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

FORM 8-K

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

March 15, 2019
Date of Report (Date of earliest event reported)

BODY AND MIND INC.

(Exact name of registrant as specified in its charter)

<u>Nevada</u> (State or other jurisdiction of incorporation)	<u>000-55940</u> (Commission File Number)	<u>98-1319227</u> (IRS Employer Identification No.)
<u>750 – 1095 West Pender Street</u> <u>Vancouver, British Columbia, Canada</u> (Address of principal executive offices)		<u>V6E2M6</u> (Zip Code)

(604) 376-3567
Registrant's telephone number, including area code

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

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company

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

SECTION 1 – REGISTRANT’S BUSINESS AND OPERATIONS

Item 1.01 Entry into a Material Definitive Agreement

On March 19, 2018, Body and Mind Inc. (the “**Company**”), through its wholly owned subsidiaries, DEP Nevada Inc., a Nevada corporation, and Nevada Medical Group LLC, a Nevada limited liability company, entered into a convertible loan agreement (the “**Convertible Loan Agreement**”) and a management agreement (the “**Management Agreement**”), respectively, with Comprehensive Care Group LLC (“**CCG**”), an Arkansas limited liability company, which agreements have an effective date of March 15, 2019, with respect to the development of a medical marijuana dispensary facility in West Memphis, Arkansas.

Pursuant to the Convertible Loan Agreement, DEP Nevada Inc. (“**DEP**”) has agreed to made advances to CCG from time to time up to USD\$1,250,000 with the proceeds of such loan to be used to fund construction of the facility, working capital and initial operating expenses. The parties may mutually agree to adjust the amount of the loan to an increased amount or a lesser amount from time to time based on CCG’s reasonable operation and constructions needs as set forth in one or more commercially reasonable budgets to be prepared by CCG and presented to DEP. The interest on outstanding advances will be fixed at a rate of USD\$6,000 per month until such time as the parties mutually agree to increase the interest on the outstanding advances to a fixed rate of USD\$10,000 per month, payable monthly in arrears on or before the first calendar day of each month commencing March 1, 2019 (the “**Maturity Date**”). CCG shall not be obligated to pay any principal outstanding under the loan until March 30, 2021. Either CCG or DEP may unilaterally extend the Maturity Date by one (1) year and may thereafter continue to extend the Maturity Date on a yearly basis by increments of one (1) year (each, an “**Extension Option**”) by providing written notice of the exercise of the Extension Option by the party seeking an extension to the other party prior to the expiration of the then-current Maturity Date, provided, however, that under no circumstances shall any extended Maturity Date extend beyond the expiration of the term of the management agreement entered into between Nevada Medical Group LLC and CCG, as discussed below. CCG is not entitled to prepay all or part of the outstanding advances before the Maturity Date without prior written approval of DEP. Upon the latter of: (a) one year after granting of a medical marijuana dispensary license by the Arkansas Medical Marijuana Commission to CCG, or (b) one year after entering into the Convertible Loan Agreement DEP may, in its sole discretion, subject to DEP providing all reasonable assistance to obtain all necessary approvals from the applicable government authorities to engage in the medical marijuana dispensary business, elect to convert all of the outstanding indebtedness into preferred units of CCG equal to 40% of the overall member units of CCG, subject to approval of the Arkansas Medical Marijuana Commission, with the following preferred rights: (i) the right to an allocative share of 66.67% of the net profits of CCG (as defined in the Convertible Loan Agreement) and the right to distributions equal to 66.67% of the net profits on a monthly basis; (ii) the right to a 66.67% share of CCG’s assets upon dissolution of CCG; and (iii) the right to 66.67% of all voting rights of members of CCG.

The foregoing description of the Convertible Loan Agreement does not purport to be complete and is qualified in its entirety by the Convertible Loan Agreement which is filed as Exhibit 10.1 hereto and is incorporated by reference herein.

In addition to the Convertible Loan Agreement, CCG issued a convertible promissory note (the “**Convertible Promissory Note**”) in favor of DEP, having an effective date of March 15, 2019, whereby CCG promises to pay to DEP the principal sum of USD\$1,250,000 or so much thereof as is advanced or disbursed in the manner set forth under the Convertible Loan Agreement with interest on the balance of such principal sum from time to time outstanding.

The foregoing description of the Convertible Promissory Note does not purport to be complete and is qualified in its entirety by the Convertible Promissory Note which is filed as Exhibit 10.2 hereto and is incorporated by reference herein.

Pursuant to the Management Agreement, Nevada Medical Group LLC, (“**NMG**”) agrees to provide operations and management services, including management, staffing, operations administration, oversight and other related services, as set out in Schedule A to the Management Agreement, to CCG’s retail facility, the building structure and real property upon with the building structure sits, located at 203 N. Ok St., West Memphis, AR 72301. In consideration for the services provided NMG, commencing on the effective date (March 15, 2019), CCG agrees to pay NMG a monthly management fee in the amount equal to 66.67% of the Monthly Net Profits (as defined below) of CCG for the immediately-preceding month, all as determined in a manner mutually agreeable to NMG and CCG. Notwithstanding the foregoing, in the event that DEP effectuates a Conversion (as defined under the Convertible Loan Agreement), then NMG’s monthly management fee shall equal USD\$6,000.00 per month, unless otherwise agreed by the parties in writing. For purposes of the Management Agreement, “Monthly Net Profits” means, for each calendar month, an amount equal to CCG’s gross revenue for such calendar month less CCG’s operating expenses, including all applicable expenses as set out under Section 2 of the Management Agreement, cost of goods sold, interest, and tax for said month, all as reasonably determined in accordance with generally accepted accounting principles. The 33.33% remainder of the Monthly Net Profits shall be paid to CCG, which in its sole discretion, may distribute to its owners.

The foregoing description of the Management Agreement does not purport to be complete and is qualified in its entirety by the Management Agreement which is filed as Exhibit 10.3 hereto and is incorporated by reference herein.

SECTION 7 – REGULATION FD

Item 7.01 Regulation FD Disclosure

On March 21, 2019, the Company issued a news release announcing expansion into Arkansas with in-state partner, CCG. The companies will work together to develop a medical marijuana dispensary facility in West Memphis, Arkansas. Medical marijuana dispensaries in Arkansas are licensed for both retail sales and cultivation of up to 50 plants within the same facility.

NMG and DEP, wholly owned subsidiaries of the Company, recently entered into a management agreement and a convertible loan agreement, respectively, with CCG whereby the Company has agreed to provide CCG with:

- A management agreement whereby NMG will provide operations and management services, including management, staffing, operations, administration, oversight, and other related services. Under the management agreement, NMG will be paid a monthly management fee equal to a percentage of the monthly net profits of CCG, subject to conversion of the convertible loan as discussed below upon which the monthly management fee shall be USD\$6,000 per month, unless otherwise agreed by the parties in writing.
- A convertible loan of up to USD\$1,250,000 from DEP to CCG with proceeds used to fund construction of the facility, working capital and initial operating expenses. The loan bears interest at a fixed rate of USD\$6,000 per month until the parties mutually agree to increase the interest. Within one year of granting of a medical marijuana dispensary license or one year after entering into the convertible loan, DEP may elect to convert the loan into preferred units of CCG equal to 40% of all outstanding units of CCG, subject to approval of the Arkansas Medical Marijuana Commission.

Additionally, CCG has issued a convertible promissory note in favor of DEP which promises to pay DEP the principal sum of up to USD\$1,250,000 or so much thereof is advanced under the terms of the convertible loan with interest on the balance of such principal sum from time to time outstanding.

A copy of the March 21, 2019 news release is attached as Exhibit 99.1 hereto.

SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Business Acquired

Not applicable.

(b) Pro forma Financial Information

Not applicable.

(c) Shell Company Transaction

Not applicable.

(d) Exhibits

Exhibit	Description
10.1	Convertible Loan Agreement between DEP Nevada Inc. and Comprehensive Care Group LLC, dated effective March 15, 2019
10.2	Convertible Promissory Note issued by Comprehensive Care Group LLC to DEP Nevada Inc., dated effective March 15, 2019
10.3	Management Agreement between Nevada Medical Group LLC and Comprehensive Care Group LLC, dated effective March 15, 2019
99.1	News Release dated March 21, 2019

SIGNATURES

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

BODY AND MIND INC.

DATE: March 21, 2019

By: /s/ Darren Tindale

Darren Tindale

Chief Financial Officer

CONVERTIBLE LOAN AGREEMENT

This Agreement made effective March 15, 2019 (the “Effective Date”)

BETWEEN:

DEP NEVADA INC., a corporation incorporated under the laws of Nevada and having an office at 3375 Pepper Ln, Las Vegas NV 89120.

(the “Lender”)

AND:

COMPREHENSIVE CARE GROUP LLC, a limited liability company incorporated under the laws of Arkansas and having an office at 11323 Arcade Drive, Suite C107, Little Rock, AR 72212

(the “Borrower”)

WHEREAS:

A. The Lender has agreed to make available a loan to the Borrower in the aggregate total amount of up to USD \$1,250,000.00 or such additional amount or lesser amount as may be mutually agreed upon by the Lender and the Borrower, all on the terms and conditions set out herein; and

B. The parties wish to record the terms and conditions of the loan, which will be made pursuant to the terms of this Agreement.

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

PART 1

DEFINITIONS AND INTERPRETATION

Definitions

1.1 For the purpose of this Agreement, the following words and phrases will have meanings set forth below unless the parties or the context otherwise require(s):

(a) “**Advance**” means any advance made by the Lender under the Non-Revolver Credit Facility evidenced by the Convertible Note;

- (b) “**Agreement**” means this agreement and any schedules hereto, as amended or supplemented from time to time;
- (c) “**Applicable Securities Laws**” means, collectively, and as the context may require, the securities legislation having application and the rules, policies, notices and orders issued by securities regulatory authorities having application in the circumstances;
- (d) “**Business**” means business operations in connection with the Borrower’s ownership and operation of a marijuana dispensary retail establishment at 203 N. Ok St., West Memphis, AR 72301;
- (e) “**Business Day**” means any day which is not a Saturday, Sunday or statutory holiday in the State of Arkansas;
- (f) “**Closing Date**” means March 15, 2019, or such later date upon which all conditions set out in Part 10 have been satisfied or waived;
- (g) “**Closing**” means closing of the Transaction;
- (h) “**Conversion**” has the meaning set out in Section 6.1;
- (i) “**Convertible Note**” has the meaning set out in Section 5.1;
- (j) “**Event of Default**” means any of the events of default described in Section 9.1;
- (k) “**Governmental Authority**” means: (i) any federal, provincial, state, county, municipal or local government or governmental body, including any department, agency, commission, board or other authority thereof, exercising any statutory, regulatory, expropriation or taxing authority; (ii) any quasi-governmental body acting under the valid authority of any of the foregoing; and (iii) any domestic, foreign or international judicial, quasi-judicial or administrative court, tribunal, commission, board, panel or arbitrator having competent jurisdiction over the Lender or Borrower;
- (l) “**Indebtedness**” means the principal amount, interest and all other amounts due by the Borrower to the Lender pursuant to the Non-Revolver Credit Facility, the Convertible Note, and this Agreement;
- (m) “**Interest**” has the meaning set out in Part 4;
- (n) “**Material Adverse Effect**” means a fact, circumstance, change or event that (individually or in the aggregate with all such other facts, circumstances, changes or events) is materially adverse to the business, operations, results of operations, cash flow, revenue, assets, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or condition (financial or otherwise) of the Borrower and its subsidiaries on a consolidated basis, other than a change, event, violation, inaccuracy or circumstance:

