

MEMBERSHIP INTEREST PURCHASE AND EXCHANGE AGREEMENT

By and Among

JUSHI HOLDINGS INC.,

a Canadian corporation,

JUSHI VA, LLC,

a Virginia limited liability company,

DALITSO LLC,

a Virginia limited liability company,

and

NEW LEAF VIRGINIA, LLC, DALRAA LLC AND ECP LOUDOUN, LLC

The members thereof

June 28, 2019

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MEMBERSHIP INTEREST PURCHASE AND EXCHANGE AGREEMENT

This Membership Interest Purchase and Exchange Agreement (this “*Agreement*”) is entered into as of June 28, 2019, by and among Jushi Holdings Inc., a Canadian corporation (“*Parent*”), Jushi VA, LLC, a Virginia limited liability company (“*Buyer*”), Dalitso LLC, a Virginia limited liability company (the “*Company*”), New Leaf Virginia, LLC, a Virginia limited liability company (“*New Leaf*”), Dalraa LLC, an Arizona limited liability company (“*Dalraa*”) and ECP Loudoun, LLC, a Maryland limited liability company (“*ECP*,” and, with New Leaf and Dalraa, each a “*Member*” and collectively, “*Members*”). The Company, Buyer, Parent and Members are referred to collectively herein as the “*Parties*.”

RECITALS

A. On November 28, 2018, the Company received conditional approval as a Pharmaceutical Processor from the Virginia Board of Pharmacy (the “*Board of Pharmacy*”) in Health Service Area II which would allow for the cultivation and production of cannabinoid oil or THC-A oil, and the dispensing of the oil to patients registered by the Board of Pharmacy (the “*Conditional Approval*”). The Company has a principal office at 2709 Colt Run Road, Oakton, Virginia 22124 (the “*Office*”), and plans to operate a cultivation, production and retail facility for Cannabidiol (CBD) and THC-A oil (the “*Business*”) at 12980 Balls Ford Road, Manassas, Virginia 20109 (the “*Facility*”).

B. Buyer is a wholly-owned subsidiary of Parent.

C. Buyer wishes to purchase from Members, and Members wish to sell to Buyer, fifty-one percent (51%) of the issued and outstanding membership interests of the Company on a fully-diluted basis (collectively, the “*Purchased Interests*”) for total consideration of Twelve Million Dollars (\$12,000,000), as adjusted pursuant hereto, to be paid in a mix of cash, common stock of Parent, warrants to purchase common stock of Parent and convertible promissory notes to be issued by Parent, as set forth in further detail herein (the “*Transaction*”).

D. Concurrently with the signing of this Agreement, Buyer is providing a [REDACTED] [REDACTED] secured working capital facility (the “*Working Capital Facility*”). In the event that this Agreement is terminated and the Closing does not occur, the Working Capital Facility will not be rolled into the Loans as described below, but will mature [REDACTED] months from the date hereof, and bear simple interest at [REDACTED] per annum, with no prepayment penalty.

E. Following the Closing, provided that the Conditional Approval remains in good standing, Buyer will issue up to an aggregate of [REDACTED] in principal of senior secured promissory notes (including any promissory notes issued in connection with the Working Capital Facility, the “*Loans*”), in the form attached hereto as Exhibit A, to the Company to fund (i) the costs and expenses of any build out, renovation and/or expansion of the Facility, and (ii) the operating costs of the Business. The Loans will be secured by a senior secured perfected security interest on all current and future assets of the Company (and any subsidiaries of the Company) to the extent permitted by Applicable Law.

F. At the Closing, Members, Buyer and the Company will enter into an amended and restated operating agreement of the Company, in the form attached hereto as Exhibit B (the “*Amended and Restated Operating Agreement*”).

G. At Closing, each of [REDACTED], [REDACTED] and [REDACTED] will enter into an employment agreement with the Company, Buyer or one of its Affiliates, as applicable, in the forms attached hereto as Exhibit C (the “*Employment Agreements*”).

H. At Closing, Buyer and the Company will enter into a non-exclusive, royalty-free, fully paid-up license to certain intellectual property owned by Buyer and its Affiliates to the Company, pursuant to a License Agreement between Buyer and the Company in the form attached hereto as Exhibit D (the “*License Agreement*”).

I. At Closing, Parent will deliver to each of New Leaf and Dalraa an indemnification agreement with respect to the Lease guaranty in the form attached hereto as Exhibit E (the “*Indemnification Agreement*”).

J. At Closing, the Company and JMGT, LLC, a Florida limited liability company (“*JMGT*”), will enter into a joinder agreement to that certain Intercompany Services and Cost Allocation Agreement in the form attached hereto as Exhibit F (the “*Intercompany Agreement*”).

Now, therefore, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows:

AGREEMENT

Section 1. Definitions.

“*Acquisition Proposal*” means any inquiry, proposal or offer from any person or entity (other than Buyer or any of its Affiliates) concerning (i) a merger, consolidation, liquidation, recapitalization, share exchange or other business combination transaction involving the Company or its Affiliates; (ii) the issuance or acquisition of capital stock of the Company; (iii) the sale, lease, transfer, exchange or other disposition of any significant portion of the Company’s properties or assets or any of the Company’s Permits; or (iv) any other transaction similar to the Transaction, or that could reasonably be expected to hinder, restrict or affect the ability of the Parties to consummate the Transaction in a timely manner.

“*Adverse Consequences*” means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, fines, costs, amounts paid in settlement, Liabilities, obligations, Taxes, liens, losses, expenses, and fees, including court costs and reasonable attorneys’ fees and expenses.

“*Affiliate*” has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act.

“*Affiliated Group*” means any affiliated group within the meaning of Code Section 1504(a) or any similar group defined under a similar provision of state, local, or non-U.S. law.

“*Agreement*” has the meaning set forth in the preface above.

“*Amended and Restated Operating Agreement*” has the meaning set forth in the Recitals above.

“*Applicable Law*” or “*Applicable Laws*” means any and all laws, ordinances, constitutions, regulations, statutes, treaties, rules, codes, licenses, certificates, franchises, permits, requirements and injunctions adopted, enacted, implemented, promulgated, issued or entered by or under the authority of any Governmental Authority having jurisdiction over a specified Person or any of such Person’s properties or assets, including, but not limited to, the Cannabis Laws. Notwithstanding the foregoing, neither “*Applicable Law*” nor “*Applicable Laws*” shall include the Controlled Substances Act of 1970 or any other law of the United States that would be violated as a result of being a state licensed cannabis business.

“*Board of Pharmacy*” has the meaning set forth in the Recitals above.

“*Business*” has the meaning set forth in the Recitals above.

“*Buyer*” has the meaning set forth in the preface above.

“*Cannabis Laws*” means the laws of the Commonwealth of Virginia relating to the manufacture, production, distribution and/or retail sale of medical cannabis, and any applicable local ordinances, rules or regulations relating to cannabis, including, but not limited to, the Code of Virginia, the applicable sections of the Virginia Administrative Code, and the Emergency Regulations.

“*Cash Consideration*” has the meaning set forth in Section 2(b)(i).

“*Closing*” has the meaning set forth in Section 2(d) below.

“*Closing Date*” has the meaning set forth in Section 2(d) below.

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

“*Company*” has the meaning set forth in the preface above.

“*Company Intellectual Property*” means all Intellectual Property owned, licensed or used by or for the benefit of the Company.

“*Company Interests*” has the meaning set forth in Section 4(b).

“*Company Transaction Expenses*” means (a) the fees and expenses owed by the Company to its investment bankers, attorneys, accountants, and other professionals payable in connection with this Agreement or the consummation of the transactions contemplated hereby, including any success fee related to the transactions contemplated by this Agreement, (b) the aggregate amount of any transaction bonuses or similar payments owed by the Company to any director, officer or employee of the Company triggered by the consummation of such transactions, including both the employer and employee portions of all employment, payroll and withholding Tax obligations relating to or arising from such bonuses or payments) and (c) the aggregate amount of management fees, loans, transaction fees, sale bonuses or similar payments owed by the Company to a Member that are unpaid as of, or are triggered by, the consummation of such transactions, in the case of each of the foregoing clauses (a), (b) and (c), regardless of whether such fees, expenses or other amounts are due and payable as of the Closing.

“*Conditional Approval*” has the meaning set forth in the Recitals above.

“*Confidential Information*” means any proprietary information concerning the businesses and affairs of the Company, Buyer or Parent that is not already generally available to the public, whether of a technical, business or other nature, including, without limitation, the following: (i) all information that is a trade secret under applicable trade secret or other law; (ii) all information concerning customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer hardware and software and database technologies, systems, structures and architectures; (iii) all historical and current financial statements, financial projections and budgets, tax returns and accountants’ materials, historical plans, strategic plans, marketing and advertising plans, publications, client and customer lists and files, contracts, the names and backgrounds of key personnel and personnel training techniques and materials, however documented; and (iv) the terms and conditions of this Agreement.

“*Convertible Note*” has the meaning set forth in Section 2(b)(ii).

“*Dalraa*” has the meaning set forth in the preface above.

“*Data Laws*” means laws, regulations, guidelines, and rules in any jurisdiction (federal, state, local, and non-U.S.) applicable to data privacy, data security, and/or personal information, including the Federal Trade Commission’s Fair Information Principles, as well as industry standards applicable to the Company.

“*Deductible*” has the meaning set forth in Section 8(d)(i).

“[REDACTED]” has the meaning set forth in Section 6(h) below.

“[REDACTED]” has the meaning set forth in Section 2(g) below.

“*Disclosure Schedule*” has the meaning set forth in Section 4 below.

“*ECP*” has the meaning set forth in the preface above.

“*Emergency Regulations*” means the Board of Pharmacy Emergency Regulations pertaining to Pharmaceutical Processors, 18VAC110-60-10 through 18VAC110-60-330.

“*Employee Benefit Plan*” means any “employee benefit plan” (as such term is defined in the Employee Retirement Income Security Act of 1974, as amended, Section 3(3)) and any other employee benefit plan, program or arrangement of any kind.

“*Employment Agreement*” has the meaning set forth in the Recitals above.

“*Environmental, Health, and Safety Requirements*” means, whenever in effect, all federal, state, local, and non-U.S. statutes, regulations, ordinances, and other provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations, and all common law concerning public health and safety, pollution, or protection of the environment, including, without limitation, all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, exposure to, or cleanup of any hazardous materials, substances, wastes, chemical substances, mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise, odor, mold, or radiation.

“*Equity Claw-Back Unit*” means [REDACTED].

“*Estoppel Certificates*” has the meaning set forth in Section 7(a)(xii) below.

“*Exchange Agreement*” means that certain Interest Transfer and Exchange Agreement by and among [REDACTED].

“*Facility*” has the meaning set forth in the Recitals above.

“*Fundamental Representations*” has the meaning set forth in Section 8(a) below.

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

“*Governmental Authority*” means any (a) nation, region, state, county, city (specifically including the Commonwealth of Virginia), town, village, district or other jurisdiction, (b) federal, state, local, municipal, foreign or other government, (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department or other entity and any court or other tribunal), or (d) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

“*Indebtedness*” means, with respect to the Company, without duplication: (i) all liabilities for borrowed money, whether current or funded; (ii) all obligations evidenced by a note, bond, debenture, letter of credit, draft or similar instrument; (iii) that portion of obligations with respect to capital leases, if any, that is properly classified as a liability on a balance sheet; (iv) all other monetary and in-kind payment obligations of the Company, other than Permitted Accounts Payable; (v) notes payable and drafts accepted representing extensions of credit; (vi) any obligation owed for all or any part of the deferred purchase price of property or services; (vii) all monetary and in-kind payment obligations of the Company to its members; (viii) all Tax obligations of the Company (including any amounts under audit by any tax authority); (ix) any amounts, fines, penalties or claims asserted against the Company by any Governmental Authority; (x) all interest on the items set forth in (i) through (ix) above; (xi) any guarantees of indebtedness of any other person; (xii) all indebtedness and obligations of the types described in the foregoing clauses (i) through (xi) above to the extent secured by any lien on any property or asset owned or held by the Company, regardless of whether the indebtedness secured thereby shall have been assumed by that person or is nonrecourse to the credit of that person.

“*Indemnification Agreement*” has the meaning set forth in the Recitals above.

“*Indemnified Party*” has the meaning set forth in Section 8(d)(i) below.

“*Indemnifying Party*” has the meaning set forth in Section 8(d)(i) below.

