

MEMBERSHIP INTEREST PURCHASE AGREEMENT

among

SELLERS LISTED ON EXHIBIT A ATTACHED HERETO

the members of CannTech PA, LLC

CANNA RESEARCH LLC

as the Sellers' Representative

CANNTECH PA, LLC

the Company

CSAC ACQUISITION PA CORP.

Buyer

and

AYR STRATEGIES, INC.

Parent

November 20, 2020

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MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement (this “**Agreement**”), dated to be effective as of November 20, 2020, is entered into by and among each of the Persons listed on Exhibit A attached hereto (each being referred to individually as a “**Seller**” and collectively as “**Sellers**”), Canna Research LLC, as the representative of Sellers (“**Sellers’ Representative**”), CannTech PA, LLC, a Delaware limited liability company (the “**Company**”), CSAC Acquisition PA Corp., a Nevada corporation (“**Buyer**”), and AYR Strategies, Inc., a British Columbia corporation and parent corporation of Buyer (“**Parent**”). Sellers, the Company, Buyer and Parent may be referred to individually as a “**Party**” and collectively, as the “**Parties.**” An index of defined terms used in this Agreement is set forth in Annex I.

RECITALS

WHEREAS, the Company is engaged in the business of cultivating and producing medical cannabis and developing and operating medical cannabis dispensaries in the Commonwealth of Pennsylvania (the “**Business**”);

WHEREAS, Sellers own all of the membership interests of the Company (the “**Company Interests**”), as set forth on Exhibit B;

WHEREAS, Sellers wish to contribute, convey and transfer, and Buyer wishes to acquire, all of the Company Interests, in exchange for the Stock Consideration and the Non-Stock Consideration, subject to the terms and conditions set forth herein;

WHEREAS, as a material inducement to Buyer and Parent to enter into this Agreement and consummate the transactions contemplated hereby, 535 Keystone Drive, LLC entered into an option agreement with Parent, in the form attached as Exhibit C, pursuant to which to Parent will, at the Closing, be granted an option to purchase the real property and improvements thereon located at 535 Keystone Drive, Warrendale, Pennsylvania (the “**Real Estate Option Agreement**”); and

WHEREAS, the Parties intend that the Membership Contribution together with the Parent Contribution be treated as a partially tax-deferred contribution under Section 351(b) of the Code for U.S. federal and analogous state and local tax purposes.

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

ARTICLE I

PURCHASE AND SALE

Section 1.01 Purchase and Sale, and Contribution, of Company Interests On the terms and subject to the conditions of this Agreement, at the Closing, each Seller shall contribute, convey, transfer, assign and deliver to Buyer, and Buyer will acquire from each Seller, all of the Company Interests owned by such Seller (as set forth on Exhibit B), in exchange for such

Seller's share of the Stock Consideration and the Non-Stock Consideration set forth in the Funds Flow (which will contain an update to Exhibit B to account for any changes to the allocation of the Stock Consideration and the Non-Stock Consideration and the other numbers and percentages set forth therein resulting from the determination of estimated Excluded Liabilities at Closing) (the "**Membership Contribution**"), in each case free and clear of all Encumbrances, other than Encumbrances imposed by federal and state securities Law, those imposed by the Company LLC Agreement (as hereinafter defined) and the Pledge Agreement dated as of September 3, 2020 by and among Parent and certain of the Sellers party thereto (the "**Pledge Agreement**" and collectively with federal and securities Laws and the Company LLC Agreement, the "**Permitted CI Encumbrances**"). As used in this Agreement, "**Encumbrances**" means any charge, claim, pledge, lien, mortgage, community property interest, option, security interest, right of first refusal or similar restriction of any kind, in each case whether voluntary or involuntary. The parties intend that the Membership Contribution together with the Parent Contribution be treated as a single integrated transaction qualifying as a partially tax-deferred contribution under Section 351(b) of the Code for U.S. federal income tax purposes and analogous state and local law tax provisions (the "**Intended Tax Treatment**").

(a) As consideration for the Membership Contribution, each Seller will receive the amounts as set forth on the Funds Flow of the following:

Commercially sensitive information - Deposit amount.

(i) an aggregate of \$25,197,000 in cash (the "**Cash Consideration**"), of which an aggregate of [] was prepaid by Parent to Sellers on or about August 26, 2020 (the "**Deposit**") (provided however that the Deposit shall not (A) reduce the amount of the Break-Up Fee (as hereinafter defined) or (B) be returned to the Parent except as expressly set forth in Section 8.02(a) if the Closing does not occur), subject to adjustment as provided in Section 1.01(b); and

(ii) an aggregate of \$15,197,000 in deferred consideration in the form of promissory notes issued by Buyer, maturing forty two months from the Closing Date, with interest payable quarterly in arrears at the rate of 9% per annum in the form attached hereto as Exhibit D (each, a "**Promissory Note**" and collectively with the Cash Consideration, the "**Non-Stock Consideration**"); each Promissory Note shall be guaranteed by Parent pursuant to that certain guarantee to be executed by Parent at the Closing in substantially the form attached hereto as Exhibit E (the "**Promissory Note Guaranty**"), and secured by a security interest (which may be subordinated to security interests granted in secured debt financings with third parties unaffiliated with the Buyer, the Parent, the Company (after the closing) and their respective Affiliates on the terms and conditions set forth therein) in the assets of the Company in the form attached hereto as Exhibit F (the "**Security Agreement**"); and

(iii) an aggregate of \$15,000,000 (subject to adjustment for the payment for fractional shares described herein) in Class B non-voting exchangeable shares of Buyer, based on a deemed price of \$11.45 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, stock combination or other similar transaction occurring after the date hereof but prior to the Closing Date) (the "**Per Share Price**"), which shares are exchangeable on a one-to-one

basis for Subordinate Voting Shares that are listed on the Canadian Securities Exchange (the “**Stock Consideration**”); provided that in the event any Seller’s pro rata portion of the Stock Consideration includes a fractional share, such Seller shall be paid, in lieu of such fractional share, an amount in cash equal to the product obtained by multiplying the Per Share Price by such fractional share (in each case, as set forth in the Funds Flow). As used in this Agreement, “**Aggregate Consideration**” means the Non-Stock Consideration plus the Stock Consideration.