- (i) relating to the global economy or securities markets in general; or
- (ii) resulting from conditions affecting the cannabis industry as a whole.
- (o) “**Maturity Date**” means March 30, 2021, or, in the event that either party unilaterally exercises a Maturity Date Extension Option as set forth in Section 6.3 below, such extended Maturity Date as determined by Section 6.3;
- (p) “**Net Profits**” means, for each calendar month, an amount equal to Borrower’s gross revenue for such calendar month less the Borrower’s operating expenses, cost of goods sold, interest, and tax for said month, all as reasonably determined in accordance with generally accepted accounting principles;
- (q) “**Non-Revolving Credit Facility**” means the credit facility referred to and provided for in Section 3.1;
- (r) “**Person**” means any individual, partnership, corporation, trust, limited liability company or other entity;
- (s) “**Transaction**” means the transactions contemplated by this Agreement;
- (t) “**Transaction Documents**” has the meaning set out in Section 5.1; and
- (u) “**Preferred Units**” means preferred member units of Borrower that, when issued to Lender pursuant to Lender’s Conversion right under Section 6.1, equal forty percent (40%) of the overall member units of the Borrower with the following preferred rights: (i) the right to an allocative share of sixty-six and 67/100 percent (66.67%) of the Net Profits of Borrower and the right to distributions equal to sixty-six and 67/100 percent (66.67%) of the Net Profits on a monthly basis; (ii) the right a share of sixty-six and 67/100 percent (66.67%) share of Borrower’s assets upon dissolution of Borrower; and (iii) the right to sixty-six and 67/100 percent (66.67%) of all voting rights of members of Borrower.

Interpretation

1.2 For the purposes of this Agreement:

- (a) the word “person” includes in its meaning any firm and any body corporate or politic;
- (b) “herein”, “hereunder”, and similar terms refer to this Agreement as a whole and not to any specific, section, clause or provision thereof;
- (c) words importing the singular include the plural and vice versa, and words importing gender include all genders,

- (d) any reference in this Agreement to a statute will include any amendment or successor statute and any regulations thereunder in force from time to time;
- (e) the headings appearing in this Agreement have been inserted for convenience of reference only and in no way define, limit, or enlarge the scope of meaning of the provisions of this Agreement;
- (f) a reference to a Part is to a Part of this Agreement; and
- (g) all references to any party, whether a party to this Agreement or not, will be read with such changes in number or gender as the context or reference requires.

1.3 Except where otherwise indicated or provided for all statements of or references to monetary amounts in this Agreement mean lawful currency of the United States.

Schedules

1.4 The following schedule attached hereto are incorporated in and deemed to be an integral part of this Agreement:

- (a) Schedule "A" – Form of Convertible Promissory Note

PART 2

PURPOSE

Loan Purpose

2.1 Unless otherwise agreed to by the Lender, the proceeds of the loan provided under the Non-Revolving Credit Facility shall be used by the Borrower for purposes of working capital and operating expenses, including, but not limited to construction expenses and purposes, in connection with the Business.

PART 3

THE LOAN

Loan

3.1 Subject to the terms and conditions contained herein, the Lender agrees to make Advances to the Borrower from time to time commencing from the Closing, as requested by the Borrower in an aggregate (non-revolving) amount not to exceed \$1,250,000.00 (the "**Credit Line Limit**") until the Maturity Date in the manner more fully set forth in Section 3.3, provided, however, that, the parties may mutually agree to adjust the Credit Line Limit to an increased amount or a lesser amount from time to time based on the Borrower's reasonable operation and construction needs as set forth in one or more commercially reasonable budgets to be prepared by the Borrower and presented to the Lender (collectively, the "**Budget**"). The parties agree the spirit of this agreement is that Lender will provide 66.67% of all the reasonably necessary funding for the operations of this endeavour during the term of this Agreement; and that Borrower will provide the remaining 33.33% of the reasonably necessary funding of same during the term of this Agreement. The Borrower may not reborrow any amounts repaid to the Lender under this Agreement or the Convertible Note.

Use of Proceeds

3.2 The Borrower will use the proceeds of the Advances for the purposes described in Section 2.1 hereof.

Delivery of Advances

3.3 The Lender shall make an initial Advance to the Borrower in the amount of \$100,000.00 (the “**Initial Advance**”) within five (5) days of the Closing by delivering the Initial Advance by wire transfer to the following bank account held by the Borrower: _____ (the “**Bank Account**”). Thereafter, at least seven (7) days prior to the date of a requested Advance, the Borrower shall request such Advance by the Lender in writing, accompanied by proposals, bids, invoices, or other documentation satisfactory to the Lender evidencing the need for the Advance (collectively, the “**Supporting Documentation**”). It shall be a condition to each Advance that no Event of material Default shall then exist, and all of the representations and warranties made under this Agreement shall be true and correct at such time both with and without giving effect to the Advance to be made at such time and the application of the proceeds thereof. If the Lender approves the Advance, the Lender shall deliver the Advance to the Borrower by wire transfer to the Bank Account.

PART 4

INTEREST

Interest

4.1 Interest on the outstanding Advances will be a fixed rate of USD \$6,000.00 per month from and after the Closing Date until such time as the parties mutually agree to increase the interest on the outstanding Advances to a fixed rate of USD \$10,000.00 per month, payable in the manner set forth in the Convertible Note (the “**Interest**”).

PART 5

CONVERTIBLE NOTE

Convertible Note

5.1 The Borrower’s obligations to repay the Advances made by the Lender hereunder shall be evidenced by a Convertible Note in substantially the form set forth in Schedule “A” (the “**Convertible Note**”). The Borrower will execute and deliver to the Lender;

- (a) the Convertible Note; and
 - (b) such other documents or instruments which the Lender or its solicitors acting reasonably, may require from time to time,
- (collectively, the “**Transaction Documents**”).

PART 6

CONVERSION, REPAYMENT AND PARTICIPATION RIGHTS

Lender’s Conversion Right

6.1 Upon the latter of: (a) one year after granting of a medical marijuana dispensary license by the Arkansas Medical Marijuana Commission to the Borrower, or (b) one year after entering into this Agreement Lender may, in its sole discretion, subject to the last sentence of this Section 6.1, elect to convert all of the Indebtedness into the Preferred Units at a conversion price equal to the Indebtedness (a “**Conversion**”), subject to approval of the Arkansas Medical Marijuana Commission (together, with Section 6.1(a) or Section 6.1(b), the “**Ownership Pre-Conditions**”). The parties agree the spirit of this Section 6 is that Holder will finalize the Conversion as soon as possible and as near to the one-year mark post execution of the Loan Agreement. All Preferred Units so acquired on Conversion shall be issued within 5 days of notice and shall bear a legend restricting transfer for a period of one year from the Conversion and any other legend required under Applicable Securities Laws. Subject to the Lender’s remedies under Section 9.2 of this Agreement or under the Note, in the event that any of Ownership Pre-Conditions to Lender’s exercise of Conversion rights under this Section 6.1 fail to occur prior to the Maturity Date, then Borrower shall repay the loan plus accrued interest and any other amounts due hereunder or under the Convertible Note. In the event that any Interest payable as of the date of Conversion has not been paid to the Lender, such unpaid Interest shall remain a payment obligation of the Borrower. The Borrower acknowledges and agrees that it shall be required to obtain, and the Lender covenants to provide all reasonable assistance to obtain, all necessary regulatory approvals from the applicable Governmental Authorities to engage in the Business, including, but not limited to, a medical marijuana dispensary license from the Arkansas Medical Marijuana Commission.

Repayment of Principal and Interest

6.2 Borrower shall pay Interest to Lender in the manner set forth in Section 4.1. So long as no material default has occurred hereunder, the Borrower shall not be obligated to pay any principal outstanding hereunder until the Maturity Date, at which time all accrued but unpaid interest together with the entire outstanding principal and all other amounts due hereunder shall immediately become due and payable by the Borrower.

Maturity Date Extension Option

6.3 Either the Borrower or the Lender may unilaterally extend the Maturity Date by one (1) year and may thereafter continue to extend the Maturity Date on a yearly basis by increments of one (1) year (each, an “**Extension Option**”) by providing written notice of the exercise of the Extension Option by the party seeking an extension to the other party prior to the expiration of the then-current Maturity Date, provided, however, that under no circumstances shall any extended Maturity Date extend beyond the expiration of the term of that certain Management Agreement of even date herewith between Nevada Medical Group, a Nevada limited liability company, and Comprehensive Care Group LLC, an Arkansas limited liability company. The Spirit of this Agreement is that the parties desire that a Conversion occur as soon as possible, pursuant to the terms of this Agreement. Neither party may unilaterally extend the Maturity Date, nor may it exercise an Extension Option, any time after the date of Conversion.

Prepayment

6.4 The Borrower is not entitled to prepay all or part of the principal before the Maturity Date without prior written approval of the Lender.

Manner of Payment

6.5 All payments to be made to the Lender hereunder will be made:

- (a) without set-off or counterclaim,
- (b) and each party will be responsible for its own tax liabilities.

Allocation

6.6 Payments made by the Borrower in respect of the Advances and moneys realized from any security held therefor, including moneys realized from enforcement, shall be applied firstly against the costs of collection upon default, if any, then the interest accrued to the date of such payment and lastly, against the principal amount.

Payments

6.7 Any payment of interest or principal delivered or made to the Lender by 4:00 p.m. Arkansas time on a Business Day will be credited as of that day, but if made after that time will be credited as of the next Business Day.

PART 7

REPRESENTATIONS AND WARRANTIES

7.1 The Borrower represents and warrants to the Lender as follows:

(a) the Borrower is a valid and subsisting company, duly formed and in good standing under the laws of Arkansas and has all requisite company power, capacity and authority to carry on its business as now conducted, to own, lease and operate its properties and assets and to carry out the provisions hereof;

(b) the Borrower has the power and authority to create, issue and deliver the Convertible Note and perform its obligations under the Convertible Note;

(c) the execution and delivery of this Agreement and all ancillary instruments or documents issued, executed and delivered hereunder by the Borrower have been duly and validly authorized by all necessary action of the Borrower and each constitutes or will constitute a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and to the general principles of equity;

(d) the Borrower holds or will hold all licences and permits and has effected or will affect all registrations required for the conduct of its business and the uses for which its property is used, such licences, permits, and registrations are in good standing, and such conduct and uses are in compliance with the terms of such licences and permits and with all laws, operating agreements, rules, regulations, and ordinances applicable to the Borrower or any of its property;

(e) the Borrower is not a party to, nor has it issued, assumed, or granted, nor is it bound by any deed, indenture, debenture, real property mortgage, chattel mortgage, conditional sale contract, general or specific assignment of book debts, or any other lien, charge, or encumbrance which charges the Borrower's property;

(f) the Preferred Units delivered upon Conversion, when paid for in accordance with the provisions of this Agreement: (i) will be duly and validly issued as fully paid and non-assessable member units in the capital of the Borrower; and (ii) will constitute forty percent (40%) of the overall ownership interests of the Borrower with the following preferred rights: (i) the right to an allocative share of sixty-six and 67/100 percent (66.67%) of the Net Profits of Borrower and the right to distributions equal to sixty-six and 67/100 percent (66.67%) of the Net Profits on a monthly basis; (ii) the right a share of sixty-six and 67/100 percent (66.67%) share of Borrower's assets upon dissolution of Borrower; and (iii) the right to sixty-six and 67/100 percent (66.67%) of all voting rights of members of Borrower;

(g) the authorized capital of the Borrower consists of 100 member units.

