the Company to register any of the Shares, file a prospectus, registration statement, offering memorandum or similar document, or make any filings or disclosures or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in the Offshore Jurisdiction.

6. The Subscriber will, if requested by the Company, deliver to the Company a certificate or opinion of local counsel from the Offshore Jurisdiction that will confirm the matters referred to in subparagraphs 2, 4 and 5 above to the satisfaction of the Company, acting reasonably.

7. The Subscriber will not sell, transfer or dispose of the Purchased Securities except in accordance with all applicable laws, including Securities Laws of Canada and the United States, and the Subscriber acknowledges that the Company shall have no obligation to register any such purported sale, transfer or disposition which violates applicable Securities Laws of Canada and the United States.

[*Signature page follows*]

Dated: _____, 2024.

_____

Name of Subscriber

X _____

Signature of Subscriber

_____

If the Subscriber is a corporation, print name and title of authorized signing officer

SCHEDULE "C"

PAYMENT INSTRUCTIONS

Payment for the aggregate Subscription Amount for the private placement offering may be paid by obtaining AML forms and wire instructions by contacting Odyssey Trust Company, as escrow agent, at the following email address:

corptrust@odysseytrust.com

WE ARE NOT ABLE TO ACCEPT PAYMENT BY PERSONAL CHEQUE. IT WILL BE REJECTED.

Exhibit 10.3

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into on December 17, 2024 ("Effective Date") by and between Vireo Growth Inc., a Delaware corporation (the "Company") and John Mazarakis, an individual residing in the State of Florida ("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. The Company will or will cause its appropriate affiliates to appoint the Executive as the Chief Executive Officer of Vireo Health, Inc. and such other affiliates of the Company as appropriate during the Term. The Employee will report to the Company's Board of Directors (the "Board") and perform such duties and responsibilities for the Company as 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. Employee shall devote sufficient working time, attention and efforts as may be reasonably necessary to perform Employee's duties and responsibilities under this Agreement and advance the Company's business interests. Employee shall follow applicable policies and procedures adopted by the Company or applicable affiliates 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 engage in other business activities during Employee's employment with the Company that could reasonably be expected to prevent Employee from fulfilling the duties or responsibilities as set forth in or contemplated by this Agreement. Employee may participate in outside activities including 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 generally be based in Miami, Florida. 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. The Initial Term together with any Renewal Terms is the "Term." The Term shall cease as of the date of the Employee's termination of employment hereunder.

3. Restrictive Covenants Agreement. On the Effective Date, Employee is executing a Confidential Information Agreement substantially in the form of Exhibit A attached hereto and made a part hereof (the "Confidentiality Agreement"). Employee acknowledges and agrees that the Company's execution of this Agreement and agreement to employ Employee are conditioned upon Employee executing the Confidentiality Agreement. Nothing in this Agreement is intended to modify, amend, cancel or supersede the Confidentiality Agreement in any manner.

4. Compensation, Benefits and Business Expenses.

4.1 Base Salary. As of the Effective Date, the Company agrees to pay or to cause an affiliate to pay Employee an annual base salary of $1.00 USD (the "Base Salary"), which will be paid to the Employee on the payroll date next following the Effective Date and on each payroll date next following the anniversary of the Effective Date during the Term.

4.2 Equity and Incentive Compensation.

(a) Annual Equity Awards. On the Effective Date and on each anniversary of the Effective Date during the Term, the Company shall issue to the Employee 3,200,000 Subordinate Voting Shares of the Company (or equivalent common shares should Subordinate Voting Shares cease to be available for issuance) (the "Annual Incentive Shares"). The Annual Incentive Shares shall be fully vested when issued. The Company will provide reasonable assistance to the Employee to facilitate the disposition or withholding of a sufficient number of Annual Incentive Shares in order to satisfy the Employee's tax and withholding obligations with respect to such Annual Incentive Shares in a manner reasonably acceptable to the Employee.

(b) Restricted Stock Units.

i. Time-Vested Awards. Within 30 days following the Effective Date, the Company shall issue to the Employee 19,000,000 Restricted Stock Units settled in Subordinate Voting Shares of the Company (or equivalent common shares should Subordinate Voting Shares cease to be available for issuance) (the "Time-Vested RSU's"). The Time-Vested RSU's shall become 50% vested upon the first anniversary of the Effective Date and the balance shall continue to vest at the rate of 12.5% every three months thereafter until fully vested provided that Employee remains employed by the Company or an affiliate as of each applicable vesting date. Vesting will accelerate and the Time-Vested RSUs will be 100% vested in the event that the Employee is terminated by the Company for any reason other than for Cause, upon a resignation by the Employee for Good Reason, upon the Employee's death or Disability or upon the consummation of a transaction constituting a Change in Control. The award of Time-Vested RSU's may be subject to the terms of an award agreement reasonably acceptable to the Employee that otherwise conforms to the requirements of this Section.

ii. Performance-Vested Awards. Within 30 days following the Effective Date, the Company shall issue to the Employee 19,000,000 Restricted Stock Units settled in [Subordinate Voting Shares] of the Company (or equivalent common shares should Subordinate Voting Shares cease to be available for issuance (the "Performance-Vested RSU's"). The Performance-Vested RSU's shall become vested during the Term as follows: 1/3 of the Performance-Vested RSU's shall become vested when the 30-day volume weighted average price ("VWAP") of the Company shares exceeds $0.85 USD, an additional 1/3 shall become vested when the 30-day VWAP exceeds $1.05 USD and the final 1/3 shall become vested when the 30-day VWAP exceeds $1.25 USD. Vesting will accelerate and the Performance-Vested RSU's will become 100% vested in the event that the Employee is terminated by the Company for any reason other than for Cause, upon a resignation by the Employee for Good Reason, upon the Employee's death or Disability or upon the consummation of a transaction constituting a Change in Control. The award of Performance-Vested RSU's may be subject to the terms of an award agreement reasonably acceptable to the Employee that otherwise conforms to the requirements of this Section.

(c) Debt Refinance Bonus. In the event that, during the Term, the Company refinances any outstanding debt of not less than $80,000,000 USD at an effective interest rate of not more than 9.75%, the Employee shall be entitled to the payment of a cash bonus in an amount equal to 1% of the total amount refinanced by the Company (the "Debt Refinance Bonus"). Any Debt Refinance Bonus payable under this Section shall be paid in a single lump-sum payment within 30 days following the consummation of the transactions otherwise triggering the obligation to pay the Debt Refinance Bonus.

(d) Transaction Bonus. In the event that, during the Term, the Company consummates the acquisition of any other entity, or merger with another entity, where the total enterprise value of such other entity is $100,000,000 USD or greater, the Employee shall be entitled to the payment of a bonus in an amount equal to the 3.0% of the total enterprise value of such acquired entity (the "Transaction Bonus"). Any Transaction Bonus payable under this Section shall be paid 50% in stock of the Company and 50% in a single lump-sum cash payment within 30 days following the consummation of the transaction otherwise triggering the obligation to pay the Transaction Bonus.

(e) Sale of the Company. In the event that, during the Term, the Company consummates a Change in Control transaction, the Employee shall be entitled to the payment of a cash bonus in an amount equal to the 3.0% of the total enterprise value of the Company in such transaction ("Sale Bonus"). Any Sale Bonus payable under this Section shall be paid in a single lump-sum cash payment within 30 days following the consummation of the transaction otherwise triggering the obligation to pay the Sale Bonus.

(f) Capital Raise Bonus. In the event that, during the Term, the Company consummates a transaction raising additional capital at a price per share greater than $1.50 USD, the Employee shall be entitled to the payment of a cash bonus in an amount equal to the 3.0% of the total amount of consideration received by the Company (the "Capital Raise Bonus"). Any Capital Raise Bonus payable under this Section shall be paid in a single lump-sum payment within 30 days following the consummation of the transaction otherwise triggering the obligation to pay the Capital Raise Bonus.

(g) Registration. To the extent permitted by applicable law, any shares of stock of the Company issued to the Employee under the terms of this Agreement or otherwise shall be publicly registered shares.

(h) Change in Control Defined. "Change in Control" hereunder means the occurrence of any of the following events:

i. Merger or Acquisition. The consummation of a merger, consolidation, or similar transaction involving the Company, where the shareholders immediately prior to the transaction hold less than 50% of the voting power of the surviving entity after the transaction.

ii. Sale of Assets. The sale, transfer, or disposition of all or substantially all of the Company's assets to any person or entity.

iii. Change in Ownership. Any person or entity (or group) becomes the beneficial owner of more than 50% of the outstanding voting shares of the Company.

iv. Board/Ownership Change: A majority of the Company's Board of Directors is replaced within a 12-month period without approval of the incumbent Board.

4.3 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 (or its affiliates, as applicable) to similarly situated active employees of the Company or its affiliates, 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 Company's Board, subject to applicable law. Additionally, the Company will or will cause an affiliate to take out a $5,000,000 term life insurance policy for a beneficiary named by Employee.

4.4 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.

4.5 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.

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 the timing of any payments that constitute deferred compensation within the meaning of Section 409A of the Internal Revenue Code, as amended, and the regulations and guidance thereunder (the "Code"), the Termination Date means the date on which a "separation from service" has occurred within the meaning of Section 409A of 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 or its affiliates, 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. If Employee's employment with the Company is terminated during the Term by the Company without Cause or by Employee for Good Reason, then the Company or its affiliate shall, in addition to paying Employee's Base Salary and other compensation earned through the Termination Date, and subject to Section 6.8:

(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 6.8) but in no event later than seventy-five (75) days after the Termination Date; provided, however, if the 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 payment shall be paid in a lump sum in the second calendar year but no later than March 15 of such calendar year;

(b) accelerate the vesting of any equity incentive awards described in Section 4.2 or otherwise issued to the Employee that (but for this Section) remain subject to any time or performance vesting criteria as of the Termination Date such that the equity incentive awards become fully vested as of the Termination Date;

(c) pay any other incentive compensation, including, without limitation, any Debt Refinance Bonus, Transaction Bonus, Sale Bonus, or Capital Raise Bonus earned but unpaid as of the Termination Date;

(d) if Employee is eligible for and takes all steps necessary to continue Employee's group health insurance coverage 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 or its affiliate 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 under applicable law ("Benefits Continuation Payments"); and

(e) pay up to $10,000.00 USD 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").

6.2 Termination Upon Death or Disability. If the Employee's employment with the Company is terminated by reason of the Employee's death or Disability, then the Company or its affiliate shall:

(a) accelerate the vesting of any equity incentive awards described in Section 4.2 or otherwise issued to the Employee that (but for this Section) remain subject to any time or performance vesting criteria as of the Termination Date such that the equity incentive awards become fully vested as of the Termination Date;

(b) pay any other incentive compensation, including, without limitation, any Debt Refinance Bonus, Transaction Bonus, Sale Bonus, or Capital Raise Bonus earned but unpaid as of the Termination Date.