(b) The Cash Consideration shall be reduced on a dollar-for-dollar basis by the aggregate outstanding balance of (i) all amounts owed by the Company pursuant to the Investor Debt Documents (as defined in the Disclosure Schedules), including any interest and penalties thereon, (ii)

Commercially sensitive information - relationship with third party.

and (iii) accounts payable and trade payables of the Company that are past due and remain unpaid as of the Closing, including any interest, fines or penalties thereon (collectively, the “**Excluded Liabilities**”). At the Closing, an estimate of the amount of the Excluded Liabilities shall be deducted from and set-off against the Cash Consideration paid at the Closing, and at the Closing, the Buyer shall pay to each holder of such Excluded Liability the amount of such Excluded Liability, in accordance with payment instructions provided by the Company to Buyer. Such estimate of the Excluded Liabilities and the amount thereof shall be prepared in good faith by the Company in reasonable detail and delivered to the Buyer, as part of the Funds Flow, at least one Business Day prior to the Closing Date. Within thirty days after the Closing Date, Buyer shall prepare and deliver to Sellers’ Representative a calculation of the actual amount of the Excluded Liabilities as of the Closing and the Cash Consideration resulting therefrom, all in reasonable detail. Buyer will make available to the Sellers’ Representative the Company’s records, books and any workpapers used by the Buyer in preparing its calculation of the actual amount of the Excluded Liabilities as of the Closing and the Cash Consideration resulting therefrom, and will otherwise reasonably cooperate with the Sellers’ Representative in its review of the Buyer’s calculation, including, without limitation, providing the Sellers’ Representative with reasonable access during normal business hours following prior notice by the Sellers’ Representative to the applicable employees of the Company, the Buyer and the Parent, and the Sellers’ Representative shall have thirty days after its receipt of Buyer’s calculations to agree or dispute in writing delivered to the Company, in reasonable detail, the final calculations of the actual amount of Excluded Liabilities and the Cash Consideration resulting therefrom. If Sellers’ Representative disputes any such calculations during such thirty day period in accordance with the procedures set forth in this Section 1.01(b), the Buyer and the Sellers’ Representative shall have thirty days (or such longer period as they may mutually agree) to resolve any disputes of the actual amount of Excluded Liabilities as of the Closing and the calculation of the Cash Consideration resulting therefrom. If the Sellers’ Representative and Buyer are unable to so agree during such period, then the open items in dispute shall be resolved in accordance with Section 10.08. Upon the final determination of the actual amount of Excluded Liabilities and the Cash Consideration resulting therefrom in accordance with this Section 1.01(b), (i) if the Cash Consideration determined in accordance with this Section 1.01(b) exceeds the Cash Consideration paid at the Closing, Buyer shall pay the amount of such excess to Sellers in accordance with their

pro rata share as described in the applicable column on the Funds Flow, and (ii) if the Cash Consideration determined in accordance with this Section 1.01(b) is less than the Cash Consideration paid at the Closing, the amount of such deficiency (expressed as a positive number) shall be paid to Buyer by Sellers, jointly and severally. Any payment in accordance with the preceding sentence shall be made by wire transfer of immediately available funds to the account designated by the Buyer or the Sellers, as applicable, within three Business Days of the final determination of the Cash Consideration. For purposes of clarity, neither (i) the amount of deferred rent which is payable after the Closing nor (ii) the indebtedness described in Section 6.08 shall be considered an Excluded Liability or an account or trade payable of the Company for purposes of this Section 1.01(b). “**Business Day**” means any day that is not a Saturday, Sunday or other day on which banking institutions in Delaware are authorized or required by Law or Governmental Order to close.

(c) As a condition to the issuance of Stock Consideration to any Seller, such Seller must enter into both (i) an exchange rights agreement substantially in the form attached hereto as Exhibit G setting forth the rights and obligations of the Stock Consideration (collectively, the “**Exchange Rights Agreements**”), and (ii) a lockup agreement substantially in the form attached hereto as Exhibit H pursuant to which one-half of the Stock Consideration will be subject to a four month lockup period after the Closing Date and the remaining half of the Stock Consideration will be subject to a 12 month lockup period after the Closing Date (collectively, the “**Lockup Agreements**”).

ARTICLE II

CLOSING

Section 2.01 Closing. The consummation of the transactions contemplated by this Agreement (the “**Closing**”) will take place remotely via the electronic exchange of documents and signatures as soon as practicable following the satisfaction or waiver of the conditions set forth in Article VII (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at such time) and in any event within three Business Days thereafter, or on such other date as Buyer and Sellers’ Representative may mutually determine (the “**Closing Date**”), and at such place or manner as Buyer and Sellers’ Representative may mutually agree. The Closing shall be deemed to occur at 12:01 a.m., Eastern Standard Time, on the Closing Date (the “**Effective Time**”).

Section 2.02 Seller Closing Deliverables. At the Closing (or prior to the Closing, if specified below), Seller(s) and the Company, as applicable, will deliver to Buyer and Parent the following:

(a) executed assignments in customary form transferring the Company Interests to Buyer;

(b) a certificate of existence and good standing for the Company from the Secretary of the Department of State for the Commonwealth of Pennsylvania;

(c) all Closing Approvals (as hereinafter defined) marked with an asterisk in Schedule 3.05 and Schedule 4.04 (the “**Required Closing Approvals**”) in forms satisfactory to Buyer and the Sellers’ Representative in each of their reasonable discretion;

(d) at least one Business Day prior to the Closing Date, a funds flow prepared in good faith by the Company in accordance with the Company LLC Agreement setting forth, in reasonable detail, (i) the Company’s estimate of the Excluded Liabilities, (ii) an update to Exhibit B (setting forth revised numbers and percentages, including each Seller’s revised indemnification percentage (which percentage will be determined by dividing the aggregate amount of consideration received by such Seller by the Aggregate Consideration) after taking into account the Company’s estimate of the Excluded Liabilities at Closing) and (iii) payment instructions with respect to each of the cash payments set forth therein (the “**Funds Flow**”);