(h) except as disclosed to Lender, there are no member agreements, pooling agreements voting trusts or other similar agreements with respect to the ownership of any voting units of Borrower; and

(i) neither the execution and delivery of this Agreement, the Convertible Note, or any documents or instruments ancillary hereto nor the observance and performance of the obligations of the Borrower thereunder will (i) result in any violation of the constating documents of the Borrower or any deed, indenture, debenture, mortgage, agreement, instrument, judgement, decree, order, statute, rule, or regulation applicable to the Borrower or (ii) result in the acceleration of the time for payment of any moneys payable or for performance of any obligation to be performed by the Borrower.

7.2 Lender represents and warrants to the Borrower as follows:

(a) the Lender is a valid and subsisting corporation under the laws of Nevada;

(b) the Lender has the corporate power and capacity to enter into this Agreement and to perform all of its obligations hereunder. The execution and delivery of this Agreement and the consummation by the Lender of the transactions hereunder have been duly authorized by all necessary corporate action on the part of the Lender;

(c) this Agreement has been duly executed and delivered by the Lender and is a legal, valid and binding obligation of the Lender, enforceable against the Lender in accordance with its terms, subject to applicable bankruptcy or similar laws affecting enforcement of creditors' rights generally and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought;

(d) the Convertible Note has not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States or to any U.S. Person, except pursuant to applicable exemptions from United States federal and state registration requirements;

(e) each of the execution and delivery of this Agreement and all documents contemplated hereunder, the performance by the Lender of its obligations hereunder or thereunder and the consummation of the transactions contemplated hereby, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both), (i) any statute, rule or regulation applicable to the Lender; (ii) the constating documents or resolutions of the Lender which are in effect at the date hereof; (iii) any debt instrument, material agreement, mortgage, indenture, contract, agreement, instrument, lease or other document to which the Lender is a party or by which it is bound; or (iv) any judgment, decree or order binding the Lender or the property or assets thereof;

(f) the Lender acknowledges that no securities commission, agency, Governmental Authority, stock exchange or other regulatory body has reviewed or passed on the merits of the Purchased Securities and there are risks associated with the purchase of the Purchased Securities;

(g) the Lender acknowledges that the referenced Convertible Note will bear the following legends:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR ANY APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT AND SUCH LAWS COVERING SUCH SECURITIES, OR THE COMPANY RECEIVES AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY STATING THAT SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF THE U.S. SECURITIES ACT AND SUCH LAWS. THE SECURITIES REPRESENTED BY THE CERTIFICATE HEREBY CANNOT BE THE SUBJECT OF HEDGING TRANSACTIONS UNLESS SUCH TRANSACTIONS ARE CONDUCTED IN COMPLIANCE WITH THE U.S. SECURITIES ACT.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE ONE YEAR FROM THE ISSUANCE OF THE SECURITY.”

PART 8

BORROWER’S COVENANTS

Positive Covenants

8.1 At all times during the currency of this Agreement, the Borrower will:

- (a) duly and punctually pay or cause to be paid to the Lender all payments in respect of principal or interest and other amounts due under this Agreement on the dates, at the places, and in the manner set forth herein;
- (b) duly and punctually observe and perform all of the covenants, agreements, terms, and conditions on its part to be observed or performed hereunder;
- (c) maintain and preserve its existence in good standing;
- (d) conduct its business in a proper and businesslike manner and diligently preserve all of its licences, permits, registrations, rights, powers, privileges, and goodwill;
- (e) duly and punctually pay all debts and obligations to employees, contractors, sub-contractors, and suppliers of material and all taxes, rates, and assessments payable to Governmental Authorities and all other persons when such amounts are due;
- (f) make all payments and perform each and every covenant, agreement, and obligation under any lease now held or hereafter acquired by each of them and any deed, indenture, debenture, mortgage, agreement, or instrument charging the property of each of them or any part thereof as and when the same are required to be paid or performed;

(g) deliver or cause to be delivered to the Lender such information and material respecting the Borrower's business and financial affairs as the Lender, acting reasonably, may request from time to time;

(h) maintain a minimum cash balance of \$100,000.00 in the Bank Account; and

(i) provide the Lender with monthly bank statements satisfactory to the Lender evidencing Borrower's maintenance of a minimum cash balance of \$100,000.00 in the Bank Account.

Negative Covenants

8.2 During the currency of this Agreement the Borrower will not, without the prior written consent of the Lender:

(a) alter its constituting instruments;

(b) become a party to any transaction whereby substantially the whole of the undertaking, property or assets of the Borrower would become the property of any other Person, whether by way of reorganization, amalgamation, merger, transfer, sale, license, or otherwise;

(c) make loans to or investments in, or provide guarantees or indemnities or otherwise give financial assistance to, any Person;

(d) incur, create or assume any indebtedness or liabilities, except that any unsecured trade payables incurred in the ordinary course of its business that are related to the ownership and operation of the Property are not to exceed \$10,000;

(e) authorize, issue, transfer, hypothecate, or otherwise grant, or agree to or allow the authorization, issuance, transfer, hypothecation, or granting of, any ownership interest in Borrower except as expressly set forth in this Agreement; or

(f) materially change the nature of its business or operations, except CCG may convert its entity to a C corporation for tax and other purposes so long as CCG's post-conversion ownership and management remain identical to its pre-conversion ownership and management.

PART 9

EVENTS OF DEFAULT AND REMEDIES

Events of Default

9.1 Any one of the following events will constitute an Event of Default under this Agreement (whether such event is voluntary or involuntary or is effected by operation of law or pursuant to or in compliance with any judgement, decree, or order of any court or any order, rule, or regulation of any administrative or governmental body):

- (a) if the Borrower defaults in payment of any principal, interest or other amounts due hereunder;
- (b) if the Borrower defaults in observing or performing any covenant, agreement, or condition hereunder on its part to be observed or performed and such default, if curable, is not cured within 15 days after notice of default is given by the Lender;
- (c) if any other event, circumstance, or condition occurs or comes into being which constitutes an event of default under any other indebtedness or material agreement of the Borrower;
- (d) if the Borrower becomes bankrupt or insolvent or makes an assignment for the benefit of, a proposal to, or an arrangement with its creditors or an action is taken or a proceeding is instituted by any person whereby the Borrower may be dissolved, wound up, reorganized, or declared bankrupt or insolvent;
- (e) if any material warranty or representation made by or on behalf of the Borrower hereunder or in any document, instrument, or certificate delivered in connection herewith proves at any time to be materially incorrect as of the date made;
- (f) if the Borrower ceases or demonstrates an intention to cease to carry on its business;
- (g) if a receiver or receiver-manager of the property of the Borrower or any part thereof is appointed;
- (h) if an encumbrancer takes possession of the property of the Borrower or any part thereof;
- (i) if the Borrower engages in any business outside of the normal course of its business presently conducted; or
- (j) if the Borrower materially defaults under, or otherwise breaches, the Convertible Note.

Remedies

9.2 Upon the happening of any Event of Default, the Lender may do any one or more of the following: (i) notwithstanding anything in this Agreement to the contrary, the Lender may elect to effectuate a Conversion at any time after the occurrence of the Ownership Pre-Conditions, in which event the Lender may, at its sole option, prohibit the Borrower from repaying any of the principal amount to the Lender on or prior to the Conversion without the prior written approval of the Lender; (ii) the Lender may declare that the Indebtedness has become immediately due and payable, whereupon the Borrower will pay the same to the Lender forthwith, without presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived, and the Lender, without notice to or demand upon the Borrower (which is expressly waived by the Borrower), may proceed to protect, exercise and enforce its rights and remedies under this Agreement including making demand for payment of all money secured thereby, and such other rights and remedies as are provided by law or by equity or by statutes; and/or (iii) the Lender may terminate the Non-Revolving Credit Facility and any other right of the Borrower to request Advances hereunder.

Waiver

9.3 The Lender may in its sole discretion waive any Event of Default or any breach of any of the provisions contained herein. No waiver or consent by the Lender will extend to or be taken to affect any subsequent breach or default or the rights resulting therefrom, and no waiver or consent by the Lender will bind the Lender unless it is in writing. The Borrower may in its sole discretion waive any Lender Default or any breach of any of the provisions contained herein. No waiver or consent by the Borrower will extend to or be taken to affect any subsequent breach or default or the rights resulting therefrom, and no waiver or consent by the Borrower will bind the Borrower unless it is in writing.

Lender Default

9.4 Any of the following events will constitute a Lender Default under this agreement: (i) Lender fails to reasonably perform any of its funding obligations hereunder, including the making of timely delivery of any funding or payments under this Agreement; (ii) Lender has notified Borrower that it does not intend to comply with its funding obligations or has made a public statement to that effect with respect to its funding obligations hereunder; or (iii) Lender has become the subject of a proceeding under any debtor relief law, including, but not limited to, bankruptcy, has had a receiver, conservator, trustee, administrator or an assignee for the benefit of creditors charged with reorganization or liquidation of its business.

Lender Default Remedies

9.5 Upon Lender Default, and if no Event of Default has occurred and is continuing, any interest due to Lender under this Agreement shall cease to accrue for the lesser of (i) a period of six (6) months or (ii) until such time as the Lender has cured any default. If a Lender Default is not cured within thirty (30) days from the date of Lender Default (when Borrower first received notice of Lender Default), Borrower, at its sole discretion, may pay all accrued but unpaid interest together with the entire outstanding principal and all other amounts due hereunder and under the Convertible Note as of such date and immediately thereafter terminate this Agreement, in which event the Parties shall have no further rights or obligations under this Agreement and the Convertible Note shall be deemed paid in full.

PART 10**CONDITIONS PRECEDENT****Mutual Conditions**

10.1 The respective obligations of the Lender and Borrower under this Agreement are subject to the fulfillment of the following conditions being satisfied at or before the Closing:

- (a) receipt of all required regulatory, member/shareholder and third-party approvals, and compliance with all applicable regulatory requirements and conditions necessary to complete the Transaction;
- (b) this Agreement will not have been terminated pursuant to Part 11; and
- (c) there being no prohibition at law against the completion of the Non-Revolving Credit Facility and the issuance of the Convertible Note.