6.3 Other Termination of Employment Events. If Employee's employment with the Company is terminated by reason of:

(a) Employee's abandonment of Employee's employment or Employee's resignation for any reason other than Good Reason; or

(b) termination of Employee's employment by the Company for Cause; then the Company or its affiliate 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) gross misconduct by Employee following a final determination by a court of competent jurisdiction;

(b) fraud or embezzlement by Employee following a final determination by a court of competent jurisdiction.

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 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 Employee's title or reporting responsibility;

(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 material diminution in the Employee's incentive compensation opportunities;

(d) 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

(e) 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.

6.6 Disability Defined. "Disability" hereunder has the same meaning such term has in the Equity Incentive Plan.

6.7 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 under this Agreement, 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 6.7 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.

6.8 Conditions To Receive Payments. Notwithstanding the foregoing provisions of this Section 6, the. Company will not be obligated to make the payments set forth in Section 6.1 unless (a) Employee signs a release of claims in favor of the Company in a form to be reasonably acceptable to the Company (the "Release"), provided such Release shall not impose any conditions that expand the obligations of the Employee otherwise reflected in this Agreement and the Restrictive Covenants Agreement as in effect as of the Termination Date, (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 material compliance with the terms of this Agreement and the Restrictive Covenants Agreement and any other written agreement between Employee and the Company.

7. Section 409A and Taxes Generally.

7.1 Taxes. The Company or its affiliate 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 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.

7.2 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, and any reference to Employee's "Termination Date" or "termination" of Employee's employment in 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.

8. Miscellaneous.

8.1 Governance. The Employee shall have the right to appoint up to two (2) independent directors to the Company's Board of Directors.

8.2 Integration. This Agreement and the Confidentiality 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 Confidentiality 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.

8.3 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 Florida without giving effect to any choice or conflict of law provision or rule, whether of the State of Florida or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Florida.

8.4 Choice of Jurisdiction. Employee and the Company consent to jurisdiction of the courts of the State of Florida and/or the federal district courts, Southern District of Florida, 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 Florida and hereby waives any defense of lack of personal jurisdiction or inconvenient forum.

8.5 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.

8.6 Counterparts. This Agreement may be executed in several counterparts and as so executed shall constitute one agreement binding on the Parties.

8.7 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 8.6. 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.

8.8 Modification. This Agreement shall not be modified or amended except by a written instrument signed by the Parties.

8.9 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.

8.10 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.

8.11 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 8.10, 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 8.10. Any reduction in payments and/or benefits required by this Section 8 .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 GROWTH INC.

/s/ Kyle Kingsley
By: Kyle Kingsley
Its: Chairman of the Board

EMPLOYEE:

/s/ John Mazarakis
John Mazarakis

[Signature Page to Employment Agreement]

Exhibit A

to Employment Agreement

Confidential Information, Intellectual Property Rights, Non-Competition and Non-Solicitation Agreement

Exhibit 10.4

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into on December 17, 2024 ("Effective Date") by and between Vireo Growth Inc., a Delaware corporation (the "Company") and Tyson Macdonald, an individual residing in the State of Maryland ("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 Financial Officer, pursuant to the terms and conditions set forth in this Agreement. The Company will or will cause its appropriate affiliates to appoint the Executive as the Chief Financial Officer of Vireo Health, Inc. and such other affiliates of the Company as appropriate during the Term. Employee will report to the Company's Chief Executive Officer ("CEO") and perform such duties and responsibilities for the Company as the CEO 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. Employee shall devote sufficient working time, attention and efforts as may be reasonably necessary to perform Employee's duties and responsibilities under this Agreement and advance the Company's business interests. Employee shall follow applicable policies and procedures adopted by the Company or applicable affiliates 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 engage in other business activities during Employee's employment with the Company that could reasonably be expected to prevent Employee from fulfilling the duties or responsibilities as set forth in or contemplated by this Agreement. Employee may participate in outside activities including 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 in Baltimore, Maryland. 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. The Initial Term together with any Renewal Terms is the "Term." The Term shall cease as of the date of the Employee's termination of employment hereunder.

3. Restrictive Covenants Agreement. On the Effective Date, Employee is executing a Confidential Information Agreement substantially in the form of Exhibit A attached hereto and made a part hereof (the "Confidentiality Agreement"). Employee acknowledges and agrees that the Company's execution of this Agreement and agreement to employ Employee are conditioned upon Employee executing the Confidentiality Agreement. Nothing in this Agreement is intended to modify, amend, cancel or supersede the Confidentiality Agreement in any manner.

4. Compensation, Benefits and Business Expenses.

4.1 Base Salary. As of the Effective Date, the Company agrees to pay or to cause an affiliate to pay Employee an annualized base salary of $500,000 (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. 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 Equity and Incentive Compensation.

(a) Annual Equity Awards. On the Effective Date and on each anniversary of the Effective Date during the Term, the Company shall issue to the Employee a number of Subordinate Voting Shares of the Company (or equivalent common shares should Subordinate Voting Shares cease to be available for issuance) determined by dividing $800,000 USD by the average closing price of the shares over the 10-day period immediately preceding the date of issuance (the "Annual Incentive Shares"). The Annual Incentive Shares shall be fully vested when issued. The Company will provide reasonable assistance to the Employee to facilitate the disposition or withholding of a sufficient number of Annual Incentive Shares in order to satisfy the Employee's tax and withholding obligations with respect to such Annual Incentive Shares in a manner reasonably acceptable to the Employee.

(b) Restricted Stock Units.

(i) Time-Vested Awards. Within 30 days following the Effective Date, the Company shall issue to the Employee 9,500,000 Restricted Stock Units settled in Subordinate Voting Shares of the Company (or equivalent common shares should Subordinate Voting Shares cease to be available for issuance (the "Time-Vested RSU's"). The Time-Vested RSU's shall become 50% vested upon the first anniversary of the Effective Date and the balance shall continue to vest at the rate of 12.5% every three months thereafter until fully vested provided that Employee remains employed by the Company or an affiliate as of each applicable vesting date. Vesting will accelerate and the Time-Vested RSUs will be 100% vested in the event that the Employee is terminated by the Company for any reason other than for Cause, upon a resignation by the Employee for Good Reason, upon the Employee's death or Disability or upon the consummation of a transaction constituting a Change in Control. The award of Time-Vested RSU's may be subject to the terms of an award agreement reasonably acceptable to the Employee that otherwise conforms to the requirements of this Section.

(ii) Performance-Vested Awards. Within [30] days following the Effective Date, the Company shall issue to the Employee 9,500,000 Restricted Stock Units settled in [Subordinate Voting Shares] of the Company (or equivalent common shares should Subordinate Voting Shares cease to be available for issuance (the "Performance-Vested RSU's"). The Performance-Vested RSU's shall become vested during the Term as follows: 1/3 of the Performance-Vested RSU's shall become vested when the 30-day volume weighted average price ("VWAP") of the Company shares exceeds $0.85 USD, an additional 1/3 shall become vested when the 30-day VWAP exceeds $1.05 USD and the final 1/3 shall become vested when the 30-day VWAP exceeds $1.25 USD. Vesting will accelerate and the Performance-Vested RSU's will become 100% vested in the event that the Employee is terminated by the Company for any reason other than for Cause, upon a resignation by the Employee for Good Reason, upon the Employee's death or Disability or upon the consummation of a transaction constituting a Change in Control. The award of Performance-Vested RSU's may be subject to the terms of an award agreement reasonably acceptable to the Employee that otherwise conforms to the requirements of this Section.

(c) Debt Refinance Bonus. In the event that, during the Term, the Company refinances any outstanding debt of not less than $80,000,000 USD at an effective interest rate of not more than 9.75%, the Employee shall be entitled to the payment of a cash bonus in an amount equal to 1% of the total amount refinanced by the Company (the "Debt Refinance Bonus"). Any Debt Refinance Bonus payable under this Section shall be paid in a single lump-sum payment within 30 days following the consummation of the transactions otherwise triggering the obligation to pay the Debt Refinance Bonus.

(d) Transaction Bonus. In the event that, during the Term, the Company consummates the acquisition of any other entity, or merger with another entity, where the total enterprise value of such other entity is $100,000,000 USD or greater, the Employee shall be entitled to the payment of a bonus in an amount equal to the 1.5% of the total enterprise value of such acquired entity (the "Transaction Bonus"). Any Transaction Bonus payable under this Section shall be paid 50% in stock of the Company and 50% in a single lump-sum cash payment within 30 days following the consummation of the transaction otherwise triggering the obligation to pay the Transaction Bonus.

(e) Sale of the Company. In the event that, during the Term, the Company consummates a Change in Control transaction, the Employee shall be entitled to the payment of a cash bonus in an amount equal to the 1.5% of the total enterprise value of the Company in such transaction ("Sale Bonus"). Any Sale Bonus payable under this Section shall be paid in a single lump-sum cash payment within 30 days following the consummation of the transaction otherwise triggering the obligation to pay the Sale Bonus.

(f) Capital Raise Bonus. In the event that, during the Term, the Company consummates a transaction raising additional capital at a price per share greater than $1.50 USD, the Employee shall be entitled to the payment of a cash bonus in an amount equal to the 1.5% of the total amount of consideration received by the Company (the "Capital Raise Bonus"). Any Capital Raise Bonus payable under this Section shall be paid in a single lump-sum payment within 30 days following the consummation of the transaction otherwise triggering the obligation to pay the Capital Raise Bonus.

(g) Registration. To the extent permitted by applicable law, any shares of stock of the Company issued to the Employee under the terms of this Agreement or otherwise shall be publicly registered shares.

(h) Change in Control Defined. "Change in Control" hereunder means the occurrence of any of the following events:

(i) Merger or Acquisition: The consummation of a merger, consolidation, or similar transaction involving the Company, where the shareholders immediately prior to the transaction hold less than 50% of the voting power of the surviving entity after the transaction.

(ii) Sale of Assets: The sale, transfer, or disposition of all or substantially all of the Company's assets to any person or entity.

(iii) Change in Ownership: Any person or entity (or group) becomes the beneficial owner of more than 50% of the outstanding voting shares of the Company.

(iv) Board/Ownership Change: A majority of the Company's Board of Directors is replaced within a 12-month period without approval of the incumbent Board.

4.3 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 (or its affiliates, as applicable) to similarly situated active employees of the Company or its affiliates, 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 Company's Board of Directors (the "Board"), subject to applicable law. Additionally, the Company will or will cause an affiliate to take out a $5,000,000 term life insurance policy for a beneficiary named by Employee.

4.4 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.

4.5 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.