(e) payoff letters providing for or other similar written evidence of, in a form satisfactory to Buyer in its reasonable discretion, the release of all Encumbrances (other than Permitted CI Encumbrances) on or relating to the Company Interests, if any;

(f) a certificate of an officer of the Company certifying: (i) that attached thereto are true and complete copies of all resolutions adopted by the managers of the Company authorizing the execution, delivery and performance of this Agreement and the Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby; (ii) that attached thereto are true and complete copies of the Company’s certificate of formation and the Company LLC Agreement, and that all such documents are in full force and effect, and (iii) the names and signatures of the officers of the Company authorized to sign this Agreement and the Transaction Documents to which it is a party;

(g) a certificate of an officer or if there are no officers a duly authorized person of each of Canna Research LLC and Chi-Town CPTA LLC certifying: (i) that attached thereto are true and complete copies of all resolutions adopted by the governing body of such Seller authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby; and (ii) the names and signatures of the authorized persons of such Seller authorized to sign this Agreement and the other documents to be delivered hereunder;

(h) an executed Lockup Agreement from each Seller;

(i) an executed Exchange Agreement from each Seller;

(j) a consulting agreement with Buyer (or the Company), in form and substance reasonably satisfactory to Buyer and such other person, executed by each of

Confidential personal identity details.

(k) if requested by Buyer in writing prior to Closing, resignations, effective as of the Closing, of the following officers and managers of the Company:

Confidential personal identity details.

;

(l) if requested by Buyer in writing prior to Closing, evidence in form and substance reasonably satisfactory to Buyer that the arrangements comprising the Member Compensation (as defined in Schedule 3.09(a)) have been terminated;

(m)

Commercially sensitive information - IP licensing agreements.

(n) a properly prepared and executed IRS Form W-9 of the Company and each Seller;

(o) a CD-Rom or thumb drive containing electronic copies of all documents in the electronic data site as of Closing; and

(p) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to this Agreement, including those required to be delivered under Section 7.02.

Section 2.03 Buyer Closing Deliverables. At the Closing, Parent and Buyer, as the case may be, shall deliver or cause to be delivered to Sellers the following:

(a) each Seller's share of the Cash Consideration (less the amounts described in Section 1.01(b) which shall be paid by the Buyer to the holders of Excluded Liabilities), such Seller's Promissory Note and such Seller's share of the Stock Consideration (including the cash payment in lieu of any fractional shares), in each case, as set forth in the Funds Flow (and such payments described in this Section 2.03(a), if made in accordance with the Funds Flow, shall fully discharge the obligations of Parent and Buyer to make such payments under this Agreement);

(b) a certificate of an officer of each of Parent and Buyer certifying: (i) that attached thereto are true and complete copies of all resolutions adopted by their respective board of directors authorizing the execution, delivery and performance of this Agreement and the Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby; (ii) that attached thereto are true and complete copies of the Buyer's organizational documents, as amended (which, in the case of the Amended and Restated Articles of Organization of Buyer, shall contain (A) the terms set forth in Exhibit I hereto, (B) such other terms that are required under Nevada Law and (C) such other terms as are customary for corporations under Nevada Law and satisfactory to the Sellers' Representative, in its reasonable discretion, provided that such terms are not inconsistent with the terms described in clause (A) and which, in the case of the bylaws of Buyer, shall be substantially in the form attached hereto as Exhibit J) and the Parent's organizational documents, and that all such documents are in full force and effect and (iii) the

names and signatures of its officers authorized to sign this Agreement, and the Transaction Documents to which it is a party;

- (c) the Exchange Agreements executed by Buyer and Parent;
- (d) the Lockup Agreements executed by Buyer and Parent;
- (e) the Promissory Note Guaranty executed by the Parent;
- (f) the Security Agreement executed by the Company; and

(g) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Sellers, as may be required to give effect to this Agreement, including those required to be delivered under Section 7.03.

Section 2.04 Withholding. Notwithstanding anything to the contrary in this Agreement, Buyer or the Company (as appropriate) shall be entitled to deduct and withhold from consideration otherwise payable pursuant to this Agreement to any Seller or any other Person such amounts as are required to be deducted and withheld with respect to the making of such payment under the Internal Revenue Code of 1986, as amended (the “**Code**”) or any provision of applicable Law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to Seller or such other Person in respect of which such deduction and withholding was made. As used in this Agreement, “**Person**” refers to any Governmental Authority, natural person, association, joint venture, partnership, corporation, limited liability company, trust or other entity.

Section 2.05 Sellers’ Representative.

(a) By its execution of this Agreement, each Seller hereby irrevocably appoints Sellers’ Representative as the representative, attorney-in-fact and agent of such Seller in connection with the transactions contemplated by this Agreement and in any litigation or arbitration involving this Agreement solely with respect to actions and decisions required to be taken by the Sellers (as a group). In connection therewith, Sellers’ Representative is authorized to do or refrain from doing all further acts and things, and to execute all such documents as Sellers’ Representative shall deem necessary or appropriate, and shall have the power and authority to: (i) act for all Sellers (as a group) with regard to all matters pertaining to this Agreement; (ii) act for all Sellers (as a group) to transact matters of litigation with regard to all matters pertaining to this Agreement; (iii) receive funds, make payments of funds, and give receipts for funds; (iv) do or refrain from doing, on behalf of the Sellers (as a group), any further act or deed that Sellers’ Representative deems necessary or appropriate in Sellers’ Representative’s discretion relating to the subject matter of this Agreement; (v) give and receive all notices required to be given or received by the Sellers under this Agreement; (vi) agree to, negotiate, enter into settlements and compromises or comply with arbitration awards and court orders with respect to claims for indemnification made by Buyer, Parent or any of their Affiliates under Article IX; and (vii) receive service of process on behalf of the Sellers in connection with any claims under this Agreement.