Conditions for the Benefit of the Borrower

10.2 The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Closing Date, which conditions are for the exclusive benefit of the Borrower and may be waived, in whole or in part by the Borrower in its sole discretion:

- (a) the Lender complying with all terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing; and
- (b) the representations and warranties of the Lender contained in this Agreement as of the date of this Agreement being true and correct in all material respects as of the Closing as if made at and as of the Closing.

Conditions for the Benefit of the Lender

10.3 The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Closing Date, which conditions are for the exclusive benefit of the Lender and may be waived, in whole or in part by the Lender in its sole discretion:

- (a) the Borrower complying with all terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing;
- (b) there being no material change or change in a material fact or a new material fact or an undisclosed material fact or change in respect of the Borrower which might reasonably be expected to have a Material Adverse Effect and the Lender will be satisfied that the Borrower will not have taken any act, entered into or become a party to or subject to any agreement or transaction or incurred or become liable for any obligation except in the ordinary course of business;
- (c) the representations and warranties of the Borrower contained in this Agreement as of the date of this Agreement being true and correct in all material respects as of the Closing as if made at and as of the Closing;
- (d) waiver of all pre-emptive rights and rights of first refusal, duly executed by all members of the Borrower in respect of the Transaction; and
- (e) the Borrower having delivered the Transaction Documents as contemplated by Section 5.1 of this Agreement.

PART 11

TERM AND TERMINATION

Termination

11.1 This Agreement may be terminated at any time prior to the Closing Date:

(a) by mutual written agreement of the Parties;

(b) by the Borrower if a breach of any representation or warranty or failure to perform any obligation on the part of the Lender as set forth in this Agreement will have occurred that would cause the conditions set forth in Section 10.1 and Section 10.2 not to be satisfied or such conditions are incapable of being satisfied by the Closing Date, as reasonably determined by the Lender, provided however that the Lender is not then in breach of this Agreement so as to cause any condition in Section 10.1 or Section 10.2 not to be satisfied; or

(c) by the Lender if a breach of any representation or warranty or failure to perform any obligation on the part of the Borrower as set forth in this Agreement will have occurred that would cause the conditions set forth in Section 10.1 or Section 10.3 not to be satisfied, or such conditions are incapable of being satisfied by the Closing Date as reasonably determined by the Borrower, provided however, that the Borrower is not then in breach of this Agreement so as to cause any condition in Section 10.1 or Section 10.3 not to be satisfied.

PART 12

GENERAL PROVISIONS

Time of Essence

12.1 Time will be of the essence in this Agreement.

Governing Law

12.2 This Agreement will be construed in accordance with and governed by the laws of the State of Arkansas without giving effect to any choice or conflict of law provision or rule (whether of the State of Arkansas or any other jurisdiction). All disputes and controversies arising out of or in connection with this Agreement shall be resolved exclusively by the state and federal courts located in Pulaski County in the State of Arkansas, and each of Borrower and Lender hereto agrees to submit to the jurisdiction of said courts and agrees that venue shall lie exclusively with such courts.

Further Acts

12.3 Forthwith upon request by the Lender, the Borrower will execute and deliver all such further deeds, documents, and instruments and will do all such further acts and things as in the reasonable opinion of the Lender or its solicitors are necessary or advisable in order to carry out the terms of this Agreement.

Severability

12.4 If any provision contained in this Agreement is for any reason held by a Court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, then at the option of the Lender such invalid, illegal, or unenforceable provision will be severable from and will not affect any other provision of this Agreement and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

Survival

12.5 All representations, warranties, covenants, and agreements made in this Agreement or in any declaration, certificate, or other instrument delivered in connection herewith are material and will conclusively be deemed to have been relied upon by the Lender notwithstanding any prior or subsequent investigation by the Lender, will survive Advances and the fulfillment of all transactions and deliveries contemplated hereunder, and will continue in full force and effect so long as any of the Indebtedness remains outstanding, provided, however, that the parties' representations, warranties, covenants, and agreements under Section 6.1, Section 7.1, and Section 7.2 will survive and continue in full force and effect for a period of two (2) years following a Conversion.

Notice

12.6 Notwithstanding anything herein contained and whether or not expressly stipulated herein, every notice or other communication contemplated hereby or otherwise relating hereto shall be in writing. Every notice required or permitted to be communicated hereunder, may be delivered personally by leaving it with the party to whom it is to be communicated.

Such notice shall be deemed to have been validly communicated to and received by the party to whom it was addressed on the date on which it was delivered. The address of any party may be changed by written notice as contemplated by this Section 12.6, and the respective addresses of the parties hereto for the communication of notice shall be as follows:

(a) As to the Lender:

DEP Nevada Inc.
3375 Pepper Ln
Las Vegas NV 89120

Attention: Leonard Clough
Email: len@altuscapital.ca

(b) As to the Borrower:

Comprehensive Care Group LLC
11323 Arcade Drive, Suite C107
Little Rock, AR 72212

Attention: Don Marshall
E-mail: donjmar@yahoo.com

Expenses

12.7 If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

Entire Agreement

12.8 This Agreement merges and supersedes all prior negotiations, representations, and agreements, and expresses the entire agreement of the parties hereto with respect to the subject matter hereof.

Amendments

12.9 This Agreement may not be amended nor may any term or covenant hereof be waived, discharged, or terminated except by an instrument executed by the party affected thereby.

Counterparts

12.10 This Agreement may be signed in as many counterparts as may be necessary, each of which so signed will be deemed to be an original (and each signed copy sent by electronic facsimile transmission will be deemed to be an original), and such counterparts together will constitute one and the same instrument and notwithstanding the date of execution will be deemed to bear the date first above written.

Assigns

12.11 This Agreement may be assigned by the Lender to a related entity of the Lender without the consent of the Borrower but may not otherwise be assigned in whole or in part by the Lender, without the prior consent of the Borrower. This Agreement is not assignable by the Borrower except with the prior written consent of the Lender.

Enurement

12.12 This Agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors, and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

COMPREHENSIVE CARE GROUP LLC

DEP NEVADA INC.

By: /s/ Don Marshall
Name: Don Marshall
Its: Manager and Member

By: /s/ Robert Hasman
Name: Robert Hasman
Its: President

SCHEDULE "A"
FORM OF CONVERTIBLE NOTE

CONVERTIBLE PROMISSORY NOTE
(DEP Nevada Inc.)

Effective Date: March 15, 2019

Amount: Up to USD \$1,250,000.00

FOR VALUE RECEIVED, COMPREHENSIVE CARE GROUP LLC, an Arkansas limited liability company ("**Payor**"), promises to pay to the order of **DEP NEVADA INC.**, a Nevada corporation ("**Holder**"), the principal sum of USD \$1,250,000.00 or so much thereof as is advanced or disbursed in the manner set forth in that certain Convertible Loan Agreement of even date herewith between Payor, as the borrower, and Holder, as the lender (the "**Loan Agreement**"), with interest on the balance of such principal sum from time to time outstanding at the fixed rate of USD \$6,000.00 per month from and after the Effective Date until such time as the parties mutually agree to adjust the interest hereunder to a fixed rate of some other amount, such as to USD \$10,000.00 per month, all as more fully set forth below ("**interest**") or to terminate such interest payments. Interest shall commence with the date hereof and shall continue on the outstanding principal balance until paid in accordance with the provisions hereof. Any capitalized terms in this Convertible Promissory Note (this "**Note**") not defined herein shall have the meaning set forth in the Loan Agreement.

1. Note. This Note is being issued by Payor to document a non-revolving credit facility in the principal amount of up to USD \$1,250,000.00 (the "**Facility**") to be advanced or disbursed in the manner set forth in the Loan Agreement made by Holder to Payor on the Effective Date hereof. The principal, interest thereon, and all other amounts due hereunder and under the Loan Agreement is hereinafter referenced as the "**Indebtedness**". Payor may not reborrow any amounts repaid to Holder under this Note or the Loan Agreement.

2. Interest. Interest on the outstanding principal will be at a fixed rate of USD \$6,000.00 per month from and after the Effective Date until such time as the parties mutually agree to increase the interest on the outstanding principal to a fixed rate of USD \$10,000.00 per month, all payable monthly in arrears to Holder by Payor on or before the first calendar day of each month commencing March 1, 2019, and thereafter continuing until all amounts due hereunder and under the Loan Agreement and this Note are paid in full.

3. Maturity. Payor shall pay interest to Holder in the manner set forth in Section 2. Subject to the last sentence of Section 3, so long as no material default has occurred hereunder, Payor shall not be obligated to pay any principal outstanding hereunder until March 30, 2021 (the "**Maturity Date**"), at which time, subject to the Parties' remedies under Section 7(b) of this Note and Section 9.2 of the Loan Agreement for a breach of the Note and/or Loan Agreement by Payor, all accrued but unpaid interest together with the entire outstanding principal and all other amounts due hereunder shall immediately become due and payable by Payor. Principal may not be prepaid by Payor without the prior written consent of Holder. Either the Payor or the Holder may unilaterally extend the Maturity Date by one (1) year and may thereafter continue to extend the Maturity Date on a yearly basis by increments of one (1) year (each, an "**Extension Option**") by providing written notice of the exercise of the Extension Option by the party seeking an extension to the other party prior to the expiration of the then-current Maturity Date, provided, however, that under no circumstances shall any extended Maturity Date extend beyond the expiration of the term of that certain Management Agreement of even date herewith between Nevada Medical Group, a Nevada limited liability company, and Comprehensive Care Group LLC, an Arkansas limited liability company. The Spirit of the Loan Agreement and this Note is that the parties desire that a Conversion occur as soon as possible, pursuant to the terms of the Loan Agreement and this Note. Neither party may exercise an Extension Option at any time after the date of actual Conversion.

4. Use of Proceeds. The advances from the Facility will only be used by Payor as working capital of Payor for operating and capital expenses, including but not limited to the construction costs and purposes in connection with Payor's ownership and operation of a marijuana retail establishment at 203 N. Ok St., West Memphis, AR 72301, unless otherwise agreed to in writing by Holder and CCG.

5. Payments. All payments of principal, interest and any other payments required hereunder shall be in lawful money of the United States of America to Holder, by wire transfer of immediately available funds to a bank account designated in writing by Holder. All cash payments shall be applied first to the costs of collection, if any, then to accrued and unpaid interest, and thereafter to principal.

6. Lost, Stolen, Destroyed or Mutilated Note. In case this Note shall be mutilated, lost, stolen or destroyed, Payor shall issue a new Note of like date, tenor and denomination and deliver the same in exchange and substitution for and upon surrender and cancellation of any mutilated Note, or in lieu of any Note lost, stolen or destroyed, upon receipt of evidence satisfactory to Payor of the loss, theft or destruction of such Note.

7. Events of Default and Remedies.

(a) Events of Default. The occurrence or existence of any one or more of the following events are referred to herein individually as an "Event of Default", and collectively as "Events of Default":

(i) Payor defaults in payment of any principal, interest or other amounts due hereunder;

(ii) Payor dissolves or suspends or discontinues doing business;

(iii) A case or proceeding under the bankruptcy laws of the United States of America is filed by Payor for all or any part of their property, or is filed against Payor and such petition or application is not dismissed within sixty (60) days after the date of its filing;

(iv) there is a sale, transfer or other disposition of all or substantially all of Payor's assets in one transaction or series of related transactions;

(v) Payor breaches the Loan Agreement; or

(vi) Payor fails to use the proceeds hereof as described in Section 4.