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 the timing of any payments that constitute deferred compensation within the meaning of Section 409A of the Internal Revenue Code, as amended, and the regulations and guidance thereunder (the "Code"), the Termination Date means the date on which a "separation from service" has occurred within the meaning of Section 409A of 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 or its affiliates, 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. If Employee's employment with the Company is terminated during the Term by the Company without Cause, or by Employee for Good Reason, then the Company or its affiliate shall, in addition to paying Employee's Base Salary and other compensation earned through the Termination Date, and subject to Section 6.8:

(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 6.8) but in no event later than seventy-five (75) days after the Termination Date; provided, however, if the 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 payment shall be paid in a lump sum in the second calendar year but no later than March 15 of such calendar year;

(b) accelerate the vesting of any equity incentive awards described in Section 4.2 or otherwise issued to the Employee that (but for this Section) remain subject to any time or performance vesting criteria as of the Termination Date such that the equity incentive awards become fully vested as of the Termination Date;

(c) pay any other incentive compensation, including, without limitation, any Debt Refinance Bonus, Transaction Bonus, Sale Bonus, or Capital Raise Bonus earned but unpaid as of the Termination Date;

(d) if Employee is eligible for and takes all steps necessary to continue Employee's group health insurance coverage 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 or its affiliate 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 under applicable law ("Benefits Continuation Payments"); and

(e) 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").

6.2 Termination Upon Death or Disability. If the Employee's employment with the Company is terminated by reason of the Employee's death or Disability, then the Company or its affiliate shall:

(a) accelerate the vesting of any equity incentive awards described in Section 4.2 or otherwise issued to the Employee that (but for this Section) remain subject to any time or performance vesting criteria as of the Termination Date such that the equity incentive awards become fully vested as of the Termination Date;

(b) pay any other incentive compensation, including, without limitation, any Debt Refinance Bonus, Transaction Bonus, Sale Bonus, or Capital Raise Bonus earned but unpaid as of the Termination Date.

6.3 Other Termination of Employment Events. If Employee's employment with the Company is terminated by reason of:

(a) Employee's abandonment of Employee's employment or Employee's resignation for any reason other than Good Reason; or

(b) termination of Employee's employment by the Company for Cause; then the Company or its affiliate 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) gross misconduct by Employee following a final determination by a court of competent jurisdiction;

(b) fraud or embezzlement by Employee following a final determination by a court of competent jurisdiction.

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 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 Employee’s title or reporting responsibility;

(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 material diminution in the Employee’s incentive compensation opportunities;

(d) 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

(e) 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.

6.6 Disability Defined. “Disability” hereunder has the same meaning such term has in the Equity Incentive Plan.

6.7 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 under this Agreement, 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 6.7 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.

6.8 Conditions To Receive Payments. Notwithstanding the foregoing provisions of this Section 6, the Company will not be obligated to make the payments set forth in Section 6.1 unless (a) Employee signs a release of claims in favor of the Company in a form to be reasonably acceptable to the Company (the “Release”), provided such Release shall not impose any conditions that expand the obligations of the Employee otherwise reflected in this Agreement and the Restrictive Covenants Agreement as in effect as of the Termination Date, (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 material compliance with the terms of this Agreement and the Restrictive Covenants Agreement and any other written agreement between Employee and the Company.

7. Section 409A and Taxes Generally.

7.1 Taxes. The Company or its affiliate 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 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.

7.2 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, and any reference to Employee's "Termination Date" or "termination" of Employee's employment in 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.

8. Miscellaneous.

8.1 Integration. This Agreement and the Confidentiality 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 Confidentiality 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.

8.2 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 Maryland without giving effect to any choice or conflict of law provision or rule, whether of the State of Maryland or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Maryland.

8.3 Choice of Jurisdiction. Employee and the Company consent to jurisdiction of the courts of the State of Maryland and/or the federal district courts, District of Maryland, 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 Maryland and hereby waives any defense of lack of personal jurisdiction or inconvenient forum.

8.4 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.

8.5 Counterparts. This Agreement may be executed in several counterparts and as so executed shall constitute one agreement binding on the Parties.

8.6 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 8.6. 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.

8.7 Modification. This Agreement shall not be modified or amended except by a written instrument signed by the Parties.

8.8 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.

8.9 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.

8.10 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 8.10, 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 8 .10. Any reduction in payments and/or benefits required by this Section 8 .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]

IN EMPLOYMENT AGREEMENT was voluntarily and knowingly executed by the Parties effective as of the Effective Date first set forth above.

VIREO GROWTH INC.

/s/ Kyle Kingsley
By: Kyle Kingsley
Its: Chairman of the Board

EMPLOYEE:

/s/ Tyson Macdonald
Tyson Macdonald

[*Signature Page to Employment Agreement*]

Exhibit 99.1

Vireo Growth Inc. Announces $75 Million Financing and Acquisitions of Four Single State Operators

– $75 million equity financing at $0.625 per Vireo share will result in combined new entity having an industry-leading balance sheet –

– Transactions would expand Vireo's operating footprint to 7 states, 9 cultivation facilities, and 48 dispensaries –

– Combined new entity would have an estimated 2024 proforma revenue and EBITDA of approximately $394 million and $94 million, respectively –

– Transaction includes proprietary Arches technology platform with demonstrated success driving legal market share –

– John Mazarakis named CEO and Co-Executive Chairman; Tyson Macdonald named CFO, effective immediately –

– Amber Shimpa will continue to serve as President of the Company and as CEO of Minnesota, Maryland, and New York –

MINNEAPOLIS – December 18, 2024 – Vireo Growth Inc. ("Vireo" or the "Company") (CSE: VREO; OTCQX: VREOF), today announced that it has executed definitive documentation with certain investors in connection with a $75 million equity securities offering at $0.625 per Vireo subordinate voting share, with closing subject only to applicable CSE notice periods. Additionally, Vireo has signed three definitive documents and one binding Memorandum of Understanding ("MOU") to acquire four single-state operators for total consideration of approximately $397 million in a series of all-stock transactions (collectively, the "Merger Transactions").

The Merger Transactions, which will require certain shareholder and regulatory approvals, would expand Vireo's operating footprint to the states of Florida, Missouri, Nevada and Utah, with the combined total footprint spanning seven states, approximately 1,043,500 square feet of cultivation and manufacturing space across nine facilities, and 48 retail dispensaries.

Vireo has signed definitive agreements to acquire Proper Brands in Missouri, Deep Roots Harvest in Nevada, and WholesomeCo Cannabis in Utah, while also signing a binding MOU to acquire The Flowery in Florida. In addition to expanding the Company's operating footprint with established, profitable operators in these four new state markets, the Merger Transactions also include the proprietary cannabis delivery and analytics platform "Arches" which would be licensed exclusively to Vireo's portfolio of operating companies over time as regulations allow.

Vireo estimates proforma revenue and EBITDA of the combined company of approximately $394 million and $94 million, respectively, for calendar year 2024. Upon closing of the Merger Transactions, Vireo estimates the combined company will be well-positioned for further growth with a favorable balance sheet consisting of approximately $99 million of cash and $78 million of net debt with an EBITDA leverage ratio of approximately 0.8x, which Vireo believes is one of the best net leverage ratios among its peer group.

The Company also announced that John Mazarakis, co-founder at Chicago Atlantic, has been appointed to the role of CEO and Co-Executive Chairman, effective immediately. Tyson Macdonald, former partner at TrueRise Capital, has been appointed to the role of CFO, effective immediately. Amber Shimpa will continue to serve as President of the Company and as CEO of Minnesota, Maryland, and New York.

Management Commentary

Co-Executive Chairman Kyle Kingsley, MD commented, “We are excited to make these announcements today and to welcome several well-established single-state operators to our Company. When fully completed, these transactions will transform our balance sheet with an equity raise completed at a substantial premium to market, position us to capitalize on new competitive strengths, and enable us to deliver more compelling long-term value for all stakeholders. I am also pleased to welcome John Mazarakis and Tyson Macdonald to our executive team, and am confident that the independent teams at Vireo, The Flowery, Proper, Wholesome, Deep Roots and Arches will build a stronger future together under their combined leadership.”

Chief Executive Officer and Co-Executive Chairman John Mazarakis said, “I am thrilled to become Vireo’s Chief Executive Officer and to unveil a new strategy in the management and development of leading U.S. cannabis assets upon completion of the merger. We are proud to introduce a new platform for operators to continue growing their businesses independently, embracing a decentralized approach that empowers local knowledge and expertise to flourish. We also look forward to supporting this network of partners with complementary shared corporate services and the proprietary Arches technology platform which will enable their companies to adapt quickly to consumer behavior and capture incremental market share.”

Mr. Mazarakis continued, “At Chicago Atlantic, I admired each of these portfolio companies and their management teams and was pleased to assist their efforts to build sustainable, profitable businesses while navigating complex regulatory challenges and capital constraints. Together, we believe we’ve established a powerful platform that is poised for success in today’s operating environment, with an industry leading balance sheet, profitability and growth profile. We feel we are in a great position to leverage our unique collection of assets to continue driving profitable organic growth, and establish Vireo as an acquirer of choice for select M&A activity in the future with other like-minded local operators.”

Transaction Highlights

The $75 million equity securities financing represents a significant premium to market. Vireo expects to issue approximately 120,000,000 Subordinate Voting Shares in relation to the equity securities offering.

The Merger Transactions include four single-state operators in the states of Missouri, Nevada, Utah, and Florida, five cultivation and manufacturing facilities, 32 retail dispensaries, and the Arches proprietary cannabis analytics and delivery platform. Each of the acquisition target management teams will continue to operate their businesses independently with the support of the parent entity, and Vireo expects several of these business leaders to assume additional responsibilities as either named officers or directors of Vireo at a later date.

Proper Brands (Missouri):

Proper Brands was founded in 2020 and is currently one of the largest independent operators in Missouri’s adult-use cannabis market. Led by Chief Executive Officer John Pennington, the company has a total retail footprint of eleven stores, five original and six acquired stores which have been rebranded under the Proper name (two stores are branded N’Bliss), and one undeveloped license. All stores are in the St. Louis area except for one in Kansas City. The Company is nearing completion of a 13,000 square foot expansion of flowering canopy within its existing facility, which will enable it to increase penetration of the wholesale market. Proper is also in the process of implementing the Arches technology platform through its delivery business with an expected launch during Q1 of 2025.

- Total Facility Size: 90,000 square feet
- Active Retail Dispensaries: 11
- Delivery Service: Launching the Arches platform Q1 2025

Deep Roots Harvest (Nevada):

Deep Roots Harvest was founded in 2014 and is a consistently solid operator in Nevada's mature cannabis market. The company has been able to maintain strong relative performance due to favorable contributions from a mix of stores that are strategically situated in Southern Nevada on the Utah border. It recently acquired The Source, which added an additional cultivation facility and four retail stores which have enhanced the company's leverage with third party brands. The company also holds equity and debt investments in a retail chain in California, and a vertical operator in Ohio and Massachusetts.