(b) The Sellers’ Representative shall act for the Sellers on all of the matters set forth in Section 2.05 of this Agreement in the manner the Sellers’ Representative believes to be in

the best interest of the Sellers, but the Sellers' Representative shall not be responsible to any such Seller for any loss or damage any such Seller may suffer by reason of the performance by the Sellers' Representative of his duties under this Agreement, other than loss or damage arising from gross negligence or willful misconduct in the performance of such duties. In no event shall the Sellers' Representative be liable to the Sellers hereunder or in connection herewith for any indirect, punitive, exemplary, special, incidental or consequential damages. The Sellers' Representative shall be fully protected against the Sellers in relying upon any written notice, demand, certificate or document that they in good faith believe to be genuine, including facsimiles or copies thereof.

(c) For all purposes of this Agreement: (i) Buyer shall be entitled to rely conclusively on the instructions and decisions of Sellers' Representative as to the settlement of any disputes or claims under this Agreement, or any other actions required or permitted to be taken by Sellers' Representative hereunder, and no Seller shall have any cause of action against Buyer or Parent for any action taken by Buyer or Parent in reliance upon the instructions or decisions of Sellers' Representative; (ii) the provisions of this Section 2.05 are independent and severable, are irrevocable and coupled with an interest and shall be enforceable notwithstanding any rights or remedies that any Seller may have in connection with the transactions contemplated by this Agreement; and (iii) the provisions of this Section 2.05 shall be binding upon the executors, heirs, legal representatives, personal representatives, successors and assigns of each Seller, and any references in this Agreement to a Seller shall mean and include the successors to the rights of each applicable Seller hereunder.

(d) No Seller shall have the right to object to, dissent from, protest or otherwise contest any such decision or action of the Sellers' Representative unless such decision or action is contrary to applicable Law or arises from the gross negligence or willful misconduct of the Sellers' Representative.

(e) The Sellers' Representative may resign at any time, and may be removed for any reason or no reason by the vote of the holders of a majority of the voting Company Interests immediately prior to Closing (the "**Seller Majority**"); *provided, however*, if the Sellers' Representative resigns, the Sellers shall promptly appoint a new Sellers' Representative who shall assume such duties immediately upon such appointment. In the event of the death, incapacity, resignation or removal of a Sellers' Representative, a new Sellers' Representative shall be appointed by the Seller Majority promptly after the occurrence of such event. Written notice of such vote or a copy of the written consent appointing such new Sellers' Representative shall be sent to each of the Parent and Buyer promptly following such vote or consent, such appointment to be effective upon the date indicated in such consent; *provided*, that until such notice is received, Parent or Buyer shall be entitled to rely on the decisions and actions of the prior Sellers' Representative as described in this Section 2.05 (it being understood that the appointment of a new Sellers' Representative shall not serve to invalidate decisions and actions of the prior Sellers' Representative made in accordance with this Section 2.05).

(f) The Sellers' Representative shall not be liable to the Sellers for actions taken pursuant to this Agreement, except to the extent such actions shall have been determined by a court of competent jurisdiction to have constituted fraud, intentional misconduct, gross negligence or bad faith (it being understood that any act done or omitted pursuant to the advice of counsel, accountants and other professionals and experts retained by the Sellers' Representative

shall be conclusive evidence of good faith). The Sellers shall indemnify and hold harmless the Sellers' Representative from and against, compensate him, her or it for, reimburse him, her or it for and pay any and all Losses, arising out of and in connection with his, her or its activities as the Sellers' Representative under this Agreement, including without limitation any travel expenses such as transportation, lodging and meals, and reasonable attorney fees incurred in connection with his actions as the Sellers' Representative, in each case as such Loss is suffered or incurred; *provided*, that in the event it is finally adjudicated that a Loss or any portion thereof was primarily caused by the fraud, intentional misconduct, gross negligence or bad faith of the Sellers' Representative, the Sellers' Representative shall reimburse the Sellers the amount of such indemnified Loss attributable to such fraud, intentional misconduct, gross negligence or bad faith.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND SELLERS

Except as set forth in the correspondingly numbered section of the disclosure schedules (or to the extent it is reasonably apparent from a reading of the face of such disclosure that such disclosure qualifies a representation or warranty set forth in Article III) attached hereto (the "**Disclosure Schedules**"), the Company hereby makes the following representations and warranties to Parent and Buyer. For purposes of this Article III, "**Company's knowledge**," "**knowledge of Company**," and any similar phrases shall mean the actual knowledge of Confidential personal identity details.

in each case assuming a reasonable inquiry of such Person's direct reports, if and only if such Person is a member of the governing body of the Company or is employed by the Company.

Section 3.01 Organization, Authority, and Qualification of the Company.

The Company is a limited liability company, duly formed, validly existing, and in good standing under the laws of the State of Delaware and has the requisite power and authority to own, operate, or lease the properties and assets now owned, operated, or leased by it and to carry on its business as it has been and is currently conducted. Schedule 3.01 sets forth each jurisdiction in which the Company is licensed or qualified to do business, and the Company is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary, except where the failure to be so qualified or licensed would not have a Material Adverse Effect (as hereinafter defined).

Section 3.02 Authority. The Company has requisite power and authority to enter into this Agreement and all agreements, documents, assignments, instruments, notes and certificates (collectively, the "**Transaction Documents**") to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by the Company of this Agreement and the Transaction Documents to which it is a party, the performance of its obligations hereunder and thereunder and the consummation by the Company of the transactions contemplated hereby and thereby have been duly authorized by all requisite limited liability company action. This Agreement and the Transaction Documents to which the Company is a party have been (in the case of this Agreement and the Transaction Documents to which the Company is a party executed on the date of this Agreement) or will be (in the case of a Transaction Document to which the Company is a party

which is not executed on the date hereof) duly executed and delivered by the Company, and (assuming due authorization, execution and delivery by Parent, Buyer and any other parties thereto) constitutes (in the case of this Agreement and the Transaction Documents to which the Company is a party executed on the date of this Agreement), or will constitute when executed and delivered (in the case of a Transaction Document to which the Company is a party which is not executed on the date hereof), as applicable, a legal, valid and binding obligation of the Company, enforceable against it in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally, or by general principles of equity.