(b) Remedies.

(i) At any time an Event of Default exists or has occurred and is continuing, Holder shall have all rights and remedies provided in this Note, in the Loan Agreement (including, but not limited to, the right to effectuate a Conversion at any time after the occurrence of the Ownership Pre-Conditions, and the right, at Holder's sole option, to prohibit Payor from repaying any principal amount under the Agreement and this Note to Holder on or prior to the Conversion without the prior written approval of Holder), and other applicable law, all of which rights and remedies may be exercised without notice to or consent by Payor, except as such notice or consent is expressly provided for hereunder or required by applicable law.

(ii) At any time an Event of Default exists or has occurred and is continuing, Holder may, in its discretion, provide written notice to Payor declaring all or a portion of the outstanding balance of unpaid principal and interest owed to Holder under this Note immediately due and payable.

(iii) Upon the occurrence of an Event of Default, Holder may, without notice, take all actions available to it as lender under the Loan Agreement, including, but not limited to, declaring the Loan and all interest thereon and other amounts payable under the Loan Agreement, immediately due and payable.

8. Lender Default and Remedies.

(a) Lender Default. Any of the following events will constitute a Lender Default under this agreement: (i) Lender fails to reasonably perform any of its funding obligations hereunder, including the making of timely delivery of any funding or payments under this Agreement; (ii) Lender has notified Borrower that it does not intend to comply with its funding obligations or has made a public statement to that effect with respect to its funding obligations hereunder; or (iii) Lender has become the subject of a proceeding under any debtor relief law, including, but not limited to, bankruptcy, has had a receiver, conservator, trustee, administrator or an assignee for the benefit of creditors charged with reorganization or liquidation of its business.

(b) Lender Default Remedies. Upon Lender Default, and if no Event of Default has occurred and is continuing, any interest due to Lender under this Agreement shall cease to accrue for the lesser of (i) a period of six (6) months or (ii) until such time as the Lender has cured any default. If a Lender Default is not cured within thirty (30) days from the date of Lender Default (when Borrower first received notice of Lender Default), Borrower, at its sole discretion, may pay all accrued but unpaid interest together with the entire outstanding principal and all other amounts due hereunder and under the Loan Agreement as of such date and immediately thereafter terminate the Loan Agreement, in which event the Parties shall have no further rights or obligations under the Loan Agreement and this Note shall be deemed paid in full.

9. Conversion. Upon the latter of: (a) one year after granting of a medical marijuana dispensary license by the Arkansas Medical Marijuana Commission to Payor, or (b) one year after entering into the Loan Agreement, Holder may, in its sole discretion, subject to the last sentence of this Section 8, elect to convert all of the Indebtedness into the Preferred Units, as defined in the Loan Agreement, at a conversion price equal to the Indebtedness (a “**Conversion**”), subject to approval of the Arkansas Medical Marijuana Commission (together, with Section 8(a) or Section 8(b), the “**Ownership Pre-Conditions**”). The parties agree the spirit of this Section 8 is that Holder will finalize the conversion as soon as possible and as near to the one-year mark post execution of the Loan Agreement. All Preferred Units so acquired on Conversion shall be issued in the manner set forth in the Loan Agreement. In the event Holder elects to effect the Conversion, subject to the last sentence of this Section 8, all principal and unaccrued interest under this note shall be deemed satisfied in full and applied towards the purchase price of all Preferred Units of Payor on the effective date of the Conversion and, except as otherwise set forth in this Note and in the Loan Agreement, all obligations of Payor under this Note and the Loan Agreement shall be deemed satisfied in full. On the effective date of the Conversion, Payor shall execute and deliver all agreements and documents reasonably necessary to effect the transfer of the Preferred Units to Holder. Payor acknowledges and agrees that the forgiveness of the amounts owed under this Note (except as otherwise set forth in the last sentence of this Section 8) shall constitute good and valid consideration for the Preferred Units. In the event that any interest payable hereunder or under the Loan Agreement as of the date of Conversion has not been paid to Holder, such unpaid interest shall not be converted into the Conversion price and such unpaid interest shall remain a payment obligation of Payor.

10. Legend. Upon a Conversion, as also described and provided by the Loan Agreement, any certificate(s) issued to Holder as to the Preferred Units will bear the following legends:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR ANY APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT AND SUCH LAWS COVERING SUCH SECURITIES, OR THE COMPANY RECEIVES AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY STATING THAT SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF THE U.S. SECURITIES ACT AND SUCH LAWS. THE SECURITIES REPRESENTED BY THE CERTIFICATE HEREBY CANNOT BE THE SUBJECT OF HEDGING TRANSACTIONS UNLESS SUCH TRANSACTIONS ARE CONDUCTED IN COMPLIANCE WITH THE U.S. SECURITIES ACT.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE ONE YEAR FROM THE ISSUANCE OF THE SECURITY.”

12. Governing Law. This Note is to be construed in accordance with and governed by the internal laws of the State of Arkansas without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Arkansas to the rights and duties of Payor and the Holder. All disputes and controversies arising out of or in connection with this Note shall be resolved exclusively by the state and federal courts located in Pulaski County in the State of Arkansas, and each of Payor and the Holder hereto agrees to submit to the jurisdiction of said courts and agrees that venue shall lie exclusively with such courts.

11. Amendment. Any term of this Note may be amended and the observance of any term of this Note may be waived (either generally or in a particular instance and either retroactively or prospectively) if in writing by both Payor and Holder.

12. Notices. Except as may be otherwise provided herein, all notices or other communications hereunder shall be in writing and shall be deemed given upon delivery if delivered personally, two business days after mailing if mailed by prepaid registered or certified mail, return receipt requested, or upon confirmation of good transmission if sent by email, addressed as follows:

(a) If to Holder, to:

DEP Nevada Inc.
3375 Pepper Lane
Las Vegas, NV 89120
Attention: Leonard Clough
Email: Len@altuscapital.ca

(b) If to Payor, to:

Comprehensive Care Group LLC
11323 Arcade Drive, Suite C107
Little Rock, AR 72212
Attention: Don Marshall
Email: _____

13. Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Note, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

14. Severability. If one or more provisions of this Note are held to be unenforceable under applicable law, such provision shall be excluded from this Note and the balance of the Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

15. Delivery. This Note, to the extent signed and delivered by means of a facsimile machine or PDF attachment to electronic mail, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

[Signature follows on next page]

IN WITNESS WHEREOF, Payor has caused this Note to be duly executed by its officer, thereunto duly authorized as of the date first above written.

PAYOR

Comprehensive Care Group LLC, an Arkansas limited liability company

By: /s/ Don Marshall

Name: Don Marshall

Its: Manager and Member

MANAGEMENT AGREEMENT

This Management agreement ("Agreement"), effective as of this 15th day of March, 2019 ("Effective Date") by and between Nevada Medical Group, a Nevada limited liability company ("Management"), with its principal office at 3375 Pepper Lane, Las Vegas, NV 89120 and Comprehensive Care Group LLC, an Arkansas limited liability company ("Owner") with its principal office at 11323 Arcade Drive, Suite C107, Little Rock, AR 72212 (each being referred to individually as a "Party" and collectively as the "Parties").

THIS MANAGEMENT AGREEMENT IS SUBJECT TO AND CONTINGENT UPON APPROVAL OF THE ARKANSAS ALCOHOLIC BEVERAGE CONTROL DIVISION OF THE ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION AND APPLICABLE LOCAL LICENSING AUTHORITIES, INCLUDING THE ARKANSAS MEDICAL MARIJUANA COMMISSION (TOGETHER, THE "AUTHORITIES"). IF PROFIT SHARING IS FORBIDDEN BY STATE OR LOCAL LAW, PARTIES AGREE TO NEGOTIATE IN GOOD FAITH TO CONFORM THE CONSULTANT'S FEE STRUCTURE ACCORDING TO GUIDANCE PROVIDED FROM THE AUTHORITIES.

RECITALS

WHEREAS, Owner possesses one or more licenses entitling Owner to own and operate a marijuana retail establishment (the "Business") under Provisional Application in Zone 3 pursuant to Arkansas Alcohol Beverage and Control Board/Department, MMC Rules and other applicable state and local law, and the regulations issued by the state of Arkansas as may be amended from time to time (collectively the "Regulations");

WHEREAS, Management is in the business of providing management, staffing, operations, administration, oversight, and other related services for licensed marijuana facilities;

WHEREAS, Owner desires to retain certain Services (as defined below) of Management, and Management wishes to provide such Services to owner pursuant to the terms of this Agreement; and

WHEREAS, the Owner desires to enter into a contractual relationship with Management whereby Management's compensation may include sharing in the profit from the services provided by Management, subject to the approvals from the various state and local government agencies that regulate the marijuana industries;

WHEREAS, the Parties desire this Agreement to be contingent on the express or implied approval of the Authorities, if necessary.

NOW, THEREFORE, for good and valuable consideration, and the mutual promises and covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Engagement and Services.

1.1 Owner hereby agrees to hire Management as an independent contractor to perform the operations and management services set forth in the Statement of Work attached hereto as **Exhibit A** (the "Services"). Management hereby accepts such engagement by Owner upon the terms and conditions set forth herein.

1.2. Management shall provide the Services to Owner's retail facility, the building structure and real property upon which the building structure sits, located at 203 N. Ok St., West Memphis, AR 72301 (the "Owner's Facility"). This Agreement shall apply only to Owner's Facility as currently defined.

2. Compensation and Expenses.

2.1. Management. As consideration for Management's performance of the Services, Owner shall provide compensation to Management for Operations Management services and pursuant to the Compensation for Services schedule attached hereto as **Exhibit B** (the "Compensation").

2.2. Management Personnel. Management Personnel means all workers, independent contractors, and employees of Management. In addition to the Compensation referenced in Section 2.1, Owner shall pay to Management the aggregate cost of all payroll-related expenses incurred by Management, including but not limited to, wages for Management Personnel, overtime wages, salaries, payroll taxes, amounts payable by Management to its independent contractors, Workers' Compensation insurance, and unemployment insurance, in the delivery of the Services (as defined in **Exhibit A**) and performance of this Agreement. Management shall provide Owner with reasonable proof of Management's actual payroll and independent contractor expenses, and Owner shall pay Management for Management's actual payroll and independent contractor expenses at least five (5) business days in advance of each payday as determined by Management, following which Management shall use these funds to cover all Management's payroll and independent contractor expenses. At the Effective Date of this Agreement, Owner shall pay to Management an amount equal to one (1) month of Management's payroll-related expenses, as determined in the reasonable judgment of Management, for Management to keep as a reserve to be applied solely to Management's payroll-related expenses. Owner and Management shall meet at a designated date/time on a monthly basis and at other times as agreed between the Parties, but not less than monthly, to discuss and review any forecasted or projected payroll-related (and other operational) expenses arising out of Section 2.2 of this Agreement.