- Total Facility Size: 54,000 square feet
- Active Retail Dispensaries: 9 (with intentions to increase to 10 by Q1 2025)
- Additional Retail Dispensary Licenses: 2

WholesomeCo Cannabis (Utah):

WholesomeCo Cannabis was founded in 2020 and is a dominant player in Utah's medical market, fueled by a large delivery operation with just one single retail dispensary. Led by Co-Founder and Chief Executive Officer Chris Jeffery who previously founded and sold an on-demand delivery platform to Groupon, the company initially developed the Arches proprietary technology stack in-house, which has bolstered sophisticated digital marketing and consumer loyalty capabilities.

- Total Facility Size: 22,500 square feet plus outdoor capacity
- Active Retail Dispensaries: 1
- Delivery Service: Powered by Arches platform with 99% coverage of Utah's medical patient population

The Flowery (Florida):

The Flowery was founded in 2019 and is Florida's only family-owned and operated cannabis company. Led by CEO Elad Kohen, the company is a quality-first cannabis cultivator with licensing deals with several leading west coast brands, and aims to position its stores as a retail destination for premium product. Its existing retail footprint is complemented by a focus on excellence through delivery, which currently comprises approximately 25 percent of its total revenues.

- Total Facility Size: 120,000 square feet (including cultivation expected to come online in Q1 2025
- Active Retail Dispensaries: 10 (with intentions to increase to 14 by Q1 2025)
- Delivery Service: Operational

Arches Omni-Channel Ecommerce and Delivery Platform

The Arches omni-channel e-commerce and delivery platform built and spun out of WholesomeCo in 2023 and led by Co-Founders Chris Jeffery, Alan Clark (Chief Product Officer), Jason Kwicien (Chief Operating Officer), and Phillip (Flip) Sasser (Chief Technology Officer). It currently operates in the State of Utah powering demand operations and growth for WholesomeCo, unlocking disproportionate share of market and near-term growth opportunities. It is planning to launch in the State of Missouri through a licensing agreement with Proper Brands in Q1 2025.

Arches is not only an end-to-end demand operations solution, it provides outsized capabilities to launch across various markets, enabling operators to compete locally across the entire State or market. Furthermore, the Arches platform is paving the way for personalized digital experiences, leading to improved unit economics across all channels. By merging Arches into a portfolio of state operations that are already successful on a stand-alone basis, Vireo has an opportunity to become the first truly digital-first and customer-focused national cannabis platform in the industry and own the most end-to-end customer relationships in the industry.

Terms of the Merger Transactions

The Merger Transactions are expected to be effected by way of a series of all-stock transactions to acquire all of the assets, operations, intellectual property, partner relationships and/or licenses of each of the acquisition targets. Shares for each operator are expected to be fixed with multiples at closing adjusted based on Vireo share price changes, if any. Purchase prices will also be adjusted for net debt, cash reserves, net taxes and other liabilities.

Each portfolio asset was carefully selected and presents attractive opportunities on a stand-alone basis and supported by growth and sustainable cash flow theses. Vireo expects that each transaction will be accretive to the broader portfolio. Each operator is incentivized to maximize profit and cash flow based on the deal structure that rewards performance on a stand-alone as well as on a consolidated basis, with earnout measurement dates as of December 31, 2026.

The Proper Brands, Deep Roots Harvest and WholesomeCo Cannabis are expected to be acquired at a multiple of 4.175x 2024 “Reference EBITDA” pro-forma for pending acquisitions as well as planned new retail openings and expansion projects. Each transaction has been based on a $0.52 Vireo share reference price. These acquisition targets may qualify for earnout payments on December 31, 2026, based on 4x EBITDA growth compared to Reference EBITDA, adjusted for incremental debt, and paid out using a share price at the higher of $1.05 or 20-day VWAP as of December 31, 2026. Reference EBITDA for Proper Brands, Deep Roots Harvest and WholesomeCo Cannabis are $31.0 million, $31.0 million, and $16.0 million, respectively.

Based on the terms of the binding MOU, The Flowery is expected to be acquired at a multiple of roughly 5.4x Reference EBITDA of $28.3 million based on a $0.52 Vireo share reference price. The Flowery may qualify for earnout payments on December 31, 2026, based on 5x EBITDA growth above $20.0 million (if the company performs above Reference EBITDA, based on the higher of trailing-twelve-month or nine-month annualized EBITDA on December 31, 2026) and adjusted for incremental debt, and paid out using a share price at the higher of $1.05 or 20-day VWAP as of December 31, 2026.

All transactions are subject to a clawback provision if they perform below the respective Reference EBITDA measured as the higher of trailing twelve-months or nine-months annualized EBITDA as of December 31, 2026, adjusted for any intercompany funding.

Total payment for Arches includes $14 million in upfront consideration to WholesomeCo and Proper Brands with a potential for earnout payments based on performance through December 31, 2026, based on the greater of $37.5 million or 5x revenue measured at the higher of trailing-twelve-month or nine-month annualized net revenues, paid out using a share price at the higher of $1.05 or 20-day VWAP as of December 31, 2026.

The sellers of the acquisition targets (the “Merger Sellers”) have all agreed to voluntary share lock-ups (the “Lock-Up Agreements”) for a period of 33 months after each of the respective Merger Transactions has been consummated. The shares are subject to lock-up release schedule of 7.5 percent of shares 12-months post-closing, 10 percent of shares 18-months and 21-months post-closing, 17.5 percent of shares 24-months post-closing, 15 percent of shares 27-months post-closing and 20 percent of shares 30-months and 33-months post-closing.

Vireo also expects to enter into Master Service Agreements (“MSAs”) with some of the acquisition targets which would provide compensation for management and advisory services until the transactions have been consummated.

After giving effect to the Merger Transactions and the equity securities offering, Vireo shareholders are expected to hold in aggregate approximately 21 percent of the issued and outstanding proforma Vireo shares, and the Merger Sellers are expected to hold in aggregate approximately 68 percent of the issued and outstanding proforma Vireo shares and investors in the equity securities offering are expected to hold in aggregate approximately 11 percent of the issued and outstanding proforma Vireo shares (on a fully-diluted basis).

Approvals and Regulatory Matters

The Merger Transactions have been unanimously approved by the Boards of Directors of Vireo and each of the target acquisition companies. The Vireo Board obtained a fairness opinion from Moelis & Company LLC.

Implementation of the Merger Transactions are subject to the approval of holders of a majority of Vireo's voting shares, which Vireo intends to obtain by way of written consent in accordance with applicable CSE policies. Vireo anticipates that it will file an information statement regarding the Merger Transactions with the Securities and Exchange Commission. Vireo anticipates that closing of all of the Merger Transactions to take at least six months pending shareholder and regulatory approvals.

The Vireo Subordinate Voting Shares issued in the financing are being issued in reliance upon exemptions from the registration requirements of the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), and applicable U.S. state securities laws. The Vireo Shares to be issued pursuant to the Merger Transactions have not been registered under the U.S. Securities Act or any U.S. state securities laws, and will be issued in reliance upon available exemptions from such registration requirements. Vireo has agreed to file certain resale registration statements for such Vireo Subordinate Voting Shares, upon expiration of the applicable lock-up periods.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Chicago Atlantic, through an affiliate, is subscribing for certain shares under the equity securities offering, and the issuances of shares to such entity will be considered a "related party transaction" for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61- 101**"), as Chicago Atlantic is a "related party" to Vireo as defined in MI 61-101. A material change report respecting the issuance of shares will be filed less than 21 days before the expected closing date of the equity securities offering as Vireo determined to complete the placement on an expedited basis. The issuance of shares to an affiliate of Chicago Atlantic will be exempt from the formal valuation and minority shareholder approval requirements available under MI 61-101 on the basis that neither the fair market value of the securities to be issued, nor the fair market value of the consideration for the securities to be issued, insofar as it involves related parties, exceeds 25% of the market capitalization of the Company.

Conference Call and Webcast Information

Vireo has provided a presentation detailing the financing and proposed transactions in the Events & Presentations section of the Company's investor relations website at www.vireogrowth.com.

Vireo management will host a conference call later today, December 18, 2024, at 8:30 a.m. ET (7:30 a.m. CT) to discuss the Merger Transactions and answer questions from the investment community. Interested parties may attend the conference call by dialing 1-800-715-9871 (Toll-Free) (US and Canada) or 1-646-307-1963 (Toll) (International) and referencing conference ID number 3718174.

A live audio webcast of this event will also be available in the Events & Presentations section of the Company's Investor Relations website and via the following link: https://events.q4inc.com/attendee/188216710.

Advisors

Moelis & Company LLC acted as exclusive financial advisor and Dorsey & Whitney LLP acted as counsel to Vireo in connection with the Merger Transactions. Lineage Merchant Partners, LLC ("Lineage") acted as placement agent for the financing. Securities via Lineage offered through GT Securities, Inc. (member FINRA, SIPC). Lineage acted as financial advisor to Proper.

About Vireo

Vireo was founded as a pioneer in medical cannabis in 2014 and sustained with an entrepreneurial drive that fuels our ongoing commitment to serve and delight our key stakeholders, most notably our customers, our employees, our shareholders, our industry collaborators, and the communities in which we live and operate. We work every day to get better and our team prioritizes 1) empowering and supporting strong local market leaders and 2) strategic, prudent capital and human resource allocation. For more information, please visit www.vireogrowth.com.

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Additional Information

This communication includes certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934, as amended, including EBITDA, net debt and net leverage. These non-GAAP financial measures are included in this communication as the management of Vireo believe such measures are useful to investors in evaluating the companies' operating performance. These non-GAAP financial measures are not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP by Vireo in its filings with the SEC. The non-GAAP financial measures also may not be comparable to similar measures disclosed by other companies because of differing methods used by other companies in calculating similar non-GAAP measures.

Definitions: Vireo defines EBITDA as operating income plus depreciation, amortization, and depreciation included in costs of goods sold. Vireo defines Net Debt as total debt less cash and cash equivalents. Vireo defines Net Leverage as Net Debt divided by EBITDA.