“*Intellectual Property*” means all of the following in any jurisdiction throughout the world: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, divisions, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, slogans, trade names, corporate names, Internet domain names, other source identifiers, and rights in telephone and facsimile numbers, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all rights of publicity, privacy, and endorsement (including rights to the use of names, voices, likenesses, images, appearances, signatures, and biographical information of real persons), (d) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (e) all mask works and all applications, registrations, and renewals in connection therewith, (f) all trade secrets and Confidential Information (including customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (g) all computer software (including Source Code, Object Code, data, databases, and related documentation), (h) all advertising and promotional materials, (i) Social Media Accounts and pages, (j) all other proprietary rights, and (k) all copies and tangible embodiments of any of the foregoing (in whatever form or medium).

“*Intercompany Agreement*” has the meaning set forth in the Recitals above.

“*Inventory*” means all inventory of or relating to the business of the Company.

“*IP License*” has the meaning set forth in Section 4(m)(iii) below.

“*JMGT*” has the meaning set forth in the Recitals above.

“*Knowledge*” means actual knowledge, after reasonable investigation.

“*Lease*” means each lease agreement for the Leased Real Property.

“*Lease Amendment*” has the meaning set forth in Section 5(i) below.

“*Lease Consents*” has the meaning set forth in Section 7(a) below.

“*Leased Real Property*” means all leasehold or subleasehold estates and other rights to use or occupy the Office or the Facility.

“*Liability*” means any liability or obligation of whatever kind or nature (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

“*Lien*” means any mortgage, pledge, lien (statutory or other), encumbrance, easement, encroachment, right of way, right of first refusal, option, charge, or other security interest.

“*License Agreement*” has the meaning set forth in the Recitals above.

“*Material Adverse Effect*” or “*Material Adverse Change*” means any effect or change that would be (or would reasonably be expected to be) materially adverse to the business, assets, financial condition, operating results or operations of the Company, or to the ability of the Members to consummate the transactions contemplated hereby; provided, however, that none of the following shall be considered a “*Material Adverse Effect*” or “*Material Adverse Change*”: (i) besides a Program Termination, any event, occurrence, fact, condition or change that does not have a disproportionately adverse effect on the Business compared to other participants in the industries in which the Business operates, (ii) the public announcement of the transactions contemplated hereby and (iii) the taking of any action contemplated by this Agreement and/or any of the ancillary documents executed in connection herewith, including consummation of the transactions contemplated hereby. Notwithstanding the foregoing, neither “*Material Adverse Effect*” nor “*Material Adverse Change*” shall include the opening of a competing business by any third party.

“*Member(s)*” has the meaning set forth in the preface above.

“*Members’ Knowledge*” means the actual knowledge, upon reasonable investigation, of a Member (or any of the Members in respect of the joint and several representations and warranties herein) and its underlying principals, specifically (i) in the case of New Leaf, [REDACTED], (ii) in the case of Dalraa, [REDACTED] and (iii) in the case of ECP, [REDACTED].

“*Note Consideration*” has the meaning set forth in Section 2(b)(ii).

“*Office*” has the meaning set forth in the Recitals above.

“*Ordinary Course of Business*” means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

“*Parent*” has the meaning set forth in the preface above.

“*Parent Cap Table*” has the meaning set forth in Section 3(b)(ix).

“*Parent Default*” means (i) the breach by Parent, Buyer or any of their respective Affiliates of any obligations under this Agreement or any of the agreements entered into in connection herewith or contemplated hereby or (ii) the failure of Parent and Buyer to work together with the Members in good faith, exercising Parent and Buyer’s commercially reasonable best efforts, to promote the Company’s obtaining a timely extension of the Conditional Approval and/or a permanent Permit to operate the Business from the Board of Pharmacy.

“*Parent Subordinate Voting Shares*” means shares of the class B subordinate voting stock of Parent, with no par value.

“*Party*” has the meaning set forth in the preface above.

“*Permit*” means any permit, license, franchise certificate, consent, accreditation or other authorization of a governmental authority, including state and local commercial cannabis licenses necessary to lawfully operate within the Commonwealth of Virginia and its local jurisdictions.

“*Permitted Accounts Payable*” means normal and customary accounts payable for miscellaneous consulting, lobbying, association, attorney, architectural and engineering fees, as specifically listed on Schedule 1 hereto.

“*Person*” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, any other business entity, or a governmental entity (or any department, agency, or political subdivision thereof).

“*Program Termination*” means the termination, non-renewal or non-permanentizing of all of the Permits issued by the Board of Pharmacy and Commonwealth of Virginia to the Company and its competitors, without the concurrent issuance of a successor Permit allowing for the lawful operation of the Business.

“*Property*” has the meaning set forth in the Recitals above.

“*Purchase Price*” means Twelve Million Dollars (\$12,000,000), plus (i) the amount of all cash held by the Company as of the Closing Date (excluding any cash held by the Company in connection with the Working Capital Facility), less (ii) the amount of the Company’s current Liabilities (excluding Taxes and including, but not limited to, all Indebtedness and Company Transaction Expenses) as of the Closing Date, in each case as set forth on the Purchase Price Statement; provided, however, that for the purposes of calculating Purchase Price, (A) the Working Capital Facility shall not be included as a Liability; and (B) the Permitted Accounts Payable shall not be included as Liabilities.

“*Purchase Price Statement*” has the meaning set forth in Section 2(c).

“*Purchased Interests*” has the meaning set forth in the Recitals above.

“*Revenue*” means gross sales proceeds from any source less any discounts, allowances, returns, state sales tax, city or municipality tax, and excise tax, with the elimination of all intercompany transactions and balances.

“*Securities Act*” means the Securities Act of 1933, as amended.

“*Securities Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Securities Laws*” has the meaning set forth in Section 3(a)(iv).

“*Settlement Agreements*” means, collectively, (i) [REDACTED] and (ii) that certain [REDACTED].

“*Social Media Accounts*” means any websites, applications and similar electronic means by which users are able to create and share information, ideas, personal messages, and other content (including, without limitation, text, photos and videos) or to participate in social networking.

“*Source Code*” means human-readable computer software and code, in a form other than Object Code form or machine-readable form, including related programmer comments and annotations, help text, data and data structures, object-oriented and other code, which may be printed out or displayed in human-readable form, and, for purposes of this Source Code definition, “*Object Code*” means computer software code, substantially or entirely in binary form, which is intended to be directly executable by a computer after suitable processing and linking but without the intervening steps of compilation or assembly.

“*Stock Consideration*” means (a) the number of Parent Subordinate Voting Shares set forth in the second chart on Schedule 2, with the reference value of each Parent Subordinate Voting Share equal to [REDACTED], and (b) Warrants to acquire Parent Subordinate Voting Shares set forth in the third chart on Schedule 2, at a strike price of three dollars (\$3) per Parent Subordinate Voting Share.

“*Subscription Agreement*” means the subscription agreement between the Company and ECP, effective contingent upon and immediately prior to the Closing, in the form of Exhibit H.

“*Subsidiary*” means, with respect to any Person, any corporation, limited liability company, partnership, association, or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (ii) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof and for this purpose, a Person or Persons own a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity’s gains or losses or shall be or control any managing director or general partner of such business entity (other than a corporation). The term “Subsidiary” shall include all Subsidiaries of such Subsidiary.

“*Systems*” means the computer software, computer firmware, computer hardware (whether general purpose or special purpose), electronic data processing, communications, telecommunications, third party software, networks, peripherals and computer systems, including any outsourced systems and processes, and other similar or related items of automated, computerized and/or software systems that are used or relied on by the Company and over which the Company has any control.

“*Tax*” or “*Taxes*” means any federal, state, local, or non-U.S. income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever,

including any interest, penalty, or addition thereto, whether disputed or not and including any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

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

“*Third-Party Claim*” has the meaning set forth in Section 8(d) below.

“*Third Party Recoveries*” has the meaning set forth in Section 8(d)(v).

“*Transaction*” has the meaning set forth in the Recitals above.

“*Warrant*” shall mean a warrant to acquire Parent Subordinate Voting Shares on the same economic terms as the Jushi Inc’s February/March 2019 Two Dollar (\$2.00) unit offering, in the materially similar form attached hereto as Exhibit I, the Parties acknowledging that such form is for Parent’s subsidiary and predecessor-in-interest Jushi Inc and such form will need to be revised accordingly prior to Closing.

Section 2. Purchase and Sale of Company Shares.

(a) *Basic Transaction.* On and subject to the terms and conditions of this Agreement, Buyer agrees to purchase from Members, and Members agree to sell to Buyer, all of the Purchased Interests, free and clear of any Liens, all in such proportions as are set forth in Schedule 2 for the consideration specified below in this Section 2.

(b) *Consideration.* Buyer agrees to pay at the Closing an aggregate purchase price equal to the Purchase Price in the amounts and in accordance with the instructions set forth on Schedule 2:

(i) A mixture of cash, payable to the Members by wire transfer or delivery of other immediately available funds (“*Cash Consideration*”), and Stock Consideration, each as set forth in Schedule 2. Notwithstanding anything to the contrary set forth herein, (i) the Stock Consideration (including shares underlying the Warrants) will be restricted from sale, pledging or other forms of transfer without Parent’s consent (other than transfers to direct or indirect owners of the Members or trusts or similar instruments for bona fide estate planning purposes) until the later of (A) the earlier of (I) [REDACTED] following the date of the initial public listing of the Parent Subordinate Voting Shares or (II) the [REDACTED] anniversary of the Closing Date; and (B) the date on which the Company’s Conditional Approval is either renewed for another year or made permanent; and (ii) the Stock Consideration (including any shares issued upon exercise of the Warrants) will be deemed cancelled and forfeited upon the issuance of any final, non-appealable order by the Board of Pharmacy or other commonwealth regulator of competent jurisdiction terminating the Conditional Approval that is not attributable in material part to a Parent Default.

(ii) Three (3) preferred convertible promissory notes, in the form attached hereto as Exhibit G (each, a “*Convertible Note*”), and, individually, in the amounts set forth on Schedule 2 (the “*Note Consideration*”), issued to each Member by Parent. Notwithstanding anything to the contrary set forth herein, the Note Consideration will be deemed cancelled and forfeited upon the issuance of any final, non-appealable order by the Board of Pharmacy or other commonwealth regulator of competent jurisdiction terminating the Conditional Approval that is not attributable in material part to a Parent Default.

The Purchase Price shall be subject to adjustment as set forth below in this Section 2.

(c) *Adjustment to Purchase Price.* Prior to the Closing, Members shall prepare and present to Buyer a statement (the “*Purchase Price Statement*”), which statement shall be true and correct in all material respects and contain, in each case as of the Closing Date: (i) the amount of all cash and cash equivalents held by the Company as of the Closing Date, and (ii) the amount of the Company’s current Liabilities (excluding Taxes, Permitted Accounts Payable and amounts owing under the Working Capital Facility, but including Company Transaction Expenses) as of the Closing Date. The Purchase Price shall be decreased by the amount by which the amount of the Company’s current Liabilities (excluding Taxes and Permitted Accounts Payable, but including Company Transaction Expenses) as of the Closing Date exceed the amount of all cash held by the Company (excluding any cash held by the Company in connection with the Working Capital Facility) as of the Closing Date. Purchase Price reductions shall be applied [REDACTED] against the aggregate Cash Consideration and Stock Consideration on a proportionate basis (such Stock Consideration reduction at a reference value of [REDACTED] per Equity Claw-Back Unit), and [REDACTED] against the Note Consideration; provided, however, that any such reduction shall apply only to the consideration issuable to New Leaf, Dalraa and ECP on a pro-rata basis (and not to the cash payments to any other Persons identified on Schedule 2).

(d) *Closing.* The closing of the transactions contemplated by this Agreement (the “*Closing*”) shall take place at the offices of Buyer’s counsel or by such other means (e.g. facsimile or .pdf and overnight delivery of the original execution documents) as Buyer and Members may mutually determine, following the satisfaction of all of the conditions to Closing set forth in Section 7.

(e) *Deliveries at Closing.* At the Closing, (i) Members will deliver to Buyer the various certificates, instruments, and documents referred to in Section 7(a) below, and (ii) Buyer will deliver to Members the Cash Consideration, Stock Consideration and Note Consideration and the various certificates, instruments, and documents referred to in Section 7(b) below.