2.3. Non-Labor Related Expenses. In addition to the Compensation referenced in Section 2.1 and the costs and expenses referenced in Section 2.2, Owner shall cover the cost of all operating and capital expenses incurred by Management in the delivery of the Services (as defined in **Exhibit A**), all marketing expenses incurred by Management, Owner, or any third-parties in connection with the Business, and the performance of this Agreement. Management shall obtain Owner's authorization prior to incurring any non-payroll expenses related to the Services performed, any marketing efforts in connection with the Business, or performance of this Agreement. Management shall submit a request for reimbursement, accompanied with proof of the expense, to Owner on a monthly basis. Owner shall pay Management and any applicable third-parties on or before the fifth of each calendar month for the prior month's submitted requests for reimbursement. Owner and Management shall meet on a monthly basis (as referenced in the preceding paragraph) and at other times as agreed between the Parties, but not less than monthly, to discuss and review any forecasted or projected operating and capital expenses and any non-payroll expenses arising out of Section 2.3 of this Agreement.

3. Obligations of Owner.

3.1 Owner shall comply with all Regulations, including any law regarding marijuana cultivation, dispensaries, manufacturing, processing, marketing, distribution and sales, and shall maintain the validity of all requisite licenses. Owner shall at all times be required to furnish Management with verification of all relevant licenses.

3.2 Owner shall ensure Management's access to Owner's Facility at all times necessary for Management to perform the Services as permitted by the Regulations.

3.3 Owner shall maintain the following insurances: (i) products liability; (ii) property hazard; (iii) general liability; (iv) multi-peril crop; (v) business interruption; (vi) data protection; and (vii) directors and officers, in such commercially reasonable amounts as required to protect against any potential losses, which shall include loss of business income to Owner and/or Management, and to protect Management from any loss or claim resulting from negligent acts of Owner. Management shall be named as an additional insured to Owner's insurance policies and Owner shall at all times be required to furnish Management with current certificates of insurance for such policies.

3.4 Owner shall be solely responsible for all reporting to, and communications with, all governmental agencies and representatives.

3.5 Owner shall hire a qualified neutral third-party to maintain the financial books and records of the business contemplated by Owner as part of this Agreement. The expense of this qualified neutral third-party shall be the sole responsibility of Owner.

4. Obligations of Management.

4.1 Management agrees to exercise professionalism, skill and expertise in performing the Services and the tasks required to complete the Services in a diligent, timely and workman-like manner.

4.2 Management shall provide sufficient personnel and Management Personnel as to perform the Services in accordance with the terms of this Agreement in accordance with all Regulations. The personnel will be employees or independent contractors of Management, not of Owner.

4.3 Management shall comply with all Regulations, including any law regarding marijuana cultivation, dispensaries, manufacturing, processing, marketing, distribution, and sales, and shall maintain the validity of all licenses as may be required by any state or local law.

4.4 Management shall maintain Owner's Facility and Owner's assets in safe and optimal working condition, normal and reasonable wear and tear expected. For purposes of this section, optimal working condition shall mean that the Owner's Facility shall meet or exceed all required security and safety laws, rules and codes, and all Regulations.

4.5 Management shall only allow its employees and subcontractors that are properly licensed pursuant to the Regulations to perform Services in Owner's marijuana facility.

4.6 Management shall maintain reasonable control over and shall reasonably supervise its employees and independent contractors in the performance of the Services.

4.7 Management shall ensure that any third-party access that may be granted to Owner's Facility by Management shall be in strict compliance with the Regulations and that Management shall be responsible for the third-party at all times while in Owner's Facility.

4.8 Management shall maintain general liability insurance in the amount of not less than \$1,000,000.00, or the replacement cost of the Owner's Facility, whichever is greater. Owner shall be named as in additional insured to Management's insurance policy and Management shall at all times be required to furnish Owner with a current certificate of insurance for such policy. Additionally, Management shall at all times during the term of this Agreement adhere to all Arkansas insurance coverage laws, including, but not limited to, maintaining legally sufficient Workers' Compensation insurance that covers all necessary parties, as required by law, and ensuring all vehicles used in performing the Services are insured at or above the legal requirements in Arkansas. Owner shall pay for Management's Worker's Compensation insurance pursuant to Section 2.2.

4.9 Management shall provide immediate notice and copy to Owner of any material communications with governmental agencies and representatives.

4.10 During the term of this Agreement, Management shall maintain an employee handbook and shall enter and maintain confidentiality agreements with all its employees. Management shall maintain service agreements with its independent contractors and with its subcontractors and shall execute and maintain confidentiality agreements with its independent contractors and with its subcontractors to the extent that such independent contractors or subcontractors have or will have access to any confidential or proprietary information of Management or Owner.

4.11 Management shall provide Owner with monthly financial reports. Management shall be available at least once per month via either phone conference or in person, to confer with Owner about the financial reports and any budgeting issues.

5. Intellectual Property.

5.1 Confidential Information. Owner acknowledges that Owner may be entrusted with confidential information belonging to Management, including, but not limited to, Management's Incorporated Property ("Incorporated Property" shall be defined for purposes of this Agreement as any and all Management-owned information, documents, applications, data, schematics, and diagrams (1) used in association with and/or created in furtherance of this Agreement and/or the completion of any related matters and/or the satisfaction of any relevant state or local legal or regulatory requirements including anything related to the procurement of the necessary approvals to operate the Facility and/or the operation of any business that is operating in the same or similar business as the Owner; (2) included in any application, accompaniment to any application, submission, or other document related to or constituting, in whole or in part, a product of the Services and/or Management's performance under this Agreement; and/or (3) otherwise originating, in whole or part, out of the Services and/or the performance of this Agreement by Management) and portions thereof, strategies and plans, Management's contracts, Management's financial information, Management's professional fee information, Management's salary information, Management list, Management's payor and vendor lists, Management's cost and profit information, Management's record keeping practices, Management's policies and procedures, Management's operational matters and practices, Management information, Management's development and research work, Management's marketing programs, Management's plans, proposals, Management's applications, Management's accompaniments to applications, Management's narrative descriptions, Management's manuals and materials, Management's nutrient formulas, Management's soil formulas, Management's chemical formulas, Management's cultivation processes general and specific to certain strains, Management's know-how, Management's other trade secrets, Management's trademarks, Management's copyrights, Management's patents, Management's marijuana plant genetics and strains, Management's business and financial records, Management's customer lists and contractor lists and other information (hereinafter, the "Confidential Information" or "Proprietary Information"). Without limiting the generality or applicability of the foregoing, the terms of this Agreement, all exhibits and schedules referenced in this Agreement and all information on such exhibits, and all written and oral information delivered to, disclosed to, or shared with Owner by Management and/or Management's agents will constitute Confidential Information notwithstanding the fact that such information may have been delivered to, or shared with others by Management or otherwise become available to the general public, unless Management agrees otherwise in writing. Owner further acknowledges that Owner has been instructed by Management to, and Owner agrees that they will, maintain Management's Confidential Information in a confidential manner during the term of Agreement and after the termination or expiration of this Agreement. Without limiting the generality or applicability of the foregoing, Owner agrees that Owner will not disclose any of Management's Confidential Information to any person or entity not authorized in writing by Management to receive or use such Confidential Information. Owner further agrees that Owner will not use, and will not permit or aid others in the use of, Management's Confidential Information for any purpose other than the purposes contemplated by this Agreement.

5.2 Ownership; Proprietary Rights. Management shall retain all rights in and to the Confidential Information. Further, each Party shall retain all rights in and to its patents, patent applications, patent disclosures, inventions, improvements (whether patentable or not), copyrights, copyrightable works, trademarks, service marks, registrations, and other intellectual property and applications therefor (collectively, "Intellectual Property") created, developed, or conceived prior to the Effective Date or outside the performance of the Services, except that any Intellectual Property created, developed, or conceived using the Confidential Information at any time shall be solely owned by Management. To the extent that a Party creates any updates, derivative works, changes, or modifications of any Intellectual Property owned by Management or Intellectual Property incorporating any Management Confidential Information in the performance of the Services or otherwise, such updates, derivative works, changes, modifications or Intellectual Property ("Management Work Product") will be owned solely by Management (except as to any portion thereof that incorporates any Intellectual Property of Owner, which portion, if any, shall continue to be owned solely by Owner), and Owner hereby irrevocably assigns to Management all right, title, and interest in and to Management Work Product, including all Intellectual Property therein to the extent set forth, and subject to the limitations of, this Section 5.2. All Intellectual Property created, developed, or conceived solely by Management during the term of this Agreement shall be the sole and exclusive property of Management. Except as otherwise set forth in Sections 5.1 and 5.2: (i) all Intellectual Property created, developed, or conceived solely by the Owner during the term of this Agreement that is not otherwise deemed to be owned by Management pursuant to Sections 5.1 or 5.2 shall be the sole and exclusive property of the Owner; and (ii) all Intellectual Property created, developed, or conceived jointly by Owner and Management during the term of this Agreement that is not otherwise deemed to be owned by Management or by Owner pursuant to Sections 5.1 or 5.2 (collectively, "Joint Intellectual Property") shall be owned by Management and Owner on a 50-50 basis, provided, that, neither Management nor Owner shall license, sell, assign, hypothecate, gift, or otherwise transfer any other their right, title, or interest to any Joint Intellectual Property without the prior written consent of the other Party. Responsibility for all expenses related to ownership of any Intellectual Property shall be borne by the owner of such Intellectual Property. As to any Joint Intellectual Property: (a) responsibility for all expenses related to any said Joint Intellectual Property shall be borne by each Party on the same pro-rata basis as is the ownership interest; (b) the parties shall be entitled to interest in or rights to royalties as to such Joint Intellectual Property likewise on the same pro-rata basis as is the ownership interest; and (c) any other rights or duties not otherwise mentioned, herein, shall flow to the parties on the same pro-rata basis as is the ownership interest as to such Joint Intellectual Property. The parties shall cooperate in good faith to execute appropriate licensing agreements to facilitate the use of Management's and/or its affiliates' Intellectual Property in connection with Owner's operations.

6. Representations and Warranties.

6.1 By Owner. Owner represents and warrants that: (i) it has and will continue to maintain at all times all licenses required to cultivate, manufacture, and distribute marijuana pursuant to state laws and regulations; (ii) it has and will continue to conform to all applicable local, state and federal laws and regulations (excepting federal laws that conflict with state marijuana laws); (iii) the execution and delivery of this Agreement by Owner does not require the consent of any third-party, except for the applicable state-level regulatory agency, and will not violate, with our without notice, Owner's organizational documents or any agreement, contract, license or permit to which Owner is a Party or is bound; and (iv) Owner is, and at all times during the term of this Agreement will be, a manager-managed limited liability company or a corporation, and that Management shall at all times during the term of this Agreement be authorized to act as Owner's manager, officers, or authorized agent of Owner's manager to perform the Services in the manner set forth under this Agreement.

6.2 By Management. Management represents and warrants that it: (i) is engaged in an independent business and has full right and power to enter into and perform this Agreement without the consent of any third-party, except for the applicable state-level regulatory agency; and (ii) shall only allow Management employees, independent contractors, or subcontractors that are properly licensed pursuant to the Regulations to enter Owner's facilities to perform the Services.