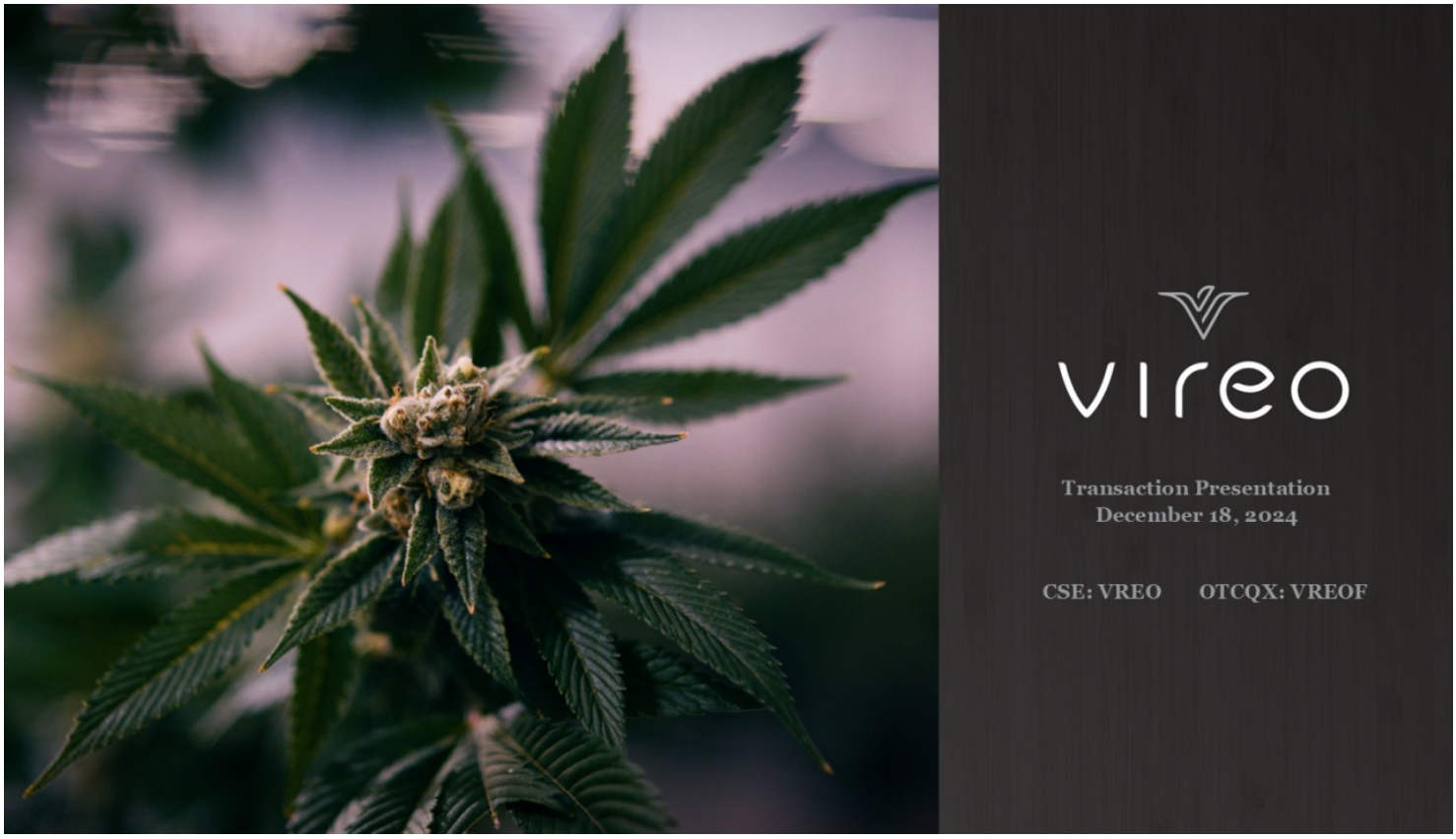
Forward-Looking Statement Disclosure

This press release contains "forward-looking information" within the meaning of applicable United States and Canadian securities legislation. To the extent any forward-looking information in this press release constitutes "financial outlooks" within the meaning of applicable securities laws, this information is being provided as preliminary expected financial results based on management estimates and information provided by the Merger targets; the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such financial outlooks. Forward-looking information contained in this press release may be identified by the use of words such as "should," "believe," "estimate," "would," "looking forward," "may," "continue," "expect," "expected," "will," "likely," "subject to," "transformation," and "pending," variations of such words and phrases, or any statements or clauses containing verbs in any future tense and includes, but may not be limited to, statements regarding the projected financial performance of the combined entities; the estimated 2024 proforma revenue and EBITDA of the combined entities; the licensure of the Arches analytics platform exclusively to Vireo's portfolio of operating companies over time; the ability of the Arches technology platform to enable the companies to adapt quickly to consumer behavior and capture incremental market share; the potential benefits of the Merger Transactions, including the realization of competitive strengths and delivery of long-term value for stakeholders; the ability of the combined entities to drive profitable organic growth and establish Vireo as an acquirer of choice for select M&A activity in the future with other like-minded local operators; the operation of the merger targets post combination; the future composition of Vireo's officers and directors; The Flowery's aim to position its stores as a retail destination for premium product; expected growth in active retail dispensaries for Deep Roots Harvest and The Flowery; the ability of Proper Brands to increase penetration of the wholesale market; the expected launch in Q1 of 2025 of the Arches technology platform by Proper Brands; the launch of the Arches platform in the State of Missouri through a licensing agreement with Proper Brands in Q1 2025; the potential for Vireo to become the first customer-focused national cannabis platform in the industry and own the most end-to-end customer relationships in the industry; the potential purchase price for the Merger Transactions; the expectation that each transaction will be accretive to the overall portfolio; the potential terms of the Merger Transactions, including the consideration to be paid for the target companies; the expected percentages of ownership of Vireo shareholders, Merger Sellers and investors in the equity securities offering following the Merger Transactions and equity securities offering; the timeline for the closing of the Merger Transactions; the expectation that Vireo will enter into MSAs with some of the acquisition targets; shareholder approval and the filing of an information statement; and the regulatory approvals required for the Merger Transactions. These statements should not be read as guarantees of future performance or results. Forward-looking information includes both known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company or its subsidiaries to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements or information contained in this press release. Financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to various risks as set out herein and in our Annual Report on Form 10-K filed with the Securities Exchange Commission, including consistency of financial results for the targets of the Mergers based on information provided by such targets and information included or referenced in the definitive acquisition agreements, and assuming closing of the Mergers upon satisfaction or waiver of applicable closing conditions. Our actual financial position and results of operations may differ materially from management's current expectations and, as a result, our revenue, EBITDA, and cash on hand may differ materially from the values provided in this press release. Forward-looking information is based upon a number of estimates and assumptions of management, believed but not certain to be reasonable, in light of management's experience and perception of trends, current conditions, and expected developments, as well as other factors relevant in the circumstances, including assumptions in respect of current and future market conditions, the current and future regulatory environment, and the availability of licenses, approvals and permits.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, the reader should not place undue reliance on the forward-looking information because the Company can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking information is subject to a variety of risks and uncertainties that could cause actual events or results to differ materially from those projected in the forward-looking information. Such risks and uncertainties include, but are not limited to: risks related to the shareholder approval of the Merger Transactions; risks related to regulatory approval of the Merger Transactions; risks related to the accuracy of the financial projections related to the Merger Transactions; the risk that Vireo may not realize the expected benefits of the Merger Transactions; the inability to retain key employees of any acquired or merged businesses or hire enough qualified personnel to staff any new or expanded operations; the impairment of relationships with key customers of the Merger Sellers due to changes in management and ownership of the acquired entities; the inability to sublease on financially acceptable terms excess leased space or terminate lease obligations of acquired or merged businesses that are not necessary or useful for the operation of Vireo's business; the exposure to federal, state, local and foreign tax liabilities in connection with the Merger Transactions or the integration of any acquired or merged businesses; the exposure to unknown liabilities or disputes with the former stakeholders or management or employees of Merger Sellers; higher than expected merger and integration expenses that would cause Vireo's quarterly and annual operating results to fluctuate; increased amortization expenses if the Merger Transactions result in significant intangible assets; combining the operations and personnel of the various entities, which would be difficult and costly; disputes over rights to acquired or accessed technologies or with licensors or licensees of those technologies; integrating or completing the development and application of any acquired or accessed technologies, which would disrupt Vireo's business and divert management's time and attention; risks related to the timing and content of adult-use legislation in markets where the Company currently operates; current and future market conditions, including the market price of the subordinate voting shares of the Company; risks related to epidemics and pandemics; federal, state, local, and foreign government laws, rules, and regulations, including federal and state laws and regulations in the United States relating to cannabis operations in the United States and any changes to such laws or regulations; operational, regulatory and other risks; execution of business strategy; management of growth; difficulties inherent in forecasting future events; conflicts of interest; risks inherent in an agricultural business; risks inherent in a manufacturing business; liquidity and the ability of the Company to raise additional financing to continue as a going concern; the Company's ability to meet the demand for flower in Minnesota; risk of failure in the lawsuit with Verano and the cost of that litigation; our ability to dispose of our assets held for sale at an acceptable price or at all; and risk factors set out in the Company's Form 10-K for the year ended December 31, 2023, which is available on EDGAR with the U.S. Securities and Exchange Commission and filed with the Canadian securities regulators and available under the Company's profile on SEDAR at www.sedar.com.

The statements in this press release are made as of the date of this release. Except as required by law, we undertake no obligation to update any forward-looking statements or forward-looking information to reflect events or circumstances after the date of such statements.

Exhibit 99.2


vireo
Transaction Presentation
December 18, 2024
CSE: VREO
OTCQX: VREOF

Disclaimer

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION: This document includes information, statements, beliefs and opinions which are forward-looking, and which reflect current estimates, expectations and projections about future events, referred to herein and which constitute "forward-looking statements" or "forward-looking information" within the meaning of Canadian and U.S. securities laws. Statements containing the words "believe", "expect", "intend", "should", "seek", "anticipate", "will", "positioned", "project", "risk", "plan", "may", "estimate" or, in each case, their negative and words of similar meaning are intended to identify forward-looking statements and include statements regarding the projected financial performance of the combined entities, the potential benefits of the merger transactions, the future business activity of Vireo and the merger targets, expected transaction terms for the mergers, the opportunity for future M&A activity, and the expected ownership percentage of Vireo security holders in the future, among others. By their nature, forward-looking statements involve a number of known and unknown risks, uncertainties and assumptions concerning, among other things, the Company's anticipated business strategies, anticipated trends in the Company's business and anticipated market share, risks related to the shareholder approval of the merger transactions; risks related to regulatory approval of the merger transactions; risks related to the accuracy of the financial projections related to the merger transactions; the risk that Vireo may not realize the expected benefits of the Merger Transactions; the inability to retain key employees of any acquired or merged businesses or hire enough qualified personnel to staff any new or expanded operations; the impairment of relationships with key customers of the target companies due to changes in management and ownership of the acquired entities; the inability to sublease on financially acceptable terms excess leased space or terminate lease obligations of acquired or merged businesses that are not necessary or useful for the operation of Vireo's business; the exposure to federal, state, local and foreign tax liabilities in connection with the merger transactions or the integration of any acquired or merged businesses; the exposure to unknown liabilities or disputes with the former stakeholders or management or employees of target companies; higher than expected merger and integration expenses that would cause Vireo's quarterly and annual operating results to fluctuate; increased amortization expenses if the merger transactions result in significant intangible assets; combining the operations and personnel of the various entities, which would be difficult and costly; disputes over rights to acquired or accessed technologies or with licensors or licensees of those technologies; integrating or completing the development and application of any acquired or accessed technologies, which would disrupt Vireo's business and divert management's time and attention; and the risk factors set out in Vireo's Form 10-K for the fiscal year ended December 31, 2023, which is available on EDGAR with the U.S. Securities and Exchange Commission and filed with the Canadian securities regulators and available under Vireo's profile on SEDAR at www.sedar.com, that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. In addition, even if the outcome and financial effects of the plans and events described herein are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Although the Company has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking information contained in this presentation is based on the Company's current estimates, expectations and projections, which the Company believes are reasonable as of the current date. The Company can give no assurance that these estimates, expectations and projections will prove to have been correct. You should not place undue reliance on forward-looking statements, which are based on the information available as of the date of this document. Forward-looking statements contained in this document are made of the date of this presentation and, except as required by applicable law, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

Historical statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. In this regard, certain financial information contained herein has been extracted from, or based upon, information available in the public domain and/or provided by the Company. In particular historical results should not be taken as a representation that such trends will be replicated in the future. No statement in this document is intended to be nor may be construed as a profit forecast.