(f) *Withholding.* Buyer shall be entitled to deduct and withhold from any consideration payable to Members pursuant to this Agreement all Taxes that Buyer may be required to deduct and withhold under any provision of Tax law. All such withheld amounts shall be treated as delivered to Members hereunder.

(g) *Escrow.* Buyer and [REDACTED] have mutually-agreed, pursuant to the Exchange Agreement, that Waterfall, Economidis, Caldwell, Hanshaw & Villmana, P.C., 5210 E. Williams Cir., Ste. 800, Tucson, AZ 85711 shall be the escrow agent (the “*Escrow Agent*”) in connection with this Agreement and will enter into an escrow agreement (the “*Escrow Agreement*”) as soon as possible, but in no event later than ten (10) calendar days after the date of this Agreement. Buyer shall deposit, on or before such ten (10)-calendar day period, that [REDACTED] [REDACTED] (the “*Escrow Amount*”), which amount will be held by the Escrow Agent in escrow for release to [REDACTED] upon the Closing in accordance with the terms and conditions provided in that certain [REDACTED], dated as of the date hereof (the “*Payment Direction Letter*”), between Buyer and [REDACTED], and upon the terms to be further agreed in the Escrow Agreement; *provided* that in the event that Buyer’s wire to the Escrow Agent is rejected by any bank facilitating such deposit without any fault of Buyer, and only in such event, Buyer will instead wire the Escrow Amount directly to [REDACTED] at the Closing in immediately available funds to an account identified by [REDACTED] in writing.

Section 3. Representations and Warranties Concerning Transaction.

(a) *Members’ Representations and Warranties.* Each Member represents and warrants to Buyer, severally and not jointly, that the statements contained in this Section 3(a) are correct and complete as of the date of this Agreement with respect to himself, herself, or itself.

(i) *Authorization of Transaction.* Member has full power and authority to execute and deliver this Agreement and to perform his, her or its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of Member, enforceable in accordance with its terms and conditions. Other than in respect of notification requirements to the Board of Pharmacy, Member need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement. The execution, delivery, and performance of this Agreement and all other agreements contemplated hereby have been duly authorized by Member.

(ii) *Non-contravention.* Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (A) violate any Applicable Law, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Member is subject, (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which Member is a party or by which he, she, or it is bound or to which any of his, her, or its assets are subject, or (C) result in the imposition or creation of a Lien upon or with respect to the Purchased Interests.

(iii) *Brokers' Fees.* Other than its indirect obligation to cause the Company to carry out the [REDACTED], Member has no Liability to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(iv) *Investment - Parent Subordinate Voting Shares.* Each Member understands that the Parent Subordinate Voting Shares have not been registered under the Securities Act or any other applicable state securities laws (collectively, "*Securities Laws*"), and that the Parent Subordinate Voting Shares are being offered and issued pursuant to an exemption from registration pursuant to the Securities Laws. Each Member acknowledges that Parent and Buyer will rely on such Member's representations, warranties and certifications set forth below for purposes of determining such Member's suitability as an investor in the Parent Subordinate Voting Shares and for purposes of confirming the availability of any exemption from registration requirements. Each Member has received all the information such Member considers necessary or appropriate for deciding whether such Member acquire the Parent Subordinate Voting Shares. Each Member understands the risks involved in an investment in the Parent Subordinate Voting Shares pursuant to the transactions contemplated by this Agreement. Each Member further represents that such Member has had an opportunity to ask questions and receive answers from Parent regarding the Parent Subordinate Voting Shares and the business, properties, prospects, and financial condition of Parent and Buyer, and to obtain such additional information (to the extent Parent or Buyer possessed such information or could acquire it without unreasonable effort or expense) necessary to assist the Members in verifying the accuracy of any information furnished to such Member or to which such Member had access. Each Member has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of an investment in the Parent Subordinate Voting Shares. Each Member will be acquiring the Parent Subordinate Voting Shares for its own account and not for the benefit of any other person, and not with a view towards their resale or "distribution." The certificates representing the Parent Subordinate Voting Shares (and any replacement certificate issued prior to the expiration of the applicable hold periods), or ownership statements issued under a direct registration system or other electronic book-based or book-entry system, will bear the following legends in accordance with the Securities Laws:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "1933 ACT"), OR ANY U.S. STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED, ENCUMBERED, OR OTHERWISE DISPOSED OF

EXCEPT (A) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE 1933 ACT, (B) IN COMPLIANCE WITH AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE US STATE SECURITIES LAWS, (C) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE US STATE LAWS, OR (D) IN A TRANSACTION THAT IS REGISTERED UNDER THE 1933 ACT, AND, IN THE CASE OF (A), (B) AND (C) ABOVE THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY.”

Each Member acknowledges that (i) it has been provided with the opportunity to consult its own legal advisors with respect to the Parent Subordinate Voting Shares issuable to such Member pursuant to this Agreement and with respect to the resale restrictions, as applicable, imposed by the applicable Securities Laws; (ii) no representation has been made respecting the applicable hold periods imposed by the Securities Laws or other resale restrictions applicable to the Parent Subordinate Voting Shares which restrict the ability of the Member to resell such securities; (iii) each Member is solely responsible to find out what these restrictions, are; (iv) the Member is solely responsible (and the Parent is not in any way responsible) for compliance with applicable resale restrictions; and (v) each Member is aware that the Member may not be able to resell the Parent Subordinate Voting Shares, except in accordance with limited exemptions under the Securities Laws. The Members acknowledge that they may be required to provide the Parent with certain personal information which may be collected for the purposes of completing the issuance of the Parent Subordinate Voting Shares, which includes, without limitation, determining the eligibility of the Members to acquire the Parent Subordinate Voting Shares from the Members under applicable Securities Laws, preparing and registering certificates (if any) representing the Parent Subordinate Voting Shares and completing regulatory filings required by the applicable securities commissions. Accordingly, personal information of the Members may be disclosed to: (i) stock exchanges, the securities commissions or to other securities regulatory authorities, (ii) the Parent’s transfer agent, and (iii) Buyer and Parent’s legal counsel. Each Member hereby consents to the foregoing collection, use and disclosure of their respective personal information.

(v) *Purchased Interests.* Other than any restrictions under the Securities Act or other Securities Laws or the Company’s operating agreement, the Purchased Interests are free from Taxes, Liens, options, warrants, purchase rights, contracts, commitments, equities, claims, and demands. Member is not a party to any option, warrant, purchase right, or other contract or commitment (other than this Agreement) that could require Member to sell, transfer, or otherwise dispose of any of its equity interests in the Company. Member is not a party to any voting trust, proxy, or other agreement or understanding with respect to the voting of any equity of the Company.

(vi) *Cannabis Matters.* Each Member, severally, hereby makes the following representations and warranties relating specifically to cannabis matters (x) without a “Knowledge” qualification to the extent the representation relates to such Member and any Person appointed by such Member and (y) to the best of such Member’s Knowledge to the extent the representation relates to the Company (other than due to breach of an unqualified representation by reason of the preceding clause (x)) or any other Person:

(A) Each director, officer and manager of the Company and each director, officer or manager of Member is at least twenty-one (21) years of age;

(B) The Company and each Member is in compliance with all licensing requirements established by the applicable Government Authorities with respect to the Conditional Approval and any corresponding Permits;

(C) Neither any director, officer or manager of the Company nor any director, officer, shareholder, manager, member or partner of Member has any convictions in the Commonwealth of Virginia or any other jurisdiction. For purposes of this Agreement, "conviction" shall mean and refer to the following:

(1) a plea or verdict of guilty for any non-ministerial matter or other matter that, if convicted, would preclude such director, officer or manager of the Company or the Member from being in such capacity under the laws of the Commonwealth of Virginia;

(2) a conviction following a plea of nolo contendere for any non-ministerial matter or other matter that, if convicted, would preclude such director, officer or manager of the Company or the Member from being in such capacity under the laws of the Commonwealth of Virginia;

(3) any violent felony conviction;

(4) a felony conviction involving fraud, deceit or embezzlement;

(5) a felony conviction for hiring, employing or using a minor in transporting, carrying, selling, giving away, preparing for sale or peddling any controlled substance to a minor, or offering, furnishing or selling any controlled substance to a minor; and

(6) any felony conviction for drug trafficking.

(D) Neither any director, officer or manager of the Company nor any director, officer, member, manager, shareholder or partner of Member has committed any violation of any Applicable Law that resulted in suspension or revocation of a license, administrative penalty, citation, civil proceeding or criminal conviction;

(E) Neither any director, officer or manager of the Company nor any director, officer, member, manager, shareholder or partner of Member has received any fines or penalties for the production or cultivation of a controlled substance on public or private land;

(F) Neither any director, officer or manager of the Company nor any director, officer, member, manager, shareholder or partner of Member has committed any act that would reasonably be expected to result in the denial, revocation, or suspension of a license, permit, registration or other consent or approval required to conduct commercial cannabis activity;

(G) Neither any director, officer or manager of the Company nor any director, officer, member, manager, shareholder or partner of Member has been sanctioned by any licensing authority, city or county for any unlicensed commercial cannabis activity.

(H) Neither any director, officer or manager of the Company nor any director, officer, member, manager, shareholder or partner of Member has had any license, permit, registration or other consent or approval required to conduct commercial cannabis activity suspended or

revoked by any licensing authority or local jurisdiction, or has had any application for a license, permit, registration or other consent or approval to conduct commercial cannabis activity denied;

(I) Neither any director, officer or manager of the Company nor any director, officer, member, manager, shareholder or partner of Member is employed by any agency in the Commonwealth of Virginia or any of its political subdivisions in any position that involves the enforcement of Laws related to cannabis, or that involves the enforcement of any of the penal provisions of law of the Commonwealth of Virginia prohibiting or regulating the sale, use, possession, transportation, distribution, testing, manufacturing, or cultivation of cannabis or cannabis products, including but not limited to, employment as a peace officer, or employment in any district attorney's office, in any city attorney's office, in any sheriff's office, or in any local police department; and

(J) Neither any director, officer or manager of the Company nor any director, officer, member, manager, shareholder or partner of Member has been determined by a court or governmental agency or tribunal to have engaged in any attempt to obtain a registration, license, or approval to operate a cannabis business in any state or locality by fraud, misrepresentation, or the submission of false information.

(vii) *Claims against the Company.* Assuming the occurrence of the Closing and the effectiveness of the transactions contemplated hereby and by the ancillary documents hereto, no Member has (A) any pending or threatened actions, suits or proceedings against the Company or (B) Knowledge of facts or circumstances giving rise to the foregoing for which a waiver or release has not been granted.

(b) *Buyer's and Parent's Representations and Warranties.* Buyer and Parent represent and warrant to Members that the statements contained in this Section 3(b) are correct and complete as of the date of this Agreement.

(i) *Organization.* Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia. Parent is a corporation duly organized, validly existing, and in good standing under the laws of the Province of British Columbia, Canada.

(ii) *Authorization of Transaction.* Buyer and Parent have full power and authority to execute and deliver this Agreement and to perform their respective obligations hereunder. This Agreement constitutes the valid and legally binding obligation of Buyer and Parent, enforceable in accordance with its terms and conditions. Buyer and Parent need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement. The execution, delivery, and performance of this Agreement and all other agreements contemplated hereby have been duly authorized by Buyer and Parent.

(iii) *Non-contravention.* Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (A) violate any Applicable Law, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Buyer and/or Parent is subject or any provision of its charter, articles of organization, bylaws, operating agreement or other governing documents or (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which Buyer or Parent is a party or by which either of them is bound or to which any of its assets are subject.

(iv) *Brokers' Fees.* Buyer has no Liability to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which any Member could become liable or obligated.

(v) *Investment.* Buyer is not acquiring the Purchased Interests with a view to or for sale in connection with any distribution thereof within the meaning of the Securities Act.

(vi) *Litigation.* There are no pending, or, to the knowledge of Buyer, threatened actions, suits, proceedings, audits, hearings, and investigations against Buyer or Parent or otherwise affecting Buyer or Parent or their assets, including any condemnation proceedings, which, if determined adversely, could, individually or in the aggregate, reasonably be expected to have a material adverse effect on Buyer or Parent. There is no unsatisfied judgment or any open injunction binding upon Buyer or Parent which could, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of Buyer or Parent to enter into and perform their respective obligations under this Agreement.