Section 3.03 Equity Information The Company Interests are held of record and beneficially as set forth on Schedule 3.03. The Company Interests represent 100% of the outstanding equity interests of the Company. The Company Interests have been duly authorized and validly issued and have been issued in compliance with applicable securities Laws and the Company's amended and restated operating agreement (the "**Company LLC Agreement**"). The Company has made available to Buyer true, correct and complete copies of the Company LLC Agreement and the Company's Certificate of Formation. The minute books of the Company contain true, complete and correct records in all material respects of all meetings and actions taken by written consent in lieu of a meeting of the members or the managers of the Company. All such minute books of the Company have been made available to Buyer. Except as set forth in the Company LLC Agreement and the Pledge Agreement, there are not now outstanding any other equity interests, phantom equity interests or other equity securities, or any options, warrants or any rights to acquire any equity securities of the Company or to any other equity interests, phantom equity interests or other equity securities of the Company. There are no agreements of any kind obligating (whether or not subject to the satisfaction or waiver or occurrence of any condition, contingency or event) the Company to issue any equity interests of the Company, or any convertible or exchangeable securities or any options, warrants or other rights convertible into or exercisable for equity interests of the Company. Except as set forth in the Company LLC Agreement or on Schedule 3.03, there are no voting agreements, voting trusts, buy-sell agreements, options or right of first purchase agreements or other agreements of any kind relating to the Company Interests.

Section 3.04 No Subsidiaries. The Company does not have, nor has the right to acquire, an ownership interest in any other Person.

Section 3.05 No Conflicts or Consents. The execution, delivery, and performance by the Company of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby do not and will not: (i) violate or conflict with any provision of the certificate of formation or the Company LLC Agreement; (ii) violate or conflict with any provision of any statute, law, ordinance, regulation, rule, code or treaty passed or issued by Governmental Authority; *provided, however*, the Parties hereby acknowledge that under United States federal law, and more specifically the Federal Controlled Substances Act, the possession, use, cultivation, marketing and transfer of cannabis is illegal and that, notwithstanding anything to the contrary herein, with respect to regulated cannabis business activities, the Business and the cannabis business of Parent and Buyer, "Law," "law," or "federal" shall (A) only include such federal law, authority, agency, or jurisdiction as is not in conflict with the Laws, regulations, authority, agency, or jurisdiction of

any state, district, or territory regarding such regulated cannabis business activities, the Business and the cannabis business of Parent and Buyer, and (B) not include any Laws that may restrict the possession, use, cultivation, marketing and transfer of cannabis (including but not limited to the Federal Controlled Substances Act or any other Federal Cannabis Laws (as hereinafter defined)) (collectively, “**Laws**”) or any order, writ, judgment, injunction, decree, determination, penalty, or award issued to or entered by or with any Governmental Authority (“**Governmental Order**”) or Permit; (iii) require the consent, notice, declaration or filing with or other action by any Person or require any Permit or Governmental Order, unless in each case disclosed in Schedule 3.05 (the “**Company Closing Approvals**”); (iv) except as disclosed on Schedule 3.05 violate or conflict with, result in the acceleration of, or create in any party the right to accelerate, terminate, or modify any contract, lease, deed, mortgage, license, instrument, note, indenture, joint venture, or any other agreement or legally binding arrangement, whether written or oral (collectively, “**Contracts**”), to which the Company is a party or by which the Company is bound or to which any of its properties and assets are subject; or (v) result in the creation or imposition of any Encumbrance on any properties or assets of the Company. For purposes of this Agreement, “**Governmental Authority**” means any federal, state, local, tribal, provincial or foreign government or political subdivision thereof, or any legislative, judicial, administrative or regulatory agency or instrumentality of such government or political subdivision, or any arbitrator, court, or tribunal of competent jurisdiction, including, for the avoidance of doubt, the Department of Health of the Commonwealth of Pennsylvania and “**Federal Cannabis Laws**” means any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale and possession of cannabis, marijuana or related substances or products containing or relating to the same, including the declaration of “marijuana” as a Schedule 1 drug under 21 U.S.C. § 811, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another’s felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960 and the regulations and rules promulgated under any of the foregoing.

Section 3.06 Financial Statements. Complete copies of the Company’s (i) financial statements, consisting of the balance sheet of the Company as at December 31, 2019 and the related statements of income and retained earnings, members’ equity, and cash flow for the years then ended and (ii) a balance sheet of the Company as at July 31, 2020 and the related states of income and retained earnings, members; equity and cash flow for the seven months then ended (collectively, the “**Financial Statements**”) have been made available to Buyer. The Financial Statements have been prepared in accordance the Company’s past practices, applied on a consistent basis throughout the periods involved. The Financial Statements are based on the books and records of the Company and fairly present in all material respects the financial condition of the Company as of the respective dates they were prepared and the results of the operations of the Company for the periods indicated. The balance sheet of the Company as of July 31, 2020 is referred to herein as the “**Balance Sheet**” and the date thereof as the “**Balance Sheet Date**”.

Section 3.07 Undisclosed Liabilities. The Company does not have any liabilities or obligations of any nature whatsoever, whether asserted, known, absolute, accrued, matured, or otherwise (collectively, “**Liabilities**”), except: (a) those which are adequately reflected or reserved against in the Financial Statements; (b) those under Contracts incurred in the ordinary course of

business and (c) those which have been incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date and which are not, individually or in the aggregate, material in amount. For purposes of only this Section 3.07, Liabilities incurred in the “ordinary course of business” include only those Liabilities incurred in the normal course of the Business, consistent with past practices and does not include any Liabilities arising or resulting from a breach or default under Contract, a violation of any Permit, Governmental Order or Law, or a tort or infringement.