CAUTIONARY NOTE REGARDING FUTURE-ORIENTED FINANCIAL INFORMATION: To the extent any forward-looking information in this presentation constitutes "future-oriented financial information" or "financial outlooks" within the meaning of applicable Canadian securities laws, such information is being provided to demonstrate the anticipated market penetration and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out above under the heading "Cautionary Note Regarding Forward-Looking Information". Vireo's actual financial position and results of operations may differ materially from management's current expectations and, as a result, Vireo's revenue and expenses may differ materially from the revenue and expenses profiles provided in this presentation. Such information is presented for illustrative purposes only and may not be an indication of Vireo's actual financial position or results of operations.

Disclaimer (Cont'd)

CANNABIS-RELATED ACTIVITIES ARE ILLEGAL UNDER U.S. FEDERAL LAWS: The U.S. Federal Controlled Substances Act classifies "marihuana" as a Schedule I drug. Accordingly, cannabis-related activities, including without limitation, the cultivation, manufacture, importation, possession, use or distribution of cannabis and cannabis products are illegal under U.S. federal law. Strict compliance with state and local laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal prosecution which may be brought against the Company with respect to adult-use or recreational cannabis. Any such proceedings brought against the Company may adversely affect the Company's operations and financial performance. Prospective investors should carefully consider the risk factors described under "Risk Factors" in this presentation before investing directly or indirectly in the Company and purchasing the securities described herein.

NON-GAAP FINANCIAL INFORMATION: This communication includes certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934, as amended, including EBITDA, Net Debt, Net Leverage and Net Leverage including Taxes. These non-GAAP financial measures are included in this communication as the management of Vireo believe such measures are useful to investors in evaluating the companies' operating performance. These non-GAAP financial measures are not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP by Vireo in their filings with the SEC. The non-GAAP financial measures also may not be comparable to similar measures disclosed by other companies because of differing methods used by other companies in calculating EBITDA, Net Debt, Net Leverage and Net Leverage including Taxes.

DEFINITIONS:
Vireo defines EBITDA as operating income plus depreciation, amortization, and depreciation included in costs of goods sold.

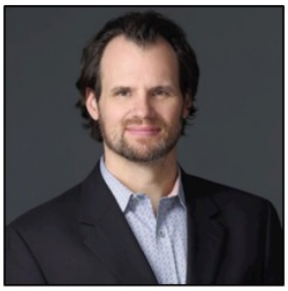
Vireo defines Net Debt as total debt less cash and cash equivalents.

Vireo defines Net Leverage as Net Debt divided by EBITDA.

Net Leverage including Taxes as the sum of Net Debt, Taxes Payable and Uncertain Tax Positions divided by EBITDA.

Today's Presenters

John Mazarakis
Chief Executive Officer & Co-Executive Chairman



Tyson Macdonald
Chief Financial Officer

Amber Shimpa
President of the Company and CEO of Minnesota, Maryland and New York

Executive Summary

On December 18, 2024, Vireo Growth Inc. ("Vireo") announced a series of transformational corporate events that it believes will greatly enhance its platform, positioning the company for profitable growth

1 Leadership Update	• Appointment of John Mazarakis as CEO and Co-Executive Chairman and Tyson Macdonald as CFO
2 Strategic Equity Infusion	• Announced $75 million equity capital raise at $0.625 per share (149% premium to 12/17/2024 closing price)
3 Transformative M&A	• Signed three definitive documents and one binding Memorandum of Understanding ("MOU") to acquire four single-state operators and the Arches technology platform in a series of all-stock transactions

Transaction Highlights

Increased Scale and Portfolio Diversity – Creates the 8th and 6th largest operator by 2025E revenue and EBITDA respectively, addressing a population of ~67mm across a 7-state footprint, which allows for a lower overall cost of capital vs. Vireo today

Fortress Balance Sheet – Pro forma net leverage of 0.8x[1] 2024E EBITDA, supported by a significant cash position $99mm[1] and long-dated maturities provide Vireo with a dynamic capital structure to pursue organic and inorganic growth initiatives

Attractive Market Mix – Operator of a unique portfolio of state-level operations with a desirable mix of cash flowing and high-growth markets

Advanced Proprietary Technology – Arches omni-channel customer engagement and delivery capabilities to be leveraged across Vireo's platform to enhance in-store, pickup and delivery distribution

Future M&A Opportunities – Geographic footprint with minimal overlap to peers creates an outsized opportunity for continued tuck-in M&A across the acquired markets

Experienced Management Team – Team with a diversity of expertise, supported by highly experienced local teams who have consistently delivered results across each market

Note: EBITDA, net debt and net leverage are non-GAAP measures (please see slide 3 for further information)
1. Reflects 11/30/2024 pro forma figures net debt (debt – cash) figures inclusive of capital raise proceeds of $75 million and contribution from pending M&A; debt figures inclusive of the $10mm convertible note

1 Leadership Update

John Mazarakis

CEO & Co-Executive Chairman

- Appointed Chief Executive Officer and Co-Executive Chairman effective immediately
- Co-founder of Chicago Atlantic Group, the largest credit and equity fund in the cannabis space with over ~$2 billion closed in debt and equity investments
  - Took public NASDAQ: REFI, a cannabis REIT, in December 2021 and led the acquisition of NASDAQ: SSIC to establish a $300 million+ cannabis BDC vehicle
- Brings over 20 years of entrepreneurial, operational, and managerial experience in the real estate, retail and hospitality industries

Tyson Macdonald

Chief Financial Officer

- Appointed Chief Financial Officer, effective immediately
- Previously served as a Managing Partner at TrueRise Capital, CEO of Nova Net Lease REIT, CFO of Cloud Cannabis and an Executive Vice President of Corporate Development at Acreage Holdings
- Brings over 20 years of strategy and investment experience, working with both startups and mature public companies, and is currently a Board Member of Avant Brands (TSX: AVNT)

2 Strategic Equity Infusion

Transaction Overview	• Vireo announced an equity financing transaction totaling $75 million
Structure	• The financing results in the issuance of 120,000,000 Subordinate Voting Shares
Offering Price	• Offering priced at $0.625 per Vireo Subordinate Voting Share, which represents a significant premium (149% to the market price, as of 12/17/2024)
Lock-up Terms	• Subject to a six-month lock-up period
Pro Forma Leverage & Cash	• Resulting pro forma cash position of $99 million[1] and net debt of $78 million[1]

	Equity Offering
Amount Raised ($USD)	$75mm
Pricing	$0.625
SVS Issued	120,000,000

Note: Net debt is a non-GAAP measure (please see slide 3 for further information)
1. Reflects 11/30/2024 pro forma figures net debt (debt – cash) figures inclusive of capital raise proceeds of $75 million and contribution from pending M&A; debt figures inclusive of the $10mm convertible note

3 Transformative M&A

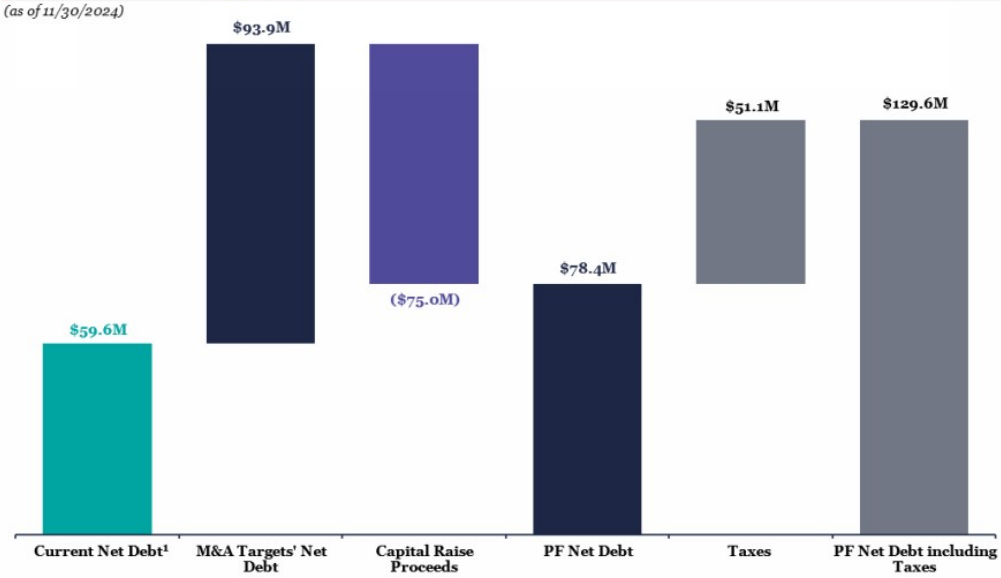
Transaction Overview	• Vireo signed three definitive documents and one binding MOU[1] to acquire four single-state operators and the Arches technology platform in a series of all-stock transactions Proper Cannabis · deep roots harvest · WholesomeCo CANNABIS · THE FLOWERY · arches • The transactions will expand Vireo's operating footprint to the states of Missouri, Nevada, Utah and Florida with the combined total footprint spanning seven states, ~1,043,500 square feet of cultivation and manufacturing across nine facilities and 48 retail dispensaries and provide omni-channel customer engagement and delivery capabilities
Transaction Structure	• The acquisitions are structured on substantially the same terms with a stock upfront and stock earnout component: ○ **Upfront:** • Purchase price equal to 4.175x Reference EBITDA[2], except for the Flowery at ~5.4x Reference EBITDA multiple[2] (all subject to adjustments for cash, debt, net taxes and other customary adjustments) • Share consideration issued at an effective Vireo share price of $0.52 (a 107% premium to 12/17/2024 closing price) with Wholesome and Proper receiving $14mm in upfront consideration for Arches ○ **Earnout:** • Proper, Deep Roots and Wholesome may qualify for incremental consideration[3] on December 31, 2026 based on 4.0x EBITDA growth[4] compared to Reference EBITDA[2] • The Flowery earnout is 5.0x EBITDA growth[4] and is conditional on achieving 2026 EBITDA[5] threshold of at least $28.3mm, measured against Reference EBITDA of $20mm • Arches earnout equal to the greater of $37.5mm or 5.0x the higher of trailing twelve-month or nine-month annualized net revenue as of December 31, 2026 • Earnout share consideration issued at the greater of Vireo's 20-day VWAP as of December 31, 2026 or $1.05 per share ○ **Clawback:** • Up to 50% of the upfront consideration is subject to a clawback on December 31, 2026 to the extent (a) 2026 EBITDA[5] underperforms Reference EBITDA[2], (b) retail revenue market share for 2026 is less than 2024 and (c) Vireo's 20-day VWAP as of December 31, 2026 is greater than $1.05 per share • The Flowery[1] shall forfeit up to 95 million shares if 2026E EBITDA[5] performs below $28.3mm
Consideration	• All-stock consideration issued at an effective Vireo share price of $0.52 (a 107% premium to 12/17/2024 closing price)
Lock-Up	• Share consideration subject to lock-up release schedule of 7.5% of shares 12-months post-closing, 10% of shares 18-months and 21-months post-closing, 17.5% of shares 24-months post-closing, 15% of shares 27-months post-closing and 20% of shares 30-months and 33-months post-closing
Pro Forma Ownership	• Existing Vireo shareholders are expected to own ~21% of the pro forma entity after the issuance of the upfront consideration and equity financing transactions