(vii) *Governmental Authorities; Consents.* Other than in respect of notification requirements to the Board of Pharmacy no consent, approval or authorization of, or designation, declaration or filing with, any Governmental Authority is required on the part of Buyer or Parent with respect to Buyer or Parent's execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

(viii) *Financial Ability.* Parent has sufficient available resources to contribute the Cash Consideration and make the Loans.

(ix) *Capitalization.* A true, correct and complete copy of the fully-diluted capitalization table of Parent (A) as of the date hereof and (B) projected as of immediately following the Closing, is set forth in Section 3(b)(ix) of the Disclosure Schedule (the "*Parent Cap Table*"). The Parent Subordinate Voting Shares have been or will be duly authorized, fully-paid and nonassessable and issued in compliance with all applicable Securities Laws. Except as set forth on the Parent Cap Table, there are no other outstanding shares of the Parent stock, stock options, warrants, shares of stock reserved for future issuance under equity incentive plans, stock purchase rights or other securities convertible, exercisable or exchangeable for Parent securities or commitments to issue any of the foregoing.

(x) *Tax Matters.*

(A) All Tax Returns required by law to be filed by Parent have been timely filed, and all such Tax Returns are true, correct and complete in all material respects.

(B) All amounts of Taxes due and owing by Parent have been paid.

(C) There are no written Tax deficiencies outstanding, proposed or assessed against Parent, nor has Parent executed any agreements waiving the statute of limitations on or extending the period for the assessment or collection of any material Tax, in each case, which have not since expired.

(D) To the Knowledge of Parent, no audit or other examination of any Tax return of Parent by any Tax authority is presently in progress, nor has Parent been notified in writing of any request for such an audit or other examination.

(xi) *Compliance with Laws; Permits.* Buyer and Parent and their Affiliates have complied in all material respects with all Applicable Laws. Buyer and Parent and their Affiliates have obtained and hold all permits that are necessary to their respective businesses as presently conducted, including, without limitation, the cannabis licenses and permits set forth on Schedule 3(b)(xi) of the Disclosure Schedule. Neither Buyer nor Parent, nor any of their Affiliates, is in default under any permit, nor has Buyer or Parent or any Affiliate received from any Governmental Authority any written notification with respect to possible noncompliance with any decree, order, writ, judgment or arbitration award or law, statute or regulation.

(xii) *No Outside Reliance.* Notwithstanding anything contained in this Section 3(b), each of Buyer and Parent, and any of their respective directors, officers, employees, stockholders, partners, members or representatives, acknowledge and agree that Buyer has made its own investigation of the Company and that neither the Company nor any of its Affiliates, agents or representatives is making any representation or warranty whatsoever, express or implied, beyond those expressly given in Section 3(a) and Section 4, including any implied warranty or representation as to condition, merchantability, suitability for a particular purposes or trade as to any of the assets of the Company. Without limiting the generality of the foregoing, it is understood that any cost estimates, financial or other projections or other predictions that may be contained or referred to in the Disclosure Schedule or elsewhere, as well as any information, documents or other materials that have been or shall hereafter be provided to Buyer or any of its Affiliates, agents or representatives (including any such materials contained in any “data room” or reviewed by Buyer) are not and will not be deemed to be representations or warranties by the Company, and no representation or warranty is made as to the accuracy or completeness of any of the foregoing except as may be expressly set forth in this Agreement.

Section 4. Representations and Warranties Concerning the Company. The Company and each Member, jointly and severally, represents and warrants to Buyer that the statements contained in this Section 4 are correct and complete as of the date of this Agreement, except as set forth in the disclosure schedule delivered by Members to Buyer on the date hereof (the “*Disclosure Schedule*”).

(a) *Organization, Qualification, and Corporate Power.* The Company is a limited liability company duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia. The Company is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required. The Company has full limited liability company power and authority and all licenses, permits, and authorizations necessary to carry on the business in which it is engaged and in which it presently proposes to engage, other than a final permit from the Board of Pharmacy and other ancillary licenses, permits and authorizations (if any) required by local government authorities and not yet required to be obtained. Section 4(a) of the Disclosure Schedule lists the current managers and officers of the Company. Members have delivered to Buyer correct and complete copies of the articles of organization and operating agreement (or equivalent) for the Company (as amended to date). All records of meetings of the members and the board of managers, along with all records of ownership of Company Interests, have been provided to Buyer and are correct and complete. The Company is not in default under or in violation of any provision of its articles of organization or operating agreement.

(b) *Capitalization.* After giving effect to the Settlement Agreements and the Subscription Agreement, all of the issued and outstanding membership interests of the Company (the “*Company Interests*”) will be owned by the Members immediately preceding Closing. All of the issued and outstanding Company Interests have been duly authorized, are validly issued, fully paid, and non-assessable, and are held of record by the respective Members as set forth in Section 4(b) of the Disclosure Schedule. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments of any nature whatsoever, or any

applicable law that could require the Company to issue, sell, or otherwise cause to become outstanding any of its membership interests. There are no outstanding or authorized unit appreciation, phantom unit, profit participation, or similar rights with respect to the Company. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of the membership interests of the Company.

(c) *Non-contravention.* Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any Applicable Law, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Company is subject or any provision of the articles of organization or operating agreement of the Company or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which the Company is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Lien upon any of its assets). Notwithstanding the foregoing, the Parties acknowledge and agree that: (i) the Conditional Approval is non-transferable; and (ii) in connection with the Transaction, Members must give notice to the Board of Pharmacy of any “change in ownership” of the Company pursuant to the Emergency Regulations, relaying to the Board of Pharmacy that Buyer intends to become the majority owner of the Company via this Agreement, and Members shall cooperate with Government Authorities in filing any and all necessary documentation to accomplish that “ownership change,” including assisting Buyer with filing annual licensing applications with the Commonwealth of Virginia reflecting Buyer as the new majority owner of the Company, including an annual Pharmaceutical Processor permit application for the Company.

(d) *Brokers’ Fees.* Except for [REDACTED] the Company has no Liability to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(e) *Title to Assets.* The Company has good and marketable title to, or a valid leasehold interest in, the assets used by it, located on its premises, or shown on the Most Recent Balance Sheet or acquired after the date thereof, free and clear of all Liens, except for properties and assets disposed of in the Ordinary Course of Business since the date of the Most Recent Balance Sheet.

(f) *Undisclosed Liabilities.* The Company has no Liabilities, except for Liabilities set forth on the face of the Most Recent Balance Sheet, Purchase Price Statement or on Schedule 1 hereto or other Liabilities that would not be required by GAAP to be reflected on the Most Recent Balance Sheet.

(g) *Legal Compliance; Permits.*

(i) The Company and its predecessors and, to the Members’ Knowledge, Affiliates have materially complied with all Applicable Laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder and including the Cannabis Laws and Internal Revenue Code Section 280E) of federal, state, local, and non-U.S. governments (and all agencies thereof), and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against any of them alleging any failure so to comply.

(ii) The Company holds all Permits and local law authorizations, including the Conditional Approval, required for the lawful conduct of the Business within the Commonwealth of Virginia and corresponding local jurisdiction(s), as presently conducted, or necessary for the lawful ownership and/or lease of its properties and assets or the operation of the Business as presently conducted. No notices have been received by the Company alleging the failure to hold any Permit from any government authority. All such Permits are in full force and effect. The Company is in compliance in all material

respects with all terms and conditions of all such Permits and is not subject to any action with respect to those Permits. Any applications for the renewal or extension of any such Permit which is due prior to the Closing Date shall be timely made or filed by the Company, with Buyer's assistance, prior to the Closing Date. No proceeding to modify, suspend, revoke, withdraw, terminate or otherwise limit any such Permit is pending or threatened and neither the Company nor any of the Members Know of any valid basis for such proceeding, including the transactions contemplated hereby.

(iii) Buyer or its counsel has been supplied with a correct and complete copy of each Permit of any Governmental Authority obtained or possessed by the Company.

(iv) The Company has duly and timely filed and complied with all Applicable Laws relating to reports, certifications, declarations, owner and/or financial interest holder (as those terms are defined in and by Applicable Law) disclosures, statements, information or other filings submitted or to be submitted to any Governmental Authority, and all such submissions or filings were true and complete when submitted or filed and, to the extent required by any Applicable Laws, have been updated properly and completely.

(v) Neither the Company nor, to the Members' Knowledge, any director, officer, employee, agent or other Person acting on behalf of the Company or any other Member, has directly or indirectly (i) given or agreed to give any bribe, kickback, political contribution or other illegal payment from corporate funds, (ii) used any of the Company's funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (iii) made any direct or indirect unlawful payment to any domestic government official or employee from the Company's funds; (iv) established or maintained any unrecorded fund or asset, (v) concealed or mischaracterized an illegal or unauthorized payment or receipt, (vi) knowingly made a false entry in the business records or (vii) committed or participated in any act which is illegal or could subject the Company, Buyer or Parent to fines, penalties or other sanctions.

(h) *Tax Matters.*

(i) As of the execution of this Agreement, the Company has not filed, and has not been required to file, any Tax Returns under Applicable Laws and regulations. The Company is not currently the beneficiary of any extension of time within which to file any Tax Return. No claim has ever been made by an authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction. There are no Liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of the Company. No federal, state, local or non-U.S. tax audits or administrative or judicial Tax proceedings are pending or being conducted with respect to the Company.

(ii) The Company has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(iii) The Company has been classified and taxed as partnership under subchapter K of the Code and corresponding state law, at all times during its existence and will be up to and including the Closing Date. There are no plans to change the Tax classification of the Company.

(i) *Real Property.*

(i) The Company does not own any real property.

(ii) Section 4(i)(ii) of the Disclosure Schedule sets forth the addresses of the Leased Real Property, and a true and complete description of each Lease (including the date and name of

the parties to such Lease document). The Company has delivered to Buyer a true and complete copy of each Lease. The Company enjoys quiet and undisturbed possession under each Lease. The Company's interest in the Leased Real Property is free and clear of any Liens, is not subject to any deeds of trust, assignments, subleases or rights of any third parties created by the Company, other than the lessor thereof. Each Lease is valid and binding and in full force and effect, the Company is not in default thereunder as to the payment of rent or otherwise, and, to the extent the Lease Consents are obtained, the consummation of the transactions contemplated by this Agreement will not constitute an event of default under any Lease and the continuation, validity and effectiveness of each Lease will not be adversely affected by the consummation of the transactions contemplated by this Agreement. Except as set forth in Section 4(i)(ii) of the Disclosure Schedule, no consent of any landlord under any Lease, or of any other party, is required in connection with the transactions contemplated by this Agreement. The use and operation of the Leased Real Property in the conduct of the Business does not and will not violate in any material respect any Applicable Law, covenant, condition, restriction, easement, license, permit or agreement. To Members' Knowledge, no landlord under any Lease is in default of such party's obligations under the Lease. The Company has not received any notice from any landlord under any Lease that such landlord is negotiating or has entered into an agreement to sell the Leased Real Property, and the Leased Real Property is not subject to any pending or, to Members' Knowledge, threatened condemnation or eminent domain action. To Members' Knowledge, the Leased Real Property is in compliance with all Environmental, Health and Safety Requirements in all material respects.

(j) *Intellectual Property.*

(i) Section 4(j)(i) of the Disclosure Schedule lists all registered Company Intellectual Property. To Members' Knowledge, no Intellectual Property other than the Company Intellectual Property is required, necessary, useful, or advisable to conduct the Company's business operations in the ordinary course consistent with past practice. Except as set forth in Section 4(j)(i) of the Disclosure Schedule, each equity holder, officer, director, employee and consultant of the Company has assigned to the Company all Intellectual Property rights that he or she owns that are related to the business of the Company. The Company has taken reasonable and appropriate steps to protect and preserve the confidentiality of the trade secrets that comprise any part of the Company Intellectual Property, and, to Members' Knowledge, there are no unauthorized uses, disclosures or infringements of any such trade secrets by any Person. All domain names owned by the Company are listed in Section 4(j)(i) of the Disclosure Schedule, and other than as set forth in Section 4(j)(i) of the Disclosure Schedule, no Member owns any other domain names that include the term "Dalitso" or any word or name confusingly similar thereto.