Section 3.08 Absence of Certain Changes, Events, and Conditions. Since the Balance Sheet Date there has not been any Material Adverse Effect. Since the Balance Sheet Date, the Company has been operated in the normal ordinary course, consistent with past practice. As used in this Agreement, “**Material Adverse Effect**” means, with respect to the Company, any change, occurrence, fact, condition or event that, individually or in the aggregate, has or would reasonably be expected to have a material adverse effect on the Business, assets, regulatory approvals, properties, Liabilities, condition (financial or otherwise) or results of operations of the Company, taken as a whole, but excluding, in each case, any change, occurrence, violation, inaccuracy, event or effect arising out of or resulting from: (a) changes in general business conditions; (b) changes in conditions in the U.S. or global economy or capital, financial, credit, foreign exchange or securities markets generally, including any disruption thereof; (c) changes in business conditions or conditions in the U.S. or global economic or capital, financial, credit, foreign exchanges or securities markets generally resulting from COVID-19 or the any Governmental Authority’s response thereto; (d) fires, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, hurricanes, floods or other acts of God or natural disasters; (e) any outbreak or escalation of hostilities, insurrection or war, whether or not pursuant to declaration of a national emergency or war, acts of terrorism or similar calamity or crisis; (f) changes in applicable accounting regulations or principles or interpretations thereof; or (g) the negotiation, announcement, pendency, execution, delivery or performance of this Agreement; except, in the case of clauses (a) through (f), to the extent such change, effect, event, occurrence, state of facts or development, has had a disproportionate effect on the Company compared to other Persons operating in the same industry in which the Company operates.

Section 3.09 Material Contracts.

(a) Schedule 3.09(a) lists the following Contracts (such Contracts, together with all Contracts described in Section 3.10(b) being the “**Material Contracts**”):

Commercially sensitive information as the thresholds can be prejudicial in future negotiations with unrelated parties.

(i) all Contracts of the Company involving aggregate consideration in excess of [] and which, in each case, cannot be cancelled by the Company without penalty or without more than 90 days’ notice;

(ii) all Contracts that provide for the indemnification by the Company of any Person other than those for product liability entered into in the ordinary course of business or the assumption of any Tax, environmental, or other Liability of any Person;

(iii) all Contracts relating to the license or sublicense of any Intellectual Property of the Company [Commercially sensitive information - IP licensing agreements.]

Commercially sensitive information - IP licensing agreements. the settlement of any disputes regarding the Intellectual Property of the Company or all co-existence Contracts or Contracts not to sue with respect to any Intellectual Property of the Company;

(iv) all Contracts relating to indebtedness for borrowed money (including guarantees) of the Company;

(v) all Contracts that limit the ability of the Company in any line of business or with any Person or in any geographic area or during any period of time;

(vi) any Contract that grants any “most-favored nation” or other preferential pricing in relation to any services, products or territory or that requires Company to purchase a minimum quantity of goods or services or contains a right of first refusal option or similar right;

(vii) any Contract whereby the Company grants exclusivity (limited or otherwise) to another Person, including with respect to products, markets, territories, or customers;

(viii) any Contract with a Certified Medical Marijuana Academic Clinical Research Center for purposes of being a clinical registrant under applicable Law or concerning a partnership or joint venture, or any other Contract that involves a sharing of revenues, profits, losses, costs, Taxes or Liabilities by or of the Company with any other Person;

(ix) all Contracts relating to the Projects involving aggregate consideration in excess of **Commercially sensitive information as the thresholds can be prejudicial in future negotiations with unrelated parties.**

(x) all employment Contracts, all consulting Contracts and all Contracts for the payment of commissions or bonuses to any Person;

(xi) any consignment, distributor, dealer, manufacturer’s representative, and sales agency Contracts; or

(xii) any Contracts with dispensaries or other customers or potential customers for future supply of cannabis and related products.

(b) Each Material Contract is valid and binding on the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors’ rights generally, or by general principles of equity, and is in full force and effect against the Company and to the knowledge, of the Company, the counterparties thereto. Neither the Company nor, to the Company’s knowledge, any other party thereto is in material breach of or material default under (or is alleged to be in material breach of or material default under), or has provided or received any written notice of an intent to terminate, any Material Contract and no event has occurred or to the Company’s knowledge is threatened to occur, which, after the giving of notice, with lapse of time, or otherwise, would constitute any such breach or default by the Company or, to the Company’s knowledge, any other party under such Material Contract. Complete and correct copies of each Material Contract

(including all modifications, amendments, and supplements thereto and waivers thereunder) have been made available to Buyer.

Section 3.10 Real Property; Title to Assets.

(a) Set forth on Schedule 3.10(a) is the street address of each parcel of real property leased, licensed or otherwise occupied by the Company or used in the Business (collectively the “**Real Property**”). The Company does not own any real property and has not owned any real property at any time since its formation.

(b) Schedule 3.10(b) lists all leases, subleases and similar agreements creating or altering rights to the applicable parcel of Real Property, the applicable parcel of Real Property applicable thereto, and the other information set forth on annex 3.10(b) attached to Schedule 3.10(b).

(c) The Company is in peaceful and undisturbed possession of each parcel of Real Property, subject to the rights of the lessors thereof and the terms of agreements described in Schedule 3.10(b).

(d) To the Company’s knowledge, (i) the Real Property is in material compliance with all material Laws (including all zoning, subdivision and other applicable land use ordinances) and Governmental Orders and all existing covenants, conditions, restrictions and easements in all material respects, and (ii) the current use of the Real Property does not constitute a non-conforming use under the applicable zoning ordinances.

(e) No material default or breach exists with respect to, and the Company has not has received any written notice of (i) any default or breach under any of the agreements listed in Schedule 3.10(b) or (ii) any Encumbrance (other than Permitted Encumbrances) affecting the Real Property. There are no condemnation or eminent domain proceedings pending or to the Company’s knowledge, contemplated or threatened, against the Real Property or any part thereof. There are no existing, or to the knowledge of the Company, contemplated or threatened, general or special assessments affecting the Real Property or any portion thereof. The Company has not received notice of, and to the Company’s knowledge there are no pending or threatened action, suit, claim, investigation or other legal proceeding before any Governmental Authority which relates to the ownership, maintenance, use or operation of the Real Property.

(f) The Real Property is not located within any area determined to be flood prone under the Federal Flood Protection Act of 1973, or any comparable state or local Law. No written notice has been given to the Company by any insurance company which has issued an insurance policy to the Company with respect to any portion of the Real Property or by any board of fire underwriters (or other Governmental Authority exercising similar functions) requesting the performance of any repairs, alteration or other improvements to the Real Property or any portion thereof. The water, sewer, gas, electric, telephone and drainage facilities and other utilities are adequate for the present operation of the Business.