Note: EBITDA is a non-GAAP measure (please see slide 3 for further information)
1. The Flowery has signed a binding-MOU
2. Reference EBITDA is pro-forma for pending acquisitions as well as new retail openings and grow expansion in near-term and will be used to issue shares utilized for threshold calculations; Reference EBITDAs represent the following approximate EBITDA figures: $31mm for Proper, $31mm for Deep Roots, $16mm for Wholesome, $28.3mm for The Flowery
3. For each Target, earnout shares shall be reduced and forfeited shares shall increase by the amount of any incremental debt incurred from the closing date to the earnout measurement date
4. EBITDA growth defined as the increase between Reference EBITDA and the higher of 2026 EBITDA or trailing nine-month annualized EBITDA as of December 31, 2026, and adjusted for incremental debt
5. 2026 EBITDA is the higher of trailing twelve-month or nine-month annualized EBITDA as of December 31, 2026

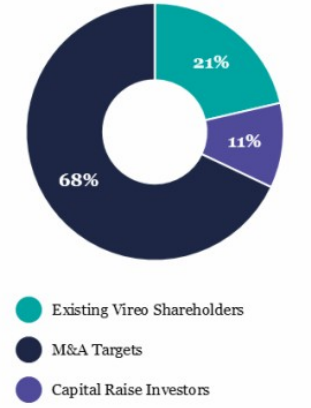
Summary of Pro Forma Capitalization

Net Debt Bridge

(as of 11/30/2024)



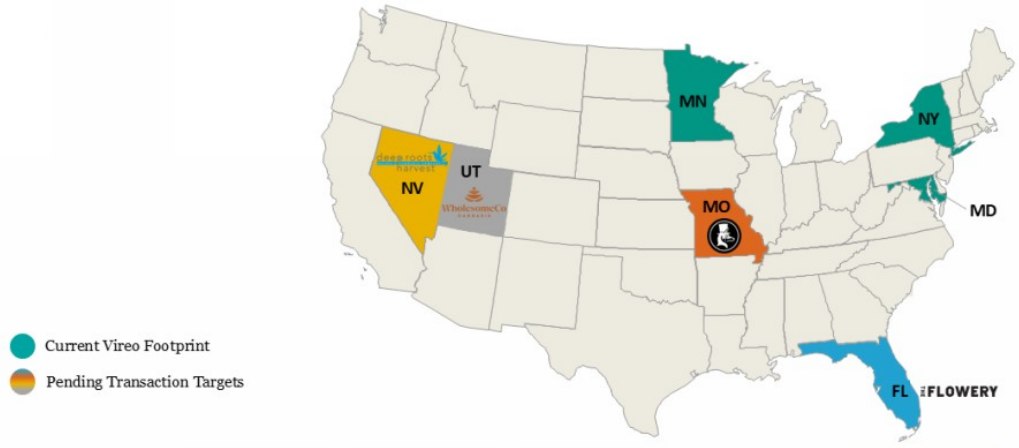
Pro Forma Ownership[2]



Note: Net debt is a non-GAAP measure (please see slide 3 for further information); Reflects 11/30/2024 pro forma figures net debt (debt – cash) figures inclusive of capital raise proceeds of $75 million and contribution from pending M&A.

1. Includes convertible note of $10mm
2. Reflects fully diluted treasury method shares outstanding, does not include convertible debt shares in the pro forma share count

Differentiated Pro Forma Geographic Footprint



($ in millions)	Maryland[1]	Minnesota	New York	Missouri	Nevada	Utah	Florida[3]
Company	Vireo	Vireo	Vireo	Proper	Deep Roots	Wholesome	The Flowery
Year Founded	2014	2014	2014	2014	2014	2020	2019
Total Population	~6.2mm	~5.7mm	~19.6mm	~6.2mm	~3.2mm	~3.4mm	~22.6mm
Medical / Adult-Use	Medical / Adult-Use	Medical / Pending Adult-Use	Medical / Adult- Use	Medical / Adult-Use	Medical / Adult-Use	Medical	Medical
YTD Annualized Market Size	$1,134	$126[2]	$872	$1,438	$855	$162	$2,100[2]

Source: MJBiz Marijuana Factbook, National Census Data, State government websites
1. Includes two dispensaries managed via Manages Services Agreements, with an option to purchase
2. MN and FL reflect MJBiz 2024 annual projections
3. The Flowery has signed a binding-MOU

State-by-State Operational Snapshot

	Vireo			Proper	Deep Roots	WholesomeCo	The Flowery[1]	Total
	 Maryland	 Minnesota	 New York	 Missouri	 Nevada	 Utah	 Florida	
2024E Revenue	$42mm	$46mm	$11mm	$92mm	$102mm	$48mm	$54mm	$394mm
2025E Revenue								$478mm
2026E Revenue								$636mm
2024E EBITDA	$18mm	$23mm	($4mm)	$28mm	$27mm	$14mm	$15mm	$94mm[2]
2025E EBITDA								$133mm
2026E EBITDA								$205mm
Dispensaries	4[3]	8	4	11	10[4]	1[5]	10[5]	48
Incremental Dispensary Opportunity[6]	--	--	--	9 dispensaries	Varies[7]	3 dispensaries	Unlimited	See state specific breakdown
Facility Square Footage	~144,000	~225,000[8]	~388,000	~90,000	~54,000	~22,500	~120,000[8]	~1,043,500
Core Growth Drivers	• Enhanced cultivation efficiency and wholesale business	• Anticipated launch of adult-use market in 2025 • Buildout of new indoor cultivation facility	• Ramping indoor cultivation operations at Bluebird cultivation and production facility by applying SOPs and best practices from The Flowery	• Expanding cultivation capacity and anticipated launch of delivery operations via Arches in 2025 • 1 undeveloped dispensary license	• One anticipated dispensary opening • 2 additional undeveloped dispensary licenses	• Continued expansion of delivery driving outsized market share	• 4 anticipated dispensary openings and enhancement of delivery operations to same-day delivery in 2025	

Note: EBITDA is a non-GAAP measure (please see slide 3 for further information)
1. The Flowery has signed a binding-MOU
2. Includes ($ 12mm) of Vireo Corporate G&A, ($ 1.4mm) of Vireo Capital Leases and ($3mm) EBITDA attributed to Arches
3. Includes two dispensaries managed via Manages Services Agreements, with an option to purchase
4. Includes one dispensary expected to open Q1 2025
5. Not inclusive of delivery hub locations
6. Reflects the number of additional dispensaries that could be acquired before reaching the state limit per operator
7. License ownership caps vary based on county; Deep Roots currently holds two undeveloped licenses
8. Includes total building square footage of indoor cultivation facility expected to come online in 2025

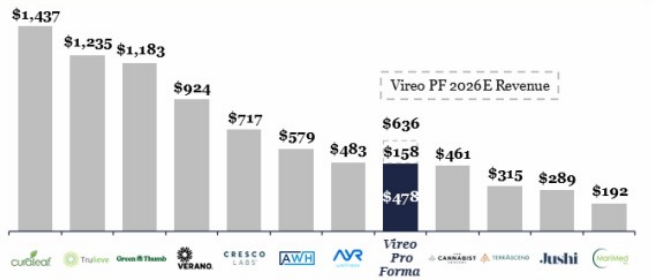
Benchmarking: Revenue & EBITDA

($ in millions)

2024E Revenue

2024E EBITDA

2025E Revenue

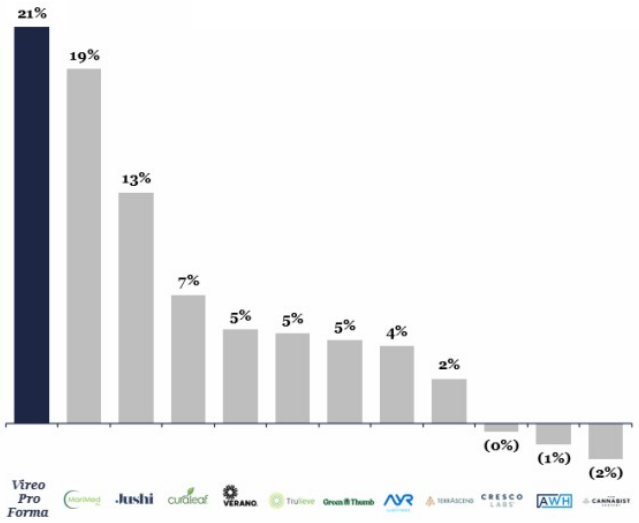


2025E EBITDA

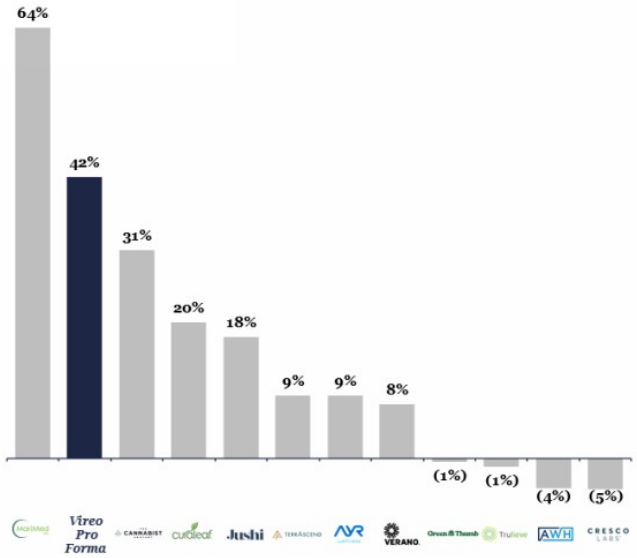
Source: S&P Capital IQ
Note: EBITDA is a non-GAAP measure (please see slide 3 for further information); Revenue and EBITDA estimates (other than Vireo and Vireo Pro Forma) based on consensus estimates