7. Indemnification.

7.1 By Owner. Owner hereby agrees to defend, indemnify and hold Management, its directors, officers, employees, agents and affiliates harmless from and against any loss, claim, action, damage, expense or liability, including amounts paid in settlement or compromise of any such claim, action or demand (including defense costs and attorneys' fees) resulting from any third-party claim or suit arising out of or relating to (i) a material breach of this Agreement by Owner; (ii) the intentional or negligent conduct of Owner or any of Owner's directors, officers, employees, and/or agents; (iii) any product, good, or service sold or provided by Owner; (iv) the failure of any marijuana crop or degradation of any deliverables of Owner (whether under this Agreement or otherwise); provided, however, that the foregoing indemnity obligations shall not apply where such claim is the result of the intentional misconduct or negligent act of Management and there shall be apportionment in accordance with responsibility when such obligation derives in part from the acts or omissions of Owner.

7.2 By Management. Management hereby agrees to defend, indemnify and hold Owner, its directors, officers, employees, agents and affiliates harmless from and against any loss, claim, action, damage, expense or liability, including amounts paid in settlement or compromise of any such claim, action or demand (including defense costs and attorneys' fees) resulting from any third-party claim or suit arising out of or relating to (i) a material breach of this Agreement by Management; (ii) the intentional or negligent conduct of Management or any of Management's directors, officers, employees, independent contractors, and/or agents; or (iii) any claim that any cultivation process, dispensary process or product supplied by Management infringes any patent, copyright, trade secret or other right of any third-party; provided, however, that the foregoing indemnity obligation shall not apply where such claim is solely the result of the intentional misconduct or negligent act of Owner and there shall be apportionment in accordance with responsibility when such obligation derives in part from acts of Management.

7.3 Procedures. Unless otherwise agreed in writing by the Parties, in the event that a third-party claim is made or third-party suit is filed for which either Party intends to seek indemnification from the other Party pursuant to this section, the Party seeking indemnification (the "Indemnitee") shall promptly notify the other Party (the "Indemnitor") of said claim or suit. The Indemnitor shall have the right to control, through counsel of its choosing, the defense of such third-party claim or suit. The Indemnitee shall cooperate fully with the Indemnitor and its counsel in the defense of any such claim or suit and shall make available to the Indemnitor any books, records or other document necessary or appropriate for such defense. The Indemnitee shall have the right to participate, at the Indemnitee's expense, in the defense of any such claim or suit through counsel chosen by the Indemnitee. If the Indemnitor fails or refuses to conduct such defense, or the Indemnitee has been advised by counsel that it may have defenses available to it which are different from or in addition to those available to the Indemnitor, or that the Indemnitee's interests are adverse to the Indemnitor's interests, then the Indemnitee may defend against the action(s) at the Indemnitor's expense.

8. No Warranty; Limitation of Liability. ANY AND ALL DELIVERABLES AND PRODUCTS SUPPLIED OR DELIVERED BY MANAGEMENT PURSUANT TO THIS AGREEMENT ARE PROVIDED "AS IS" AND WITHOUT WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. NEITHER PARTY MAKES ANY WARRANTY OR REPRESENTATION OTHER THAN AS EXPRESSLY PROVIDED FOR ABOVE. MANAGEMENT SHALL NOT BE LIABLE TO OWNER OR ITS CUSTOMERS FOR ANY LOSS, CLAIM, DAMAGE OR LIABILITY OF ANY KIND OR NATURE THAT MAY ARISE FROM OR IN CONNECTION WITH ANY SALE OR USE OF THE DELIVERABLES OR PRODUCTS SUPPLIED BY MANAGEMENT, OR ANY MARIJUANA OR OTHER PRODUCT OR SERVICE OF OWNER, OR OTHERWISE ARISING OUT OF THIS AGREEMENT. TO THE EXTENT THE TERMS CONTAINED IN PARAGRAPH 8 CONFLICTS WITH THE TERMS CONTAINED IN PARAGRAPHS 7.0 THROUGH 7.3, PARAGRAPHS 7.0 THROUGH 7.3 SHALL PREVAIL. THIS PARAGRAPH IS SUBJECT TO APPLICABLE LAWS, IF ANY, WHICH PROHIBIT ANY ATTEMPT TO DISCLAIM WARRANTIES WHICH ARE NOT DISCLAIMABLE.

9. Terms and termination.

9.1 Unless earlier terminated as provided for in this section, the term of this Agreement shall commence upon the Effective Date and continue for five (5) years (the "Term"). The Agreement may be renewed by the Parties contingent on terms mutually agreed to by the parties.

9.2 Either Party may terminate this Agreement (i) in the event of a material breach by the other Party as detailed in Section 9.4 or (ii) at any time upon mutual written consent.

9.3 It is intended that this Agreement shall run with the business. In the event of any transfer of the voting rights or control of the business of Owner, regardless of the form of such transfer, or the sale of the applicable license(s), or any other occurrence that results in an impermissible or intended termination of the Management or that is designed to give rise to any of the conditions enumerated in Section 9.5, the Management shall be entitled to an immediate and complete acceleration of its rights.

9.4 Subject to the provisions of the section entitled "Force Majeure," if either Party shall breach any material obligation required under this Agreement, the other Party must give prompt written notice describing in detail the breach and its intention to terminate this Agreement if the breach is not cured (the "Notice of Breach"). If the breaching Party fails to cure such material breach within Ten (10) days following such Notice, or if such breach is not capable of cure within thirty (30) day period, then the non-breaching Party may, in addition to all other remedies available at law or in equity, terminate this Agreement upon written notice of final termination to the breaching Party (the "Final Notice of Breach"). Notwithstanding the foregoing, in the event of non-payment by Owner, the cure period shall not exceed thirty (30) days. For purposes of clarity and not of limitation, breach by either Party of any obligation set forth in Sections 2, 3, 4, 5, 6, 7 or 9.5 shall be considered a breach of a material obligation and give rise to the rights contained in this paragraph.

9.5 Upon termination of this Agreement for any reason, all fees, compensation, and expenses due to Management in connection with Services rendered before the date of termination shall become immediately due and payable to Management.

10. Relationship of Parties.

10.1 Independent Contractor Status. This Agreement establishes an independent contractor relationship.

10.2 Current Management Status. Management shall be solely responsible for determining the method, details and means of performing the Services. Management may engage the services of such employees, subcontractors, partners or agents, as Management deems necessary to perform the Services, subject to Owner approving the number of employees and compensation of the personnel (collectively, the "Personnel"). The Personnel are not and shall not be employees of Owner, and Management shall be wholly responsible for the professional performance of the Services by the Personnel such that the results are satisfactory to Owner. Management shall have the right, on behalf of Owner, to enter into agreements required to deliver the Services, provided that express, prior authorization by an authorized representative of the Owner has been obtained.

11. Notices. Any notices required or permitted hereunder shall be in writing and shall be personally delivered or sent by mail, Federal Express or similar courier service, all of which shall be effective upon receipt. Notices sent by mail or courier shall be addressed as follows:

If to Management:

Nevada Medical Group, LLC
Attn: Robert Hasman
3375 Pepper Lane
Las Vegas, NV 89120
rh@nevada-medical group.com

If to Owner:

Comprehensive Care Group, LLC
Attn: Don Marshall
3375 PO Box 242132
Little Rock, AR 72223
donjmar@yahoo.com

12. Assignment.

12.1 No Assignment. This Agreement may not be assigned by either Party without the other's prior written consent, and any such attempted assignment shall be void and of no effect. Subject to the preceding sentence, Management shall not be required to seek or obtain the consent of Owner in connection with any assignment by Management: (i) to a parent, subsidiary, or affiliate; or (ii) in connection with a merger, acquisition, reorganization or consolidation, but Management shall provide reasonable notice to Owner of any such assignment before such assignment occurs.

13. Miscellaneous.

13.1 Licensing Fees. Owner shall be solely responsible for all governmental application and/or licensing fees related to this Agreement and Management's performance of the Services as provided for herein.

13.2 Late Payments. All payments to Management from Owner that are not received when due will accrue a late fee in the amount of five percent (5%) annually, of the outstanding and unpaid balance per month.

13.3 *Intentionally omitted.*

13.4 Severability. Should any one or more of the provisions contained in this Agreement, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein.

13.5 Waiver of Breach. A waiver by either Party of a breach of any provision of this Agreement by the other Party shall not operate or be construed as a waiver of any subsequent breach by the other Party.

13.6 Limitation of Liability. Neither Party shall be liable for any indirect, special, consequential, punitive or similar damages, it being the intention of the parties to limit any damages awarded to actual damages experienced as a result of any breach by either Party.

13.7 Force Majeure. Except for obligations of payments to the Party, neither Party shall be held liable or responsible for failure or delay in fulfilling or performing any obligation of this Agreement in the event such failure or delay is due to Acts of God, governmental regulations or actions, inability to obtain material, labor, equipment or transportation or any other condition beyond the reasonable control of the affected Party, provided such Party has taken commercially reasonable steps to avert such causes or conditions. Each Party agrees to give the other Party prompt written notice of such causes or conditions. Each Party agrees to give the other Party prompt written notice of the occurrence and the nature of any such condition, and the extent to which the affected Party will be unable to fully perform its obligation hereunder. Each Party further agrees to use all reasonable efforts to correct the condition as quickly as possible.

The parties agree that in the event that future legislation is enacted or regulations are promulgated or a decision of a court is rendered that, in the opinion of legal counsel for either Party, affects or may affect the legality of this Agreement or materially and adversely affect the ability of either Party to perform its obligations or receive the benefits hereunder, then both parties agree to work in good faith to amend this Agreement as necessary to bring the Agreement into compliance with applicable laws and to carry out the original intention of the parties to the extent possible. In doing so, Parties agree to adhere to the prompt written notice requirements of this Section 13.7 and the notice requirements of Section 11.

13.8 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws the State of Arkansas, without regard to the principals of conflicts of law thereof. The Parties expressly waive any defense to enforcement based upon nonconformance with federal law.

13.9 Dispute Resolution – Negotiation, Mediation and Arbitration.

(a) Negotiation. In accordance with the terms of this Agreement, and upon written notice of any controversy, dispute, disagreement or claim arising out of or relating to this Agreement, the Parties shall attempt to resolve in good faith the controversy, dispute, disagreement or claim promptly by negotiation between the Parties (the “Negotiation”).

(b) Mediation. If the controversy, dispute, disagreement or claim has not been resolved by the Negotiation in accordance to Section 13.9(a) within thirty (30) calendar days after either Party requested in writing negotiation under Section 13.9(a), then the Parties agree to try in good faith to settle the controversy, dispute, disagreement or claim by mediation administered by the American Arbitration Association (“AAA”) under its Commercial Mediation Procedures, which are incorporated by reference into this Section 13.9(b). The mediation will take place in Pulaski County, Arkansas.