(ii) Except as disclosed in Section 4(j)(ii) of the Disclosure Schedule, the Company owns the entire right, title and interest in, to and under, or has a valid license or enforceable written agreement to use, all Company Intellectual Property, free and clear of any Liens. The Company owns all right, title and interest in and to, or has or will be able to obtain the right to use pursuant to a valid and enforceable written agreement, all Intellectual Property used, necessary or useful to fully conduct its business as presently proposed to be conducted. Immediately after the Closing, the Company Intellectual Property will continue to be owned or licensed and available for use by the Company on terms and conditions identical to those under which, immediately prior to the Closing, the Company owned or licensed and used the Company Intellectual Property, without the imposition of any additional obligations, restrictions or limitations.

(iii) Section 4(j)(iii) of the Disclosure Schedule identifies each item of Company Intellectual Property that any third party owns and that the Company uses pursuant to license, sublicense, agreement, covenant not to sue, or permission (each, an "*IP License*"). The Company has delivered to Buyer correct and complete copies of all such IP Licenses. Each of the IP Licenses is legal,

valid, binding, enforceable, and in full force and effect in all material respects. The Company is not in material breach or default under any IP License, and, to Members' Knowledge, no other party to any IP License is in material breach or default, and no event has occurred that would constitute a material breach or default or permit termination, modification, or acceleration thereunder. The Company has not breached any material provision of the IP Licenses, and, to Members' Knowledge, no party to any of the IP Licenses has breached or repudiated any material provision thereof. The Company has not granted any license or other rights (contractual or otherwise) that would entitle a third party to copy, distribute, use or otherwise exploit any Company Intellectual Property in any manner.

(iv) To Members' Knowledge, the conduct of the Company's business and the Company's use of Company Intellectual Property has not infringed upon, misappropriated or violated, and does not infringe upon, misappropriate or violate, the rights of any third party, nor is Member aware of any infringement, misappropriation or violation that will occur as a result of the continued operation of the Company's business as currently conducted. To Members' Knowledge, no rights of the Company with respect to Company Intellectual Property have been infringed upon, misappropriated or violated by any third party. To Members' Knowledge, no information of the Company regarded as confidential or proprietary has been disclosed to a third party, other than pursuant to a valid and binding confidentiality agreement

(v) Except as set forth on Section 4(j)(v) of the Disclosure Schedule, to the extent that any Company Intellectual Property has been developed or created independently or jointly by any Person other than the Company, such other Person has delivered to the Company a duly executed and valid written assignment transferring to the Company ownership of all of such Person's rights in and to all Intellectual Property in the developed work. Section 4(j)(v) of the Disclosure Schedule sets forth an accurate and complete list of each Person other than the Company who has developed or created independently or jointly any Company Intellectual Property.

(vi) None of the software used in the Company's business is subject to any "copyleft" or other obligation or condition (including any obligation or condition under any "open source" license, such as the GNU's General Public License or Lesser/Library GPL, the Artistic License (e.g., PERL), the Mozilla Public License, the Netscape Public License, the Sun Community Source License (SCSL) or the Sun Industry Standards License (SISL)), that requires or could require or conditions or could condition the use or distribution of such software on the disclosure, licensing, or distribution of any Source Code for any portion of such software or that otherwise imposes or could impose any limitation, restriction, or condition on the right or ability of the Company to use or distribute such software.

(vii) The Company is not currently using, nor will it be necessary for Buyer or the Company from and after the Closing Date to use: (A) any inventions or other Intellectual Property rights of the Company's past or present officers, employees or contractors made prior to or outside the scope of their employment or engagement with the Company; (B) any inventions or other Intellectual Property rights of the Company's past or present directors, members or agents; or (C) any confidential information or trade secrets of any former employer of any such Person.

(viii) Except for the Social Media Accounts listed in Section 4(j)(viii) of the Disclosure Schedule, neither the Members nor the Company nor any of their respective officers, directors, employees, members, contractors or agents owns, has any interest in or any rights to, or has administrative or operational control over any Social Media Accounts that are used (or were formerly used) in connection with the Business, or that use or include the term "Dalitso" or any word of term confusingly similar thereto.

(ix) The Company has a valid and enforceable license to all use software included in the Company Intellectual Property. To Members' Knowledge, all software included in the

Company Intellectual Property is free of all viruses, worms, Trojan horses and other material known infections or intentionally harmful routines and does not contain any bugs, errors, or problems of a material nature that could reasonably be expected to disrupt its operation.

(k) *Tangible Assets.* The Company owns or leases all buildings, machinery, equipment, and other tangible assets necessary for the conduct of the Business as presently conducted. Each such tangible asset is free from defects (patent and latent), has been maintained in accordance with normal industry practice, is in good operating condition and repair (subject to normal wear and tear), and is suitable for the purposes for which it presently is used and presently is proposed to be used. The Company will need to acquire additional machinery, equipment and other tangible assets to operate the Business as presently proposed to be conducted.

(l) *Inventory.* If the Company possesses Inventory, such Inventory consists of supplies and purchased goods, all of which is merchantable and fit for the purposes for which it was procured and compliant with the Cannabis Laws' packaging, labeling, quality assurance testing, and fitness regulations, and none of which is slow-moving, obsolete, damaged, or defective outside of industry norms applicable to the Company's business. All Inventory (if any) is owned by the Company free and clear of all Liens, and no Inventory is held on a consignment basis.

(m) *Contracts.* Section 4(m) of the Disclosure Schedule lists all of the contracts and other agreements to which the Company is a party involving (i) receipt or payment of more than \$5,000 annually; (ii) a material Company asset; or (iii) which cannot be terminated by the Company upon sixty (60) days prior written notice and without additional cost or penalty to the Company (including pursuant to any acceleration clause or clause permitting a party to retain prepaid but unearned costs, fees or expenses). Members have delivered to Buyer or its counsel a correct and complete copy of each written agreement (as amended to date) listed in Section 4(m) of the Disclosure Schedule and a written summary setting forth the terms and conditions of each oral agreement referred to in Section 4(m) of the Disclosure Schedule. With respect to each such agreement: (A) the agreement is legal, valid, binding, enforceable, and in full force and effect; (B) the agreement will continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby; (C) neither the Company nor, to any Members' Knowledge, any other party, is in breach or default, and no event has occurred that with notice or lapse of time would constitute a breach or default, or permit termination, modification, or acceleration, under the agreement; and (D) the agreement is not under negotiation (nor has written demand for any negotiation been made) and no party has repudiated any provision of the agreement.

(n) *Notes and Accounts Receivable.* All notes and accounts receivable of the Company are reflected properly on its books and records, and are valid receivables subject to no setoffs or counterclaims and are current, subject only to the reserve for bad debts set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto) as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of the Company. To the Members' Knowledge, the Company has not received any notice that a maker of any note or the payor of any account receivable of the Company does not intend to timely pay, or intends to dispute, any sum due and owing to the Company pursuant to such note or account receivable, as applicable.

(o) *Powers of Attorney.* There are no outstanding powers of attorney executed on behalf of the Company.

(p) *Litigation.* Section 4(p) of the Disclosure Schedule sets forth each instance in which the Company is or, at any time during the three (3) years prior to the date of this Agreement, was (i) subject to any outstanding injunction, judgment, order, decree, ruling, or charge or (ii) a party to any action, suit, proceeding, audit, hearing, or investigation of, in, or before (or that could come before) any court or

quasi-judicial or administrative agency of any federal, state, local, or non-U.S. jurisdiction or before (or that could come before) any arbitrator. With the exception of matters to be waived upon the Closing of the transactions contemplated by this Agreement or in the documents ancillary thereto, to Members' Knowledge, no such action, suit, proceeding, audit, hearing, or investigation has been threatened against the Company or any Member or that there is any basis for the foregoing. The Company has delivered to Buyer or its counsel accurate and complete copies of all pleadings, correspondence, audit response letters and other documents relating to such suit, proceeding, audit, hearing, investigation, charge, complaint, claim, or demand.

(q) *Employees and Benefit Plans.* The Company has no employees and no Employee Benefit Plans.

(r) *Guaranties.* The Company is not a guarantor nor is it otherwise liable for any Liability (including indebtedness) of any other Person.

(s) *Certain Business Relationships with the Company.* Except as set forth on Section 4(s) of the Disclosure Schedule, none of Members, their Affiliates, nor any of the Company's managers, officers, employees, and members has been involved in any business arrangement or relationship with the Company within the past 12 months, and none of Members, their Affiliates, nor any of the Company's managers, officers, employees and shareholders owns any asset, tangible or intangible, that is used in the business of the Company.

(t) *Data Privacy.* No personal information of any individuals has been collected by the Company or transferred by the Company to third parties in violation of any Data Laws. The Company has not experienced any incident in which personal information or other data was or may have been stolen or improperly accessed, and the Company is not aware of any facts suggesting the likelihood of the foregoing, including without limitation, any breach of security or receipt of any notices or complaints from any Person regarding personal information or other data. The Company has not received written notice of any claims, investigations or proceedings pending, or, to Members' Knowledge, threatened, by state or federal agencies, or private parties involving notice or information to individuals that any personal information held or stored by the Company has been compromised, taken, accessed, or misused. The Company does not store or maintain sensitive personal information except in a manner that provides commercially acceptable secure storage and protection of such information. If the Company has entered into written agreements with any vendors, service providers or other entities under which the Company provides personal information, those agreements require that such vendors, service providers and other entities protect such information in a manner equivalent to the protections that the Company is required by law, or pursuant to their published privacy notices, to provide to the individuals involved.

Section 5. Pre-Closing Covenants. The Parties agree as follows with respect to the period between the execution of this Agreement and the earlier of the Closing or termination of this Agreement:

(a) *General.* Each of the Parties will use his, her, or its reasonable best efforts to take all actions and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the Closing conditions set forth in Section 7 below).

(b) *Permits, Notices and Consents.* Within two (2) business days following the execution of this Agreement, Members will cause the Company to give notice to the Board of Pharmacy of the proposed "change in ownership" of the Company pursuant to the Emergency Regulations, relaying to the Board of Pharmacy that Buyer intends to become the majority owner of the Company via this Agreement, and Buyer and Members will provide any required documentation to the Board of Pharmacy

or any other applicable Governmental Authority in connection with the transactions contemplated by this Agreement (including any information required to complete any mandatory background checks), and will cause the Company to take all steps necessary to affect such change of ownership, all as required under the Cannabis Laws. Members shall also obtain the Lease Consents. Each of the Parties will (and Members will cause the Company to) give any notices to, make any filings with, and use its reasonable best efforts to obtain any authorizations, consents, and approvals of Governmental Authorities in connection with the matters referred to in this Section, including assisting Buyer with filing and/or amending annual licensing applications with the Commonwealth of Virginia reflecting Buyer as the new majority owner of the Company. Members and Buyer shall cooperate in good faith with all Governmental Authorities, including the Board of Pharmacy, and shall undertake promptly any and all action required to maintain all Permits, such that such Permits will continue to be held by the Company following the Closing.

(c) *Operation of Business.* Members shall continue to act as “owner” of the Company and shall operate the Company in compliance with the Cannabis Laws pursuant to the Conditional Approval, and Members shall be responsible for all compliance obligations thereunder through Closing. Members will not cause or permit the Company to engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business. Without limiting the generality of the foregoing, except as otherwise agreed between Buyer and Members in writing, Members (i) will maintain the Company’s corporate existence in accordance with all applicable laws; (ii) will exercise best reasonable efforts to cause the Company to preserve and maintain all of its Permits; (iii) will not appoint or elect any additional managers of the Company or otherwise amend or violate any of the Company’s organizational documents; (iv) will exercise best reasonable efforts to cause the Company to secure cannabis provisional licenses from the Commonwealth of Virginia by or before the expiration of any temporary cannabis licenses; (v) will not cause the Company to incur any liability outside the Ordinary Course of Business or lien on the assets of the Company; and (vi) will not cause or permit the Company to declare, set aside, or pay any dividend or make any distribution with respect to its equity or redeem, purchase, or otherwise acquire any of the Company Interests other than as contemplated by the Settlement Agreements.

(d) *Preservation of Business.* Members will exercise commercially reasonable efforts to cause the Company to keep the Business and properties substantially intact, including its present operations, physical facilities, working conditions, insurance policies, and relationships with lessors, licensors, suppliers, customers, and employees.

(e) *Full Access.* Each Member will permit, and Members will cause the Company to permit, representatives of Buyer (including legal counsel and accountants) to have full access during normal business hours, and in a manner so as not to interfere with the normal business operations of the Company, to all premises, properties, personnel, books, records (including Tax records), contracts, and documents of or pertaining to the Company upon reasonable advance notice.