Benchmarking: Revenue & EBITDA Growth

2024E – 2025E Revenue Growth



2024E – 2025E EBITDA Growth

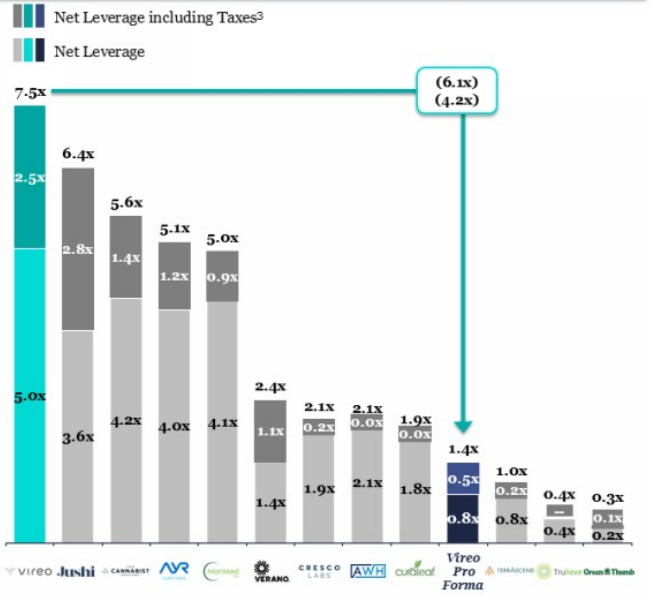


Source: S&P Capital IQ
Note: EBITDA is a non-GAAP measure (please see slide 3 for further information); Revenue and EBITDA estimates (other than Vireo and Vireo Pro Forma) based on consensus estimates

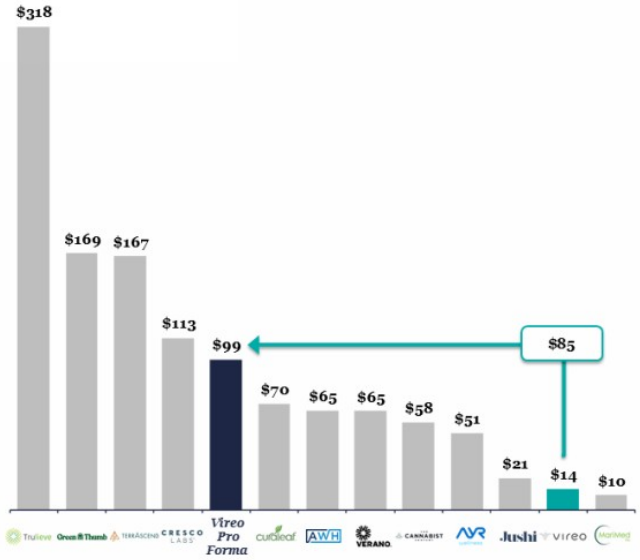
Benchmarking: Net Leverage & Cash

($ in millions)

Net Leverage[1]



Estimated Cash[2]



Source: Public Filings, S&P Capital IQ
Note: Net leverage, net leverage including taxes and EBITDA are non-GAAP measures (please see slide 3 for further information)
1. Net leverage calculated as net debt (debt – cash)/ 2024E EBITDA; Vireo Pro Forma inclusive of capital raise and acquisition transactions
2. Vireo estimated cash reflecting unaudited cash balance as of 11/30/2024; Others calculated as Q3 2024 cash balance including any subsequent events; Vireo Pro Forma inclusive of capital raise and M&A transaction
3. Includes taxes payable and uncertain tax positions, taxes receivable are not netted against the taxes payable

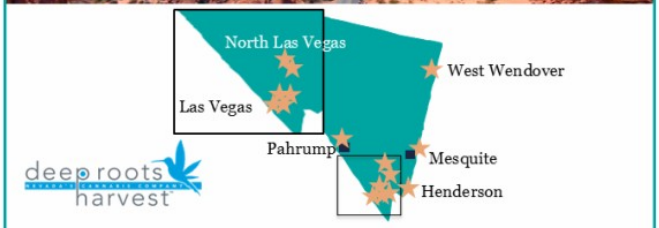
Target Markets: Missouri and Nevada

Missouri – Proper Brands

Proper Cannabis

- Adult-use market established in 2022 following a well-established medical program (legalized in 2018)
- Proper currently operates 11 dispensaries and 1 cultivation facility located across Missouri with a concentration in Eastern Missouri in the greater St. Louis area along the border with Illinois
- Operators are limited to no more than 10% of total dispensaries in the market (~21 dispensary cap per operator); Proper currently has one undeveloped license and adding incremental retail represents a significant opportunity in the market
- Preparing to roll-out delivery service via Arches platform

Nevada – Deep Roots



deep roots harvest

- Adult-use market established in January 2017 following a well-established medical program (legalized in 1998)
- Deep Roots benefits from an attractive mix of locations, including two highly productive border stores in Mesquite and West Wendover
- Deep Roots recently completed an acquisition of 4 dispensaries and 1 cultivation facility resulting in a pro forma footprint of 10 dispensaries and 2 cultivation facilities; Deep Roots currently has two undeveloped licenses

vireo

★ Operating Dispensaries ■ Manufacturing

Source: MJBiz Marijuana Factbook, Missouri Department of Health & Senior Services, Nevada Cannabis Administration

Target Markets: Utah and Florida

Utah - Wholesome

WholesomeCo CANNABIS

- Medical program established in 2018, with first sales in 2020; In 2023, Utah state legislature simplified the application process for patients seeking medical cannabis card
- Wholesome currently operates 1 dispensary and 2 cultivation facilities located across the state of Utah and holds 1 of 15 total dispensary licenses
- Wholesome is one of the leading Utah operators due to the strength of its delivery business through the Arches platform (omni-channel technology platform for delivery for cannabis operators)
- Delivery is expected to continually drive TAM expansion and organic growth due to the limited number of dispensaries and social trends favoring delivery over in-person shopping

Florida – The Flowery[1]

THE FLOWERY

- Medical marijuana program launched in 2016 with ~870,000 registered patients currently, representing 3.9% of state population; Ranked 1st out of 39 markets with open patient registries
- All licenses allow for unlimited dispensaries and cultivation; however, operations must be fully vertically integrated (i.e., no wholesale market)
- The Flowery currently operates 10 dispensaries and is expected to open 4 additional dispensaries in 2025
- The Flowery is uniquely positioned as the premium supplier in Florida driven by exclusivity with high profile cannabis brands driving their model

AIRO 710LABS Backpackboyz PREFERRED GARDENS SHERBINSKIS JOSH·D

Vireo

★ Operating Dispensaries

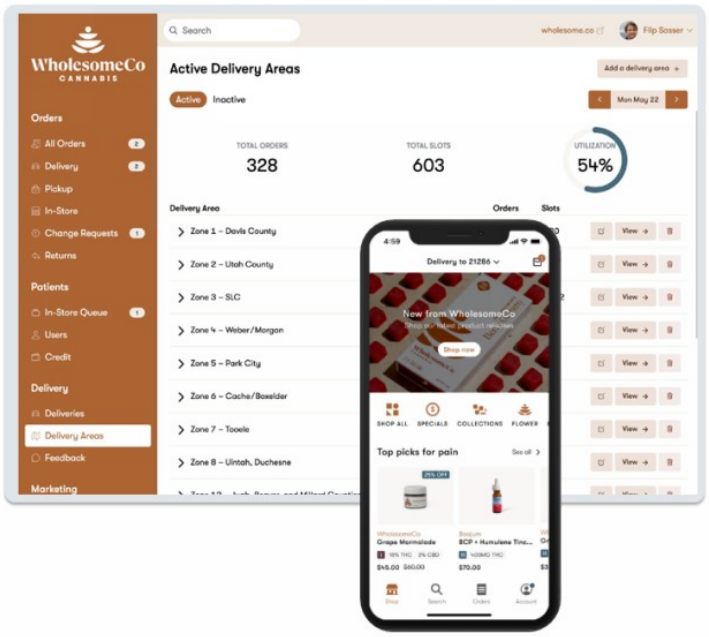
■ Manufacturing

Source: MJBiz Marijuana Factbook, Utah Department of Health and Human Services Center for Medical Cannabis, The Office of Medical Marijuana Use

1. The Flowery has signed a binding-MOU

Arches Technology

Arches is an omni-channel technology platform for cannabis operators with a comprehensive offering across point-of-sale, customer engagement, digital marketing and delivery to drive sales growth



Arches' 3 Core Areas for Success

Engagement

Traffic Driven
to platform through download initiatives, capabilities such as favoriting and rewards dollars reminders and RFM scoring

RFM Scoring
- Tracks recency, frequency and monetary metrics
- Top 20% of shops are visited more than 4x as often as bottom 80%

Reach

Unlock Access
to patients in competitor markets through delivery channels

Migration to Convenience
- Incentivizing local customers through convenience of platform's abilities

Defensibility

Loyalty
increases linearly with every order

Best-in-Class Product
- Personalization
- Integrated rewards & referral program
- Robust shopping features
- UX analytics and brand representation

Q&A

Appendix: Full Capitalization Table Summary

Capitalization Table Summary

(as of 12/16/2024)

(in millions)	Vireo	Capital Raise	M&A	Pro Forma
Subordinate Voting Shares	200.5	120.0	763.9	1,084.4
Multiple Voting Shares	0.3			0.3
Total Subordinate Voting Shares (w/ Multiple Voting Shares Converted)	230.3			1,114.2
Options (@ avg. strike US $0.49)	33.0			33.0
Warrants (@ avg. strike US $0.93)	9.1			9.1
Grown Rogue Warrants (strike @ US $0.233)	10.0			10.0
RSUs	4.6			4.6
Total Shares Including All Dilutives	**287.1**[1]			**1,171.0**[1]
FD Treasury Method Shares Outstanding (@ stock price of US $0.25 as of 12/17/2024)	**240.5**[1]	**120.0**	**763.9**	**1,124.4**[1]

1. Does not include convertible debt shares in the pro forma share count


vireo
CSE: VREO
OTCQX: VREOF