(g) The tangible and intangible assets and property owned or leased by the Company are sufficient to operate the Business in the same manner as conducted prior to the Closing and all such tangible assets and property are in good operating condition and repair

(ordinary wear and tear accepted). Except as set forth on Schedule 3.10(g), no Seller or any Affiliate of any Seller owns any asset that is or has been used by the Company for the conduct of the Business, and the Company owns and has good and marketable title to (or a valid leasehold in) all of the assets and properties of the Business and the assets owned by the Company are owned free and clear of all Encumbrances other than the following: (i) Encumbrances for Taxes not yet due and payable or the validity of which are being contested in good faith by appropriate proceedings (and for which reserves have been established in the financial records of the Company), (ii) statutory landlord's, mechanic's, carrier's, workmen's, repairmen's or other similar Encumbrances arising or incurred in the ordinary course of business for amounts which are not due and payable, (iii) Encumbrances on Real Property arising from zoning Laws which do not, individually or in the aggregate, materially interfere with the use of such Real Property in the Business, (iv) deposits or pledges made in connection with, or to secure payment of, utilities or similar services, workers' compensation, unemployment insurance, old age pensions or other social security obligations, in each case listed on Schedule 3.10(g)(iv), (v) rights of (a) the lessors or licensors on property leased or licensed to or by the Company under the terms of the underlying lease or license or (b) the owners of the domain names or social media accounts used by the Company under the terms of underlying Contracts or the terms and conditions imposed by such owners, (vi) purchase money security interests securing only the property purchased, which security interests securing indebtedness owed on the property purchased in excess of \$5,000 are set forth on Schedule 3.10(g)(vi), (vii) Encumbrances pursuant to the indebtedness described in Section 6.08 and (viii) Encumbrances set forth on Schedule 3.10(g) (the Encumbrances described in clause (i) through (viii) are hereinafter referred to as "**Permitted Encumbrances**"). All tangible and intangible assets and properties owned by the Company or used by the Company in the Business comply in all material respects with applicable Laws. For purposes of this Agreement: (i) "**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person; and (ii) the term "**control**" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise; *provided* that except for purposes of this Section 3.10(g), Section 3.15(b), Section 3.21, Section 9.05(j), Section 9.06 and Section 9.07, the term "**Affiliate**" when used with respect to the Company or any Seller shall be deemed not to include entities owned by a Seller or an entity controlled by a Seller, other than the Company and its controlled Affiliates.

Section 3.11 Intellectual Property.

(a) As used in this Agreement, "**Intellectual Property**" means any and all of the following in any jurisdiction throughout the world: (i) issued patents and patent applications; (ii) trademarks, service marks and trade names, and all registrations, applications for registration, and renewals of, any of the foregoing; (iii) copyrights, including all applications and registrations; and (iv) trade secrets, know-how, inventions (whether or not patentable), technology, and other confidential and proprietary information and all rights therein. The Company does not have internet domain names or social media accounts.

(b) Schedule 3.11(b) lists all Intellectual Property of the Company registered with any Governmental Authority (or any pending applications for registration), domain names and all material unregistered Intellectual Property that are owned or licensed by the Company.

The Company owns or has the valid and enforceable right to use all Intellectual Property used in its conduct of the Business (the “**Company Intellectual Property**”), free and clear of all Encumbrances (other than Permitted Encumbrances). All of the Intellectual Property owned by the Company is valid and enforceable, and all registered Intellectual Property owned by the Company are subsisting and in full force and effect. All Contracts licensing Intellectual Property to the Company are valid and enforceable obligations of the Company and to the Company’s knowledge the other parties thereto, and such Contracts grant a right to use such licensed Intellectual Property in the manner currently used in the Business.

(c) To the Company’s knowledge, the conduct of the Business has not infringed, misappropriated, or otherwise violated the Intellectual Property or other rights of any Person. To the Company’s knowledge, no Person has infringed, misappropriated, or otherwise violated any Intellectual Property owned by the Company.

Section 3.12 Projects.

(a) The Company has made available to Buyer the Company’s current plans for its capital expenditures (collectively, the “**Project Plans**”) relating to the Company’s buildout and construction projects set forth on Schedule 3.12(a) (collectively, the “**Projects**”). Except as set forth in Schedule 3.12(a), the Company is current in all of its milestones and to the Company’s knowledge, the developers and other third parties are current in all of their respective milestones, in each case for each Project in accordance with the Project Plans.

(b) All material Permits necessary for completion of the Projects are set forth in Schedule 3.12(b) and, unless otherwise set forth in Schedule 3.12(b) have been received by the Company and are in effect.

(c) A description of all performance bonds placed by or on behalf of the Company relating to the Projects is set forth in Schedule 3.12(c). There are no construction-related Encumbrances on any Project (other than Permitted Encumbrances).

(d) Other than as set forth in Schedule 3.12(d), to the Company’s knowledge, no event has occurred that would be reasonably expected to have a Material Adverse Effect or that would otherwise reasonably be expected to materially impact the cost or timing, on any Project or any Project Plans.

Section 3.13 Insurance. Schedule 3.13 sets forth a true and complete list of all policies or binders of insurance maintained by the Company and relating to the assets, business, operations, employees, officers, and managers of the Company (collectively, the “**Insurance Policies**”). Such Insurance Policies: (a) are in full force and effect against the Company and to the Company’s knowledge, the other party thereto; (b) are valid and binding against the Company and to the Company’s knowledge, the other party thereto, in accordance with their terms; and (c) have not been subject to any lapse in coverage. The Company has not received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such Insurance Policies. All premiums due on such Insurance Policies have been paid. The Company is not in material default under, or has otherwise failed to comply with, in any material respect, any provision contained in any Insurance Policy. The Insurance Policies are sufficient in all

material respects for compliance with all applicable Laws and Contracts to which the Company is a party or by which it is bound. To the knowledge of the Company, there will be no material retrospective insurance premiums or charges or any other similar adjustment on or with respect to any of the Insurance Policies for any period or occurrence through the Closing Date.

Section 3.14 Legal Proceedings; Governmental Orders.