(f) *Notice of Developments.* At any time prior to the Closing, each Party will give prompt written notice to the others of any material adverse development causing a breach of any of his, her, or its own representations and warranties in Section 3 or Section 4 above (as applicable). In the event such material adverse development reflects facts occurring prior to the date this Agreement is fully executed by all parties hereto, such update to the applicable Disclosure Schedule(s) shall not cure any inaccuracy in or breach of any representation or warranty that otherwise would have existed had such fact not been disclosed. In the event such material adverse development reflects facts occurring after to the date this Agreement is fully executed by all parties hereto, such update to the applicable Disclosure Schedule(s) shall cure any inaccuracy in or breach of any representation or warranty that otherwise would have existed had such fact not been disclosed.

(g) *Exclusivity.* None of Members will (and Members will not cause or permit the Company or any of their respective Affiliates or representatives to, directly or indirectly) (i) encourage, solicit, initiate, or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any person or entity concerning a possible Acquisition Proposal, or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. The Members shall promptly (and in any event within two (2) days after receipt thereof by the Company or any Member) advise Buyer orally and in writing of (A) any Acquisition Proposal, any request for information with respect to an Acquisition Proposal, or any inquiry with respect to or which could reasonably be expected to result in an Acquisition Proposal, (B) the material terms and conditions of such request, Acquisition Proposal or inquiry, and (C) the identity of the person making such request, Acquisition Proposal or inquiry.

(h) *Maintenance of Real Property.* Members will exercise their respective commercially reasonable efforts to cause the Company to maintain the Leased Real Property in substantially the same condition as existed on the date of this Agreement and in compliance with the Cannabis Laws, ordinary wear and tear excepted, and shall not demolish or remove any of the existing improvements, or erect new improvements on the Leased Real Property or any portion thereof, without the prior written consent of Buyer. Members shall notify Buyer of any casualty or condemnation at the Leased Real Property.

(i) *Lease.* Members will not cause or permit any Lease to be amended, modified, extended, renewed or terminated, nor shall the Company enter into any new lease, sublease, license or other agreement for the use or occupancy of any other real property, without the prior written consent of Buyer; provided, however, that the Parties acknowledge that, as of the date of this Agreement, an amendment to Lease is being negotiated with the landlord (the "*Lease Amendment*"), and such Lease Amendment is subject to the approval of Buyer and Members. Members shall provide Buyer with a copy of any notice or request the Company receives from the landlord or any other party with respect to any Lease.

(j) *Tax Matters.* Without the prior written consent of Buyer, the Company shall not make or change any election, change an annual accounting period, adopt or change any accounting method, file any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment relating to the Company, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to the Company, or take any other similar action relating to the filing of any Tax Return or the payment of any Tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action would have the effect of increasing the Tax liability of the Company for any period ending after the Closing Date or decreasing any Tax attribute of the Company existing on the Closing Date.

(k) *Prohibition on Trading in Parent Subordinate Voting Shares.* In the event that the Parent Subordinate Voting Shares become publicly traded prior to the Closing, from the date of this Agreement until the earlier of the Closing or termination of this Agreement, Members shall not, and shall not permit any of their respective Affiliates to, directly or indirectly, purchase or sell any Parent Subordinate Voting Shares.

Section 6. *Post-Closing Covenants.* The Parties agree as follows with respect to the period following the Closing:

(a) *General.* In case at any time after the Closing any further actions are necessary or desirable to carry out the purposes of this Agreement, each of the Parties will take such further actions (including the execution and delivery of such further instruments and documents) as any other Party may

reasonably request, all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under Section 8 below).

(b) *Litigation Support.* In the event and for so long as any Party is actively contesting or defending against any action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the Company, each of the other Parties will cooperate with him, her, or it and his, her, or its counsel in the contest or defense, make available his, her, or its personnel, and provide such testimony and access to his, her, or its books and records as shall be necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefor under Section 8 below).

(c) *Transition.* So long as a Member remains an owner of the Company and for a period of twelve (12) months thereafter, such Member will not take any action that is designed or intended to have the effect of discouraging any lessor, licensor, customer, supplier, or other business associate of the Company from maintaining the same business relationships with the Company after the Closing as it maintained with the Company prior to the Closing.

(d) *Confidentiality.* Commencing on the date of this Agreement and continuing through and including the date two (2) years from such date, each Party will treat and hold as such all of the Confidential Information of each other Party, refrain from using any of the Confidential Information except in connection with this Agreement, and deliver promptly to the disclosing Party or destroy, at the request and option of the disclosing Party, all tangible embodiments (and all copies) of the Confidential Information that are in his, her, or its possession or under his, her, or its control. In the event that any Party is requested or required pursuant to written or oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process to disclose any Confidential Information, such Party will notify the Party that disclosed such information promptly in writing of the request or requirement so that the disclosing Party may seek an appropriate protective order or waive compliance with the provisions of this Section 6(d). If, in the absence of a protective order or the receipt of a waiver hereunder, any Party is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, such Party may disclose the Confidential Information to the tribunal, only to the extent such Confidential Information is required to be disclosed; provided, however, that such Party shall use his, her, or its best efforts to obtain an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as the disclosing Party shall designate. The foregoing provisions shall not apply to any Confidential Information that is generally available to the public immediately prior to the time of disclosure unless such Confidential Information is so available due to the actions of the Party that received such Confidential Information.

(e) *Injunctive Relief.* Each Party agrees that the remedy of damages at law for the breach by any of them of any of the covenants, obligations or other provisions contained in this Section 6 is an inadequate remedy. In recognition of the irreparable harm that a violation of such covenants would cause, the Parties agree that in addition to any other remedies or relief that may be available to them, each Party shall be entitled to seek, in a court of competent jurisdiction, (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision, and (ii) an injunction against and restraining an actual or threatened breach, violation or violations. The Parties agree that both damages and specific performance shall be proper modes of relief and are not to be considered alternative remedies.

(f) *Transfer of Control.* Immediately following the Closing, Members will provide Buyer or Buyer’s designee with control over the administrative rights to the domain names and Social Media Accounts listed in Section 4(m) of the Disclosure Schedule.

(g) *Conditional Approval; Permits.* To the extent that any additional filings are required by the Board of Pharmacy or any other Governmental Authority in connection with the change of ownership of the Company, Buyer, Members and the Company shall cooperate to prepare and make such filings within the time period required by such Governmental Authority.

(h) [REDACTED]

(i) *Exchange Agreement.* In the event of a breach of the Exchange Agreement by [REDACTED], the Members agree to respect Jushi’s reasonable decision on whether to pursue claims against [REDACTED] (as applicable) on behalf of the Company.

Section 7. Conditions to Obligation to Close.

(a) *Conditions to Buyer’s Obligation.* Buyer’s obligation to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties set forth in Section 3(a) and Section 4 above shall be true and correct in all material respects at and as of the Closing Date, except to the extent that such representations and warranties are qualified by the term “material,” or contain terms such as “Material Adverse Effect” or “Material Adverse Change,” in which case such representations and warranties (as so written, including the term “material” or “Material”) shall be true and correct in all respects at and as of the Closing Date, and each of the Members (severally with respect to its own representations and warranties) shall have delivered to Buyer a certificate, dated the Closing Date, to such effect;

(ii) Members shall have performed and complied with all of their covenants hereunder in all material respects through the Closing, except to the extent that such covenants are qualified by the term “material,” or contain terms such as “Material Adverse Effect” or “Material Adverse Change,” in which case Members shall have performed and complied with all of such covenants (as so written, including the term “material” or “Material”) in all respects through the Closing;

(iii) Buyer, Members and the Company shall have submitted the notice of change of ownership to the Board of Pharmacy, as required by the Emergency Regulations, at least thirty-five (35) days prior to the Closing, shall not have received any correspondence or other communication from the Board of Pharmacy that the Board of Pharmacy objects to or otherwise indicates to the Parties its duty or desire to approve, consent to or review such proposed change of ownership, and shall have obtained all other regulatory approvals (if any) necessary to consummate the Transaction while maintaining the Conditional Approval and other Permits in full force and effect. In the event the Board of Pharmacy shall deliver to the parties one or more correspondences or other communications described in the foregoing sentence, the Buyer’s obligation to close shall be postponed until such time as the issues underlying such objections or interjections have been fully and completely satisfied to the Board of Pharmacy. In such case,

the Parties shall use their respective best efforts to promptly resolve any such objections or interjections. If the Board of Pharmacy does not deliver any of the correspondences or other communications described in the sentences above, and the other conditions set forth in this Section 7 are otherwise satisfied, the Closing shall occur on the thirty-sixth (36th) day after the notice of change of ownership has been submitted to the Board of Pharmacy (or, if such date is not a business day, on the next succeeding business day). If the Board of Pharmacy indicates in writing that it consents to, approves, or otherwise intends to take no action with respect to the change of ownership, and the other conditions set forth in this Section 7 are otherwise satisfied, the Closing will occur within five (5) business days after the date of such consent, approval or notification;

(iv) no action, suit, or proceeding involving any Member shall be pending or threatened in writing before (or that could come before) any court or quasi-judicial or administrative agency of any federal, state, local, or non-U.S. jurisdiction or before (or that could come before) any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, (C) prohibit Buyer from owning the Purchased Interests or to control the Company, or (D) prohibit the Company from owning its assets and operating its business (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);

(v) the Company shall have delivered to Buyer a certificate to the effect that each of the conditions specified above in Section 7(a)(i)-(ii) and Section 7(a)(v) is satisfied in all respects;

(vi) the Company shall have delivered countersigned copies of all documents related to the Loans to Buyer;

(vii) the Company and the Members shall have delivered a countersigned copy of the Amended and Restated Operating Agreement to Buyer;

(viii) each individual party to an Employment Agreement shall have delivered a countersigned copy of such agreement to Buyer;

(ix) the Company shall have delivered a countersigned copy of the License Agreement to Buyer;

(x) the Company shall have delivered a countersigned copy of the Intercompany Agreement to Buyer;

(xi) Buyer shall have received the resignations, effective as of the Closing, of each manager and officer of the Company other than [REDACTED] and [REDACTED];

(xii) all actions to be taken by Members set forth in this Agreement in connection with consummation of the transactions contemplated hereby shall have been completed;

(xiii) the Company shall have obtained and delivered to Buyer a written consent from the landlord for each Lease (the "*Lease Consents*"), in form and substance satisfactory to Buyer;

(xiv) the Company shall have obtained and delivered to Buyer an estoppel certificate with respect to each Lease, dated no more than 30 days prior to the Closing Date, from the other party to such Lease, in form and substance reasonably satisfactory to Buyer (the "*Estoppel Certificate*");

(xv) Members shall have delivered to Buyer a copy of the certificate of status of the Company issued on or soon before the Closing Date by the Secretary of Commonwealth of Virginia;

(xvi) The Company shall have delivered to Buyer a certificate of a manager of the Company, dated the Closing Date, in form and substance reasonably satisfactory to Buyer, as to: (i) the articles of organization of the Company; (ii) the operating agreement of the Company; (iii) the resolutions of the board of managers (or a duly authorized committee thereof) of the Company authorizing the execution, delivery, and performance of this Agreement and the transactions contemplated hereby; and (iv) incumbency and signatures of the managers of the Company executing this Agreement or any other agreement contemplated by this Agreement;

(xvii) From the date of this Agreement, there shall not have occurred any Material Adverse Effect, nor any event or events that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect;

(xviii) ECP shall have executed and delivered the Subscription Agreement to the Company;

(xix) no party to a Settlement Agreement shall have repudiated such Settlement Agreement;

(xx) the Lease Amendment shall have been fully executed; and

(xxi) the closing conditions of the transactions contemplated by the Exchange Agreement shall be satisfied such that the Exchange Agreement shall be consummated simultaneously with the Closing.

Buyer may waive any condition specified in this Section 7(a) if it executes a writing so stating at or prior to the Closing.