(c) Arbitration. If the Parties are unable to settle the controversy, dispute, disagreement or claim through mediation in accordance with Section 13.9(b) within thirty (30) calendar days after appointment of the mediator, or within such other period as the Parties may agree in writing, their sole avenue for relief shall be through binding Arbitration administered by the AAA under its Arbitration Rules and Mediation Procedures, which are incorporated by referenced into this Section 13.9(c). The arbitration will take place in Pulaski County, Arkansas and the arbitrator(s) shall apply the law of the State of Arkansas to the merits of any dispute or claim, without reference to rules of conflicts of laws. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties will determine the number of arbitrators in writing within forty-five (45) calendar days after appointment of the mediator, or within such other period as the Parties may agree in writing. If the Parties cannot make a decision within that forty-five (45) calendar day period of time, the AAA will determine the number of arbitrators.

13.10 Entire Agreement. This Agreement, inclusive of Exhibits, contains the full and complete understanding of the parties with respect to its subject matter and supersedes all prior representations and understanding, whether oral or written. This Agreement may only be modified by the mutual written consent of the parties.

13.11 Remedies. Owner and Management agree that Management and Owner will be entitled to the grant of equitable remedies in order to enforce this Agreement, including, without limitation, an expedited court issued affirmative injunction prohibiting the breach of any of the material provisions contained herein without the need to post any bond.

13.12 Attorneys’ Fees. If any dispute arises between the parties with respect to this Agreement, and there follows a proceeding to resolve such dispute, the prevailing Party in such proceeding shall be entitled to receive its reasonable attorney’s fees, expert witness fees and out-of-pocket costs incurred in connection with any such proceeding at any level, in addition to any other relief it may be awarded.

13.13 Conformance of Agreement to Arkansas Regulatory Conditions and Approval. The Parties acknowledge and agree that the terms of this Agreement are subject to the approval of the Authorities and the Parties agree to negotiate in good faith to conform with any guidance provided by the Authorities relating to this Agreement.

13.14 Survival. Sections 2, 5, 7, 8 and 9 of this agreement and any meant to survive the termination of this Agreement shall survive termination of this Agreement, regardless of the reason for termination.

13.15 Time. Time is of the essence for this Agreement and each provision contained in this Agreement. Any extension of time granted for the performance of any obligation under this Agreement will not be considered an extension of time for the performance of any other obligation under this Agreement.

13.16 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

13.17 Advice of Counsel. Each Party acknowledges that, in executing this Agreement, it has had the opportunity to seek the advice of independent legal counsel and has read and understood all of the terms and provisions of this Agreement. This Agreement shall not be construed against any Party by reason of the drafting or preparation hereof.

13.18 Counterparts. The parties may execute this Agreement in any number of counterparts, each of which will be deemed an original.

13.19 Right to Inspect the books. All books, reports, financial reports, records, contracts and accounts of the Owner's company, together with executed copies of this Agreement and all other company agreements and any amendment thereof, shall be available for inspection and copying by Management upon providing three (3) days' advance written notice. Any such inspection by Management shall be conducted at reasonable times so as to avoid interfering with Owner's business.

[Signature page Follows]

IN WITNESS WHEREOF the parties have executed this Agreement effective as of the date first set forth above.

OWNER:

Comprehensive Care Group, LLC

By: /s/ Don Marshall
Manager

Name: Don Marshall
Title: Manager and Member

MANAGEMENT:

Nevada Medical Group LLC

By: /s/ Robert Hasman
President

Name: Robert Hasman
Title: President

EXHIBIT A
STATEMENT OF WORK

Operations Management Services

Management will have full responsibility and authority to manage the day-to-day operations of all of Owner's business activities conducted at Owner's Facility, including but not limited to: General retail management, manufacturing, processing, sales, inventory management, human resource, payroll management, security, marketing, compliance and general administrative functions, provided, however, that Management shall be required to obtain the unanimous written consent of Owner and DEP Nevada Inc., a Nevada corporation ("BAM") (who serves as a lender to Owner) prior to taking any of the following actions on behalf of Owner in connection with Owner's Facility:

1. A decision to employ or engage persons where such person's compensation is in excess of USD \$10,000.00 per month;
2. A decision to contract to sell, sell, exchange, grant any option on, or otherwise transfer or dispose of any real property or personal property of Owner or any portion thereof or any interest therein other than inventory or product sales in the ordinary course of business (collectively, "Non-Product Sales") in a single transaction or a series of related transactions;
3. A decision to borrow money from any person or entity;
4. A decision to contract to lease any real property of Owner or any portion thereof or any interest therein;
5. A decision to mortgage, pledge, hypothecate or authorize or grant any security interest or lien in or on real property or personal property of Owner;
6. A decision to make any purchases or expenditures for the organization, operation and conduct of the business and affairs of Owner as to any non-cost-of-goods expenses such as capital expenses (collectively, "Non-COGS Expenses), or to negotiate, execute, acknowledge, file, record, deliver and perform any agreements and instruments necessary or appropriate for the conduct of Owner's business and affairs as to any Non-COGS Expenses with a value greater than USD \$10,000.00 per transaction or series of related transactions or any Non-Product Sales with a value greater than USD \$10,000.00 per transaction or series of related transactions;

7. A decision to prepay, modify, amend, renew, or extend any authorized indebtedness of Owner;

8. A decision to execute and accept any instrument, conveyance, or agreement incident to the real property or personal property of Owner or the Owner's except for any inventory or product sales in the ordinary course of business or any cost-of-goods expenses; and

9. A decision to enter into contracts, leases or other business undertakings to further the purposes of the Owner's business (except for any inventory or product sales in the ordinary course of business or any cost-of-goods expenses) with a value greater than USD \$10,000 per transaction or series of related transactions.

Management shall provide monthly management reports to Owner. Management reports shall provide information on income, expense, human resource, sales updates and projections, and any additional pertinent information.

Owner shall have the right to audit, and/or monitor bookkeeping, management, daily operations as needed.

EXHIBIT B
COMPENSATION FOR SERVICES

In consideration for the Services, commencing on the effective date of this Agreement, Owner agrees to pay Management an Operations Management Fee (as defined below) for providing the Operations Management Services described in Exhibit A.

The "Operations Management Fee" will be calculated as follows:

A monthly management fee shall be paid to Management in the amount equal to sixty-six and 67/100 percent (66.67%) of the Monthly Net Profits (as defined below) of Owner for the immediately-preceding month, all as determined in a manner mutually agreeable to Management and Owner. Notwithstanding the foregoing, in the event that BAM effectuates a Conversion (as defined under that certain Convertible Loan Agreement of even date herewith between BAM and Owner), then Management's Operations Management Fee shall equal USD \$6,000.00 per month, unless otherwise agreed by the parties in writing. For purposes of this Agreement, "Monthly Net Profits" means, for each calendar month, an amount equal to Owner's gross revenue for such calendar month less the Owner's operating expenses, including all applicable expenses under Section 2 of this Agreement, cost of goods sold, interest, and tax for said month, all as reasonably determined in accordance with generally accepted accounting principles.

In accordance with the accounting procedures as defined by "Monthly Net Profits" above, the 33.33% remainder of the Monthly Net Profits shall be paid to CCG, which in its sole discretion, may distribute to its owners.



NEWS RELEASE– For Immediate Distribution

Body and Mind Inc. Expands into Arkansas

VANCOUVER, B.C., CANADA (March 21, 2019) – Body and Mind Inc. (CSE: BAMB, OTC PINK: BMMJ) (the “Company” or “BaM”) a multi-state operator, is pleased to announce expansion into Arkansas with in-state partner, Comprehensive Care Group LLC (“CCG”). The companies will work together to develop a medical marijuana dispensary facility in West Memphis, Arkansas. Medical marijuana dispensaries in Arkansas are licensed for both retail sales and cultivation of up to 50 plants within the same facility.

Nevada Medical Group LLC (“NMG Nevada”) and DEP Nevada Inc. (“DEP Nevada”), wholly owned subsidiaries of the Company, recently entered into a management agreement and a convertible loan agreement, respectively, with CCG whereby the Company has agreed to provide CCG with:

- A management agreement whereby NMG Nevada will provide operations and management services, including management, staffing, operations, administration, oversight, and other related services. Under the management agreement, NMG Nevada will be paid a monthly management fee equal to a percentage of the monthly net profits of CCG, subject to conversion of the convertible loan as discussed below upon which the monthly management fee shall be USD\$6,000 per month, unless otherwise agreed by the parties in writing.
- A convertible loan of up to USD\$1,250,000 from DEP Nevada to CCG with proceeds used to fund construction of the facility, working capital and initial operating expenses. The loan bears interest at a fixed rate of USD\$6,000 per month until the parties mutually agree to increase the interest. Within one year of granting of a medical marijuana dispensary license or one year after entering into the convertible loan, DEP Nevada may elect to convert the loan into preferred units of CCG equal to 40% of all outstanding units of CCG, subject to approval of the Arkansas Medical Marijuana Commission.

Additionally, CCG has issued a convertible promissory note in favor of DEP Nevada which promises to pay DEP Nevada the principal sum of up to USD\$1,250,000 or so much thereof is advanced under the terms of the convertible loan with interest on the balance of such principal sum from time to time outstanding.

“We are pleased to have been successful in assisting Comprehensive Care Group obtain a dispensary license through the application process, an initiative that creates significant value for all stakeholders. Secondly, this deal provides BaM shareholders greater retail exposure, a fourth platform for growth and a path to launch some of its’ own products to the medical patients of Arkansas,” stated Robert Hasman, director of the Company.” We are proud to have been selected as one of only 32 dispensary licenses awarded in Arkansas and look forward to working with Comprehensive Care Group.”

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

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About Body and Mind

BaM is a publicly traded company investing in high quality medical and recreational cannabis cultivation, production and retail. Our wholly-owned Nevada subsidiary was awarded one of the first medical marijuana cultivation licences and holds cultivation and production licenses. BaM products include dried flower, edibles, topicals, extracts as well as GPEN Gio cartridges. BaM marijuana strains have won numerous awards including the Las Vegas Hempfest Cup 2016, High Times Top Ten, the NorCal Secret Cup and the Emerald Cup. BaM continues to expand operations in Nevada, Ohio and its investment in California and is dedicated to increasing shareholder value by focusing time and resources on improving operational efficiencies, facility expansions, state licensing opportunities as well as mergers and acquisitions.

Please visit www.bamcannabis.com for more information.

Safe Harbor Statement

Except for the statements of historical fact contained herein, the information presented in this news release constitutes "forward-looking statements" as such term is used in applicable United States and Canadian laws. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any other statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and should be viewed as "forward-looking statements".

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and other factors include, among others, the actual results of activities, variations in the underlying assumptions associated with the estimation of activities, the availability of capital to fund programs and the resulting dilution caused by the raising of capital through the sale of shares, accidents, labor disputes and other risks. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements contained in this news release and in any document referred to in this news release.

Certain matters discussed in this news release and oral statements made from time to time by representatives of the Company may constitute forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. Forward-looking information is subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those projected. Many of these factors are beyond the Company's ability to control or predict. Important factors that may cause actual results to differ materially and that could impact the Company and the statements contained in this news release can be found in the Company's filings with the Securities and Exchange Commission. The Company assumes no obligation to update or supplement any forward-looking statements whether as a result of new information, future events or otherwise. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities.