(b) *Conditions to Members' Obligation.* The obligation of Members to consummate the transactions to be performed by them in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties set forth in Section 3(b) above shall be true and correct in all material respects at and as of the Closing Date, except to the extent that such representations and warranties are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case such representations and warranties (as so written, including the term "material" or "Material") shall be true and correct in all respects at and as of the Closing Date, and Buyer shall have delivered to the Members an officer's certificate, dated the Closing Date, to such effect;

(ii) Buyer and Parent shall have performed and complied with all of its covenants hereunder in all material respects through the Closing, except to the extent that such covenants are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case Buyer and Parent shall have performed and complied with all of such covenants (as so written, including the term "material" or "Material") in all respects through the Closing;

(iii) no action, suit, or proceeding against Buyer or Parent shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or non-U.S. jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling,

or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect) or (C) prohibit the Company from owning its assets or operating its business should the transactions contemplated hereby be consummated;

(iv) Buyer shall have delivered to Members a certificate to the effect that each of the conditions specified above in Section 7(b)(i)-(iii) is satisfied in all respects;

(v) Buyer shall have delivered the Cash Consideration (if any) to the Company;

(vi) Buyer shall have delivered the Stock Consideration, the Warrant Consideration and the Note Consideration to the Company;

(vii) Buyer shall have executed and delivered the promissory notes and all other documents related to the Loans to the Company;

(viii) Buyer shall have delivered a countersigned copy of the Amended and Restated Operating Agreement to Members;

(ix) Buyer shall have delivered a countersigned copy of each Employment Agreement to the applicable members of New Leaf;

(x) Buyer shall have delivered an executed copy of the License Agreement to the Company;

(xi) Parent shall have delivered the fully-executed Indemnification Agreement to each of New Leaf and Dalraa;

(xii) JGMT shall have delivered a countersigned copy of the Intercompany Agreement to the Company;

(xiii) all actions to be taken by Buyer and Parent set forth in this Agreement in connection with consummation of the transactions contemplated hereby shall have been completed;

(xiv) from the date of this Agreement, there shall not have occurred any material adverse effect on Buyer or Parent that would prevent Buyer or Parent from consummating the transactions contemplated hereby, making the Loans following the Closing or that materially jeopardize the Company's ability to conduct the Business following the Closing;

(xv) ECP shall have executed and delivered the Subscription Agreement to the Company;

(xvi) no party to a Settlement Agreement shall have repudiated such Settlement Agreement;

(xvii) the Lease Amendment shall have been fully executed; and

(xviii) the closing conditions of the transactions contemplated by the Exchange Agreement shall be satisfied such that the Exchange Agreement shall be consummated simultaneously with the Closing.

Members may waive any condition specified in this Section 7(b) if they execute a writing so stating at or prior to the Closing.

Section 8. Remedies for Breaches of This Agreement.

(a) *Survival of Representations and Warranties.* The Parties, intending to shorten the applicable statute of limitations period, agree that all of the representations and warranties of the Parties contained in this Agreement shall survive the Closing hereunder for a period of 18 months after Closing; provided, however, that the representations and warranties contained in Section 3(a), Section 3(b)(i)-(v), Section 4(a), Section 4(b), Section 4(g), Section 4(h), and Section 4(q) (collectively, “*Fundamental Representations*”) above shall survive the Closing and continue in full force and effect for the maximum period for bringing a breach of contract claim permitted under the relevant statute of limitations and, in the case of Section 4(h), for sixty (60) days thereafter. The right to indemnification, payment of damages or other remedy based on any representations, warranties, covenants and obligations contained in this Agreement shall not be affected by and will survive any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the Closing Date, with respect to the accuracy or inaccuracy or compliance with, any such representation, warranty, covenant or obligation. For all purposes of this Section 8 only (including determination as to whether there has been a breach with respect to a representation or warranty and the determination of the amount of Adverse Consequences resulting therefrom), all representations and warranties shall be construed as if all limitations and qualifications as to “materiality” had been omitted.

(b) *Indemnification Provisions for Buyer’s Benefit.*

(i) In the event of a breach of any representations, warranties or covenants made by a Member in its individual capacity, and provided that Buyer makes a written claim for indemnification against such Member pursuant to Section 11(h) below before expiration of the applicable survival period set forth in Section 8(a) above, then such survival period shall not expire with respect to such claim, and such Member shall be obligated, severally (and proportionately in accordance with the each breaching Member’s relative ownership of the Company Interests as compared to the other breaching Members, if multiple Members are in breach) to indemnify Buyer and its past and present agents, employees, representatives, officers, directors, members, managers, shareholders, attorneys, accountants, insurers, receivers, advisors, consultants, partners, partnerships, parents, divisions, subsidiaries, affiliates, assigns, successors, heirs, predecessors in interest, joint ventures, and commonly-controlled corporations (each, an “Buyer Indemnified Party”) from and against the entirety of any Adverse Consequences any Buyer Indemnified Party may actually suffer (including any Adverse Consequences any Buyer Indemnified Party may actually suffer after the end of any applicable survival period) resulting from, arising out of, relating to or caused by such Member’s breach.

(ii) In the event of a breach of any representations, warranties or covenants made by a Member on behalf of the Company, and provided that Buyer makes a written claim for indemnification against the Company pursuant to Section 11(h) below before expiration of the applicable survival period set forth in Section 8(a) above, then such survival period shall not expire with respect to such claim, and each Member shall be obligated, jointly and severally, to indemnify each Buyer Indemnified Party from and against the entirety of any Adverse Consequences any Buyer Indemnified Party may actually suffer (including any Adverse Consequences any Buyer Indemnified Party may actually suffer after the end of any applicable survival period) resulting from, arising out of, relating to or caused by the

Company's breach; provided, however, that the applicable Buyer Indemnified Part(ies) shall first exercise commercially reasonable efforts to obtain pro-rata recovery (on the basis set forth on Schedule 3) before seeking disproportionate recovery from any Member.

(c) *Indemnification Provisions for Members' Benefit.* In the event Buyer or Parent breaches any of its representations, warranties, and covenants contained herein and, provided that any Member makes a written claim for indemnification against Buyer or Parent pursuant to Section 11(h) below within such survival period (if there is an applicable survival period pursuant to Section 8(a) above), then such survival period shall not expire with respect to such claim, and Buyer or Parent shall indemnify each Member from and against the entirety of any Adverse Consequences suffered (including any Adverse Consequences suffered after the end of any applicable survival period) resulting from, arising out of, relating to or caused by the breach.

(d) *Limits on Indemnification.*

(i) Except in the case of (A) claims grounded in actual fraud in connection with this Agreement or the transactions contemplated hereby or (B) any breach of a Fundamental Representation by a Member, no Party shall have any liability for any Adverse Consequences resulting from a breach of this Agreement until the aggregate amount of such Adverse Consequences exceeds an amount equal to One Hundred Twenty Thousand Dollars (\$120,000) (the "*Deductible*"), whereupon all Adverse Consequences from the first dollar will be recoverable.

(ii) Except in the case of (A) claims grounded in actual fraud in connection with this Agreement or the transactions contemplated hereby or (B) any breach of a Fundamental Representation by a Member, the aggregate liability of any Member under this Section 8 shall be capped at [REDACTED] allocated to such Member on Schedule 3. In no event will any Member's aggregate liability hereunder exceed [REDACTED].

(iii) None of the Parties will have any liability to another Party under this Section 8 for any Adverse Consequence to the extent (i) such Adverse Consequence relates to a liability or matter with respect to which the aggrieved Party has made recovery from a Person other than another Party to this Agreement (to the extent of such recovery) or (ii) such Adverse Consequence would not have arisen but for a voluntary act or omission after the Closing by the aggrieved Party outside the Ordinary Course of Business or at the express written instruction of the aggrieved Party outside the Ordinary Course of Business.

(iv) The amount of any and all Adverse Consequences under this Section 8 shall be determined net of any amounts actually recovered by the indemnified Party under insurance policies, indemnities or other reimbursement arrangements with respect to such Adverse Consequences (such amounts actually recovered being "*Third Party Recoveries*"), and any such amounts shall not be counted against the Deductible. Each Party shall use its respective commercially reasonable efforts to make any available Third Party Recoveries prior to seeking indemnification hereunder.

(v) Except in the case (A) claims grounded in actual fraud in connection with this Agreement or the transactions contemplated hereby (in respect of which all available rights and remedies may be exercised) or (B) a violation of Section 6 hereof (in respect of which the Parties may also seek non-monetary equitable relief), the Parties' sole and exclusive remedies with respect to any and all claims relating to the subject matter of this Agreement shall be pursuant to the indemnification provisions set forth in this Section 8; provided that the foregoing shall not limit rights or remedies expressly provided

for in any other agreement executed pursuant to this Agreement or rights or remedies which, as a matter of applicable law or public policy, cannot be limited or waived.

(vi) In no event will any Party be entitled to recover or make a claim for any amounts in respect of consequential, diminution in value, special, incidental or indirect damages, lost profits, lost business opportunities, damages to reputation, treble, remote, speculative, exemplary or punitive damages and, in particular, no “multiple of profits” or “multiple of cash flow” or similar valuation methodology shall be used in calculating the amount of any Adverse Consequences.

(e) *Matters Involving Third Parties.*

(i) If any third party notifies any Party (the “*Indemnified Party*”) with respect to any matter (a “*Third-Party Claim*”) that may give rise to a claim for indemnification against any other Party (the “*Indemnifying Party*”) under this Section 8, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced.

(ii) Any Indemnifying Party will have the right to defend the Indemnified Party against the Third-Party Claim with counsel of his, her, or its choice reasonably satisfactory to the Indemnified Party so long as (A) the Indemnifying Party notifies the Indemnified Party in writing within 15 days after the Indemnified Party has given notice of the Third-Party Claim that the Indemnifying Party will indemnify the Indemnified Party from and against the entirety of any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim, (B) the Indemnifying Party provides the Indemnified Party with evidence acceptable to the Indemnified Party that the Indemnifying Party will have the financial resources to defend against the Third-Party Claim and fulfill its indemnification obligations hereunder, (C) the Third-Party Claim involves only money damages and does not seek an injunction or other equitable relief, (D) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the good faith judgment of the Indemnified Party, likely to establish a precedential custom or practice materially adverse to the continuing business interests or the reputation of the Indemnified Party, and (E) the Indemnifying Party conducts the defense of the Third-Party Claim actively and diligently.

(iii) So long as the Indemnifying Party is conducting the defense of the Third-Party Claim in accordance with Section 8(e)(ii) above, (A) the Indemnified Party may retain separate co-counsel at his, her, or its sole cost and expense and participate in the defense of the Third-Party Claim, (B) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld), and (C) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld).

(iv) In the event any of the conditions in Section 8(e)(ii) above is or becomes unsatisfied, however, (A) the Indemnified Party may defend against the Third-Party Claim in any manner he, she or it may reasonably deem appropriate (however, the Indemnified Party shall consult with and obtain consent from (not to be unreasonably withheld) the Indemnifying Party in connection therewith), (B) the Indemnifying Parties will reimburse the Indemnified Party promptly and periodically for the costs of defending against the Third-Party Claim (including reasonable attorneys’ fees and expenses), and (C) the Indemnifying Parties will remain responsible for any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Section 8.

(f) *Determination of Adverse Consequences.* All indemnification payments under this Section 8 and Section 9(a) shall be deemed adjustments to the Purchase Price.

(g) *Method of Recovery.* The amount of any indemnification recovery against a Member hereunder shall be applied: (i) first against the outstanding principal and interest (if any) under the Note Consideration received by such Member as set forth on Schedule 2, (ii) second against the Stock Consideration received by such Member as set forth on Schedule 2 (such Stock Consideration reduction at a reference value per Equity Claw-Back Unit of [REDACTED] if Parent is not then publicly-traded and/or the recovery is based on a claim of fraud, willful misconduct or material breach of a Fundamental Representation or (y) [REDACTED] if Parent is then publicly-traded and the recovery is not based on a claim of fraud, willful misconduct or material breach of a Fundamental Representation) and (iii) third against the Cash Consideration received by Member as set forth on Schedule 2.

Section 9. *Tax Matters.* The following provisions shall govern the allocation of responsibility as between Buyer and Members for certain tax matters following the Closing Date:

(a) *Tax Indemnification.* The Company and each Member shall, severally and not jointly, indemnify Buyer and each Buyer Affiliate and hold them harmless from and against without duplication, any loss, claim, liability, expense, or other damage attributable to (i) all Taxes (or the non-payment thereof) of the Company for all taxable periods ending on or before the Closing Date and the portion through the end of the Closing Date for any taxable period that includes (but does not end on) the Closing Date (“*Pre-Closing Tax Period*”), and (ii) any and all Taxes of any person imposed on the Company as a transferee or successor, by contract or pursuant to any law, rule, or regulation, which Taxes relate to an event or transaction occurring before the Closing.

(b) *Straddle Period.* In the case of any taxable period that includes (but does not end on) the Closing Date (a “*Straddle Period*”), the amount of any Taxes based on or measured by income, receipts, or payroll of the Company for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date (and for such purpose, the taxable period of any partnership or other pass-through entity in which the Company holds a beneficial interest shall be deemed to terminate at such time) and the amount of other Taxes of the Company for a Straddle Period that relates to the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on the Closing Date and the denominator of which is the number of days in such Straddle Period.

(c) *Responsibility for Filing Tax Returns.* Buyer shall control the preparation and filing of all Tax Returns for the Company that are filed after the Closing Date. In the event that Code Section 280E is repealed or otherwise amended in any material respect, then Buyer and Members agree to cooperate to file any amended Tax Return for any Pre-Closing Tax Period, provided however that any such Tax Return shall be subject to review and approval by the Buyer, which approval shall not be unreasonably withheld or delayed.

(d) *Cooperation on Tax Matters.*

(i) Buyer, the Company and Members shall cooperate fully, as and to the extent reasonably requested by another Party, in connection with the filing of Tax Returns pursuant to this section and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon another Party’s request) the provision of records and information that are reasonably

relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Buyer and Members agree that any settlement or other negotiated payment, or any portion thereof, to be made to the Internal Revenue Service arising out of the Pre-Closing Tax Period shall not be agreed upon unless previously approved by Members in writing, which approval shall not be unreasonably withheld or delayed. The Company agrees (A) to retain all books and records with respect to Tax matters pertinent to the Company relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Buyer or Members, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, and (B) to give the other Parties reasonable written notice prior to transferring, destroying or discarding any such books and records and, if another Party so requests, the Company shall allow another Party to take possession of such books and records.

(ii) Buyer and Members further agree, upon request, to use their best efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including, but not limited to, with respect to the transactions contemplated hereby).

(iii) Buyer and Members further agree, upon request, to provide the other Party with all information that either Party may be required to report pursuant to Code Section 6043, or Code Section 6043A, or Treasury Regulations promulgated thereunder.

(e) *Tax-Sharing Agreements.* All tax-sharing agreements or similar agreements with respect to or involving the Company shall be terminated as of the Closing Date and, after the Closing Date, the Company shall not be bound thereby or have any liability thereunder.

(f) *Certain Taxes and Fees.* All transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with consummation of the transactions contemplated by this Agreement shall be paid by Members when due, and Members will, at their own expense, file all necessary Tax Returns and other documentation with respect to all such Taxes, fees and charges, and, if required by Applicable Law, Buyer will, and will cause its Affiliates to, join in the execution of any such Tax Returns and other documentation.

(g) *Tax Refunds.* Any income Tax refunds that are received by the Company, where such refund relates to a Pre-Closing Tax Period, shall be for the account of Members and the Company shall pay over to the Members any such refund received within 15 days after receipt thereof; provided however that any Tax attributes of the Company that are available as of the Closing Date are for the Company's sole benefit, and Members shall not be entitled to any compensation for use thereof.

(h) *Parent Subordinate Voting Shares.* Each Member acknowledges that owing the Parent Subordinate Voting Shares may subject them to tax consequences in the United States. Each Member is responsible for all tax consequences arising as a result of such Member's receipt and ownership of the Parent Subordinate Voting Shares. Each Member acknowledges that neither Parent nor Buyer are providing any tax advice, and each Member is responsible for consulting with their own tax advisors.

Section 10. Termination.

(a) *Termination of Agreement.* Certain of the Parties may terminate this Agreement as provided below:

(i) Buyer and Members may terminate this Agreement by mutual written consent at any time prior to the Closing;

(ii) On or after August 29, 2019, if Closing has not occurred prior to such date and regulatory approvals are not then anticipated to be promptly forthcoming, either the Company or Buyer may terminate this Agreement by giving written notice to the other Parties;

(iii) Buyer may terminate this Agreement by giving written notice to Members at any time prior to the Closing in the event (A) any Member has breached any material representation, warranty, or covenant contained in this Agreement, (B) such breach has had, or would reasonably be expected to result in, a Material Adverse Effect and (C) Buyer has notified Members of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach; and

(iv) Members may terminate this Agreement by giving written notice to Buyer at any time prior to the Closing in the event (A) Buyer has materially breached any material representation, warranty, or covenant contained in this Agreement, (B) such breach results in a material adverse effect that would prevent Buyer or Parent's ability to consummate the transactions contemplated by this Agreement or make the Loans following the Closing, or materially jeopardize the Company's ability to conduct the Business following the Closing and (C) any Members has notified Buyer of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach.

(b) *Effect of Termination.* If any Party terminates this Agreement pursuant to Section 10(a) above, all rights and obligations of the Parties hereunder shall terminate without any Liability of any Party to any other Party (except for any Liability of any Party then in breach).

Section 11. Miscellaneous.

(a) *Nature of Members' Obligations.*

(i) The representations and warranties of each Member in Section 3(a) above concerning the transaction are individual, and not joint and several, obligations. This means that the particular Member making the representation, warranty, or covenant shall be solely responsible to the extent provided in Section 8(b)(i) above (subject to the other qualifications and limitations in Section 8) for any Adverse Consequences an Buyer Indemnified Party may suffer as a result of any breach thereof.

(ii) The representations and warranties made by the Company and each Member in Section 4 above concerning the transaction are joint and several obligations. This means that each Member shall be responsible to the extent provided in Section 8(b)(ii) above (subject to the other qualifications and limitations in Section 8) for up to the entire amount of any Adverse Consequences an Buyer Indemnified Party may suffer as a result of any breach thereof.

(b) *Press Releases and Public Announcements.* Any Party may make any public disclosure it believes in good faith is required by Applicable Law or any listing or trading agreement concerning its publicly-traded securities (in which case the disclosing Party will use its best efforts to advise the other Parties prior to making the disclosure).

(c) *No Third-Party Beneficiaries.* This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

(d) *Entire Agreement.* This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements,

or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

(e) *Succession and Assignment.* This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of his, her, or its rights, interests, or obligations hereunder without the prior written approval of Buyer and Members; provided, however, that Buyer may (i) assign any or all of its rights and interests hereunder to one or more of its Affiliates and (ii) designate one or more of its Affiliates to perform its obligations hereunder (in any or all of which cases Buyer and Parent nonetheless shall remain responsible for the performance of all of their respective obligations hereunder).

(f) *Counterparts.* This Agreement may be executed in one or more counterparts (including by means of facsimile), each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(g) *Headings.* The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(h) *Notices.* All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given (i) when delivered personally to the recipient, (ii) 1 business day after being sent to the recipient by reputable overnight courier service (charges prepaid), (iii) 1 business day after being sent to the recipient by electronic mail, or (iv) 4 business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to the Company or New Leaf:

New Leaf Virginia LLC

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Copy to:

Foley & Lardner LLP

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

If to Dalraa:

Dalraa LLC

[REDACTED]
[REDACTED]
[REDACTED]

Copy to:

Miles & Stockbridge P.C.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

If to ECP:

ECP Loudoun, LLC

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

If to Buyer or Parent:

Jushi Holdings Inc
1800 NW Corporate Blvd
Boca Raton, FL 33431
Attn: _____
Facsimile: _____
Email: _____

Copy to:

Fox Rothschild LLP
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

(i) *Governing Law.* This Agreement shall be governed by and construed in accordance with the domestic laws of the Commonwealth of Virginia without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Virginia or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the Commonwealth of Virginia.

(j) *Venue.* The exclusive jurisdiction and venue for any dispute between the parties shall be the courts for the Commonwealth of Virginia located in Fairfax County, Virginia. Any Party may make service on any other Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving of notices in Section 11(h) above. Nothing in this Section 11(j), however, shall affect the right of any Party to serve legal process in any other manner permitted by law or at equity. Each Party agrees that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or at equity.

(k) *Amendments and Waivers.* No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Parent, Buyer and Members. No waiver by any Party of any provision of this Agreement or any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver nor shall such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such default, misrepresentation, or breach of warranty or covenant.

(l) *Severability.* Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(m) *Expenses.* Each of the Members, Buyer and Parent shall bear his, her, or its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby; provided, however, that Members shall also bear the costs and expenses of the Company (including all of its legal fees and expenses) in connection with this Agreement and the transactions contemplated hereby.

(n) *Construction.* The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

Any reference to any federal, state, local, or non-U.S. statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” shall mean including without limitation. The Parties intend that each representation, warranty, and covenant contained herein shall have independent significance.

(o) *Incorporation of Exhibits and Schedules.* The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

(p) *Specific Performance.* Each Party acknowledges and agrees that the other Parties would be damaged irreparably in the event any provision of this Agreement is not performed in accordance with its specific terms or otherwise is breached, so that a Party shall be entitled to seek injunctive relief in a court of competent jurisdiction to prevent breaches of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in addition to any other remedy to which such Party may be entitled, at law or in equity.

(q) *General Release and Discharge.* BY VIRTUE OF THEIR EXECUTION AND DELIVERY OF THIS AGREEMENT, EFFECTIVE AS OF THE CLOSING AND THEREAFTER, EACH OF THE PARTIES, FOR AND ON BEHALF OF ITSELF AND ITS HEIRS, ASSIGNS, BENEFICIARIES, EXECUTORS, ADMINISTRATORS, AFFILIATES, DIRECTORS, OFFICERS, SHAREHOLDERS, MEMBERS, MANAGERS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS, DOES HEREBY FULLY AND IRREVOCABLY REMISE, RELEASE AND FOREVER DISCHARGE ALL OTHER PARTIES HERETO, AND THEIR RESPECTIVE DIRECTORS, OFFICERS, SHAREHOLDERS, MEMBERS, MANAGERS, AFFILIATES, EMPLOYEES, AGENTS, ATTORNEYS, ACCOUNTANTS, SUCCESSORS AND ASSIGNS, OF AND FROM ANY AND ALL MANNER OF CLAIMS, ACTIONS, CAUSES OF ACTION, GRIEVANCES, LIABILITIES, OBLIGATIONS, PROMISES, DAMAGES, AGREEMENTS, RIGHTS, DEBTS AND EXPENSES (INCLUDING CLAIMS FOR ATTORNEYS’ FEES AND COSTS), OF EVERY KIND, EITHER IN LAW OR IN EQUITY, WHETHER CONTINGENT, MATURE, KNOWN OR UNKNOWN, OR SUSPECTED OR UNSUSPECTED, INCLUDING, WITHOUT LIMITATION, ANY CLAIMS ARISING UNDER ANY FEDERAL, STATE, LOCAL OR MUNICIPAL LAW, COMMON LAW OR STATUTE, WHETHER ARISING IN CONTRACT OR IN TORT, AND ANY CLAIMS ARISING UNDER ANY OTHER LAWS OR REGULATIONS OF ANY NATURE WHATSOEVER, THAT THE COMPANY OR EACH MEMBER EVER HAD, NOW HAVE OR MAY HAVE, FOR OR BY REASON OF ANY CAUSE, MATTER OR THING WHATSOEVER, FROM THE BEGINNING OF THE WORLD TO THE DATE HEREOF; PROVIDED, HOWEVER, THAT SUCH RELEASE (I) SHALL NOT CONSTITUTE A RELEASE OR WAIVER OF ANY CLAIMS OR DEMANDS FOR INDEMNIFICATION HEREUNDER OR UNDER ANY OTHER DOCUMENT OR AGREEMENT ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED HEREUNDER FOR BREACHES OF THE REPRESENTATIONS, WARRANTIES OR COVENANTS HEREIN OR (II) FROM ANY MATTERS ARISING OUT OF ACTIONS OR INACTIONS AFTER THE DATE OF THIS AGREEMENT.

* * * * *

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first above written.

PARENT:

Jushi Holdings Inc.

By: /s/ Jon Barack
Name: Jon Barack
Its: EVP

BUYER:

Jushi VA, LLC

By: JMGT, LLC
Its: Manager

By: Jon Barack
Name: Jon Barack
Its: EVP

COMPANY:

Dalitso LLC

By: [REDACTED]
Name: [REDACTED]
Its: Manager

MEMBERS:

New Leaf Virginia, LLC

By: [REDACTED]
Name: [REDACTED]
Its: Member

Dalraa LLC

By: [REDACTED]
Name: [REDACTED]
Its: Member

ECP Loudoun, LLC

By: [REDACTED]
Name: [REDACTED]
Its: President

[Signature page to Membership Interest Purchase and Exchange Agreement]