(a) There are no claims, actions, causes of action, demands, lawsuits, arbitrations, inquiries, audits, proceedings, litigation or investigations of any nature, whether at law or in equity (collectively, “**Actions**”) pending or, to the Company’s knowledge, threatened against or by the Company: (i) relating to or affecting the Company or any of the Company’s properties or assets; or (ii) that challenge or seek to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement. To the knowledge of the Company, no event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

(b) The Company is in compliance with all, Governmental Orders against or affecting the Company or any of its properties or assets except for any non-compliance that would not be material or where such non-compliance would not make illegal, materially restrict or materially delay, prevent or prohibit the Closing.

Section 3.15 Compliance with Laws; Permits.

(a) The Company has complied, and is now complying in all material respects with all Laws applicable to it or its business, properties, or assets.

(b) Neither the Company nor to the Company’s knowledge any of its equity owners, managers, officers, agents, employees, Affiliates, or other Person acting on behalf of the Company has (i) used any Company funds for any unlawful contribution, gift, entertainment, or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic Governmental Authority or regulatory official or employee; (iii) made any bribe, rebate, payoff, influence payment, kickback, or other unlawful payment; or (iv) violated or is in violation of any provision of (1) the United States Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder, or (2) any other anti-bribery or anti-corruption statute or regulation.

(c) All permits, licenses, franchises, registrations, franchises, variances, authorizations and consents obtained, or required to be obtained, from Governmental Authorities (collectively, “**Permits**”) that are required or are necessary for the Company to conduct the Business have been obtained and are in full force and effect. Schedule 3.15(c) list all material Permits and no event has occurred that would reasonably be expected to result in the revocation or lapse of any such material Permit. The Company has not received any written notice from any Governmental Authority to the effect that the Company is not in compliance with any applicable Permit, and to the knowledge of the Company there are no presently existing facts, circumstances or events which, with notice or lapse of time, would result in material violations of any material Permit.

(d) The Company only operates in the Commonwealth of Pennsylvania. The Company is in compliance in all material respects with all applicable state and local Laws

(including Laws controlling the cultivation, harvesting, production, handling, storage, distribution, sale, and possession of cannabis or medical marijuana). The Company does not import or export cannabis products, from or to, any foreign country.

Section 3.16 Environmental Matters.

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

(b) The Company has obtained and is in material compliance with all material Environmental Permits (each of which is disclosed in Schedule 3.16(b)) necessary for the ownership, lease, operation or use of the business or assets of the Company and all such material Environmental Permits are in full force and effect.

(c) To the Company's knowledge, no Real Property is listed on, or has been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA, or any similar state list.

(d) There has not been any Release of any kind of any Hazardous Substances in violation of any Environmental Law: (i) with respect to the Business or the assets of the Company or (ii) with respect to the Real Property due to actions or inactions of the Company. The Company has brought no Hazardous Substances on the Real Property. The Company has not received an Environmental Notice that the Real Property (including soils, groundwater, surface water, buildings and other structure located on any such real property) has been contaminated with any Hazardous Substance which could reasonably be expected to result in an Environmental Claim against, or a violation of Environmental Law or term of any Environmental Permit by the Company.

(e) To the Company's knowledge, the Company does not have any active or abandoned aboveground or underground storage tanks on the Real Property.

(f) Schedule 3.16(f) contains a complete and accurate list of all off-site Hazardous Substance treatment, storage, or disposal facilities or locations used by the Company, and to the Company's knowledge, none of these facilities or locations has been placed or proposed for placement on the National Priorities List (or CERCLIS) under CERCLA, or any similar state list, and the Company has not received any Environmental Notice regarding potential Liabilities with respect to such off-site Hazardous Substance treatment, storage, or disposal facilities or locations used by the Company.

(g) The Company has not retained or assumed, by contract or operation of Law, any Liabilities or obligations of third parties under Environmental Law.

(h) The Company has made available to Buyer and listed in Schedule 3.16(h): (i) any and all environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, economic models and other similar documents with respect to the Real Property related to compliance with Environmental Laws, Environmental Claims or an Environmental

Notice or the Release of Hazardous Substances (which are in the Company's possession or control); and (ii) any and all material documents concerning planned or anticipated capital expenditures required to reduce, offset, limit or otherwise control pollution or emissions, manage waste or otherwise ensure compliance with current or future Environmental Laws (which are in the Company's possession or control).

(i) As used in this Agreement: (i) "**Environmental Claims**" mean any Action by any Governmental Authority or other Person alleging Liability of whatever kind or nature (including Liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, indirect or consequential damages, nuisance, medical monitoring, penalties, contribution, indemnification, or injunctive relief) arising out of, based on, or resulting from: (1) the presence of, exposure to, release of or threatened release into the environment of, any Hazardous Substances; (2) any alleged injury or threat of injury to health, safety or the environment; or (3) the violation any Environmental Laws or term or condition of any Environmental Permits; (ii) "**Environmental Laws**" means all Laws relating to (1) the regulation and protection of human health, safety, the environment, and natural resources or (2) the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, handling, disposal, remediation, reporting release, threatened release of, any Hazardous Substances; (iii) "**Environmental Notice**" means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit; (iv) "**Environmental Permit**" means any Permit, required under or issued, granted, given, authorized by or made pursuant to Environmental Law; (v) "**Hazardous Substances**" means: (1) "hazardous materials," "hazardous wastes," "hazardous substances," "industrial wastes," or "toxic pollutants," as such terms are defined under any Environmental Laws; (2) any other hazardous or radioactive substance, contaminant, or waste; and (3) any other substance with respect to which any Environmental Law or Governmental Authority requires environmental investigation, regulation, monitoring, or remediation; and (vi) "**Release**" means any actual release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment (including ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

Section 3.17 Employee Benefit Matters.

(a) Schedule 3.17(a) contains a true and complete list of each "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 (as amended, and including the regulations thereunder, "**ERISA**"), whether or not written and whether or not subject to ERISA, and each supplemental retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, equity, change in control, retention, severance, salary continuation, welfare, fringe benefit, and other similar agreement, plan, policy, program, practice, or arrangement which is or has been established, maintained, sponsored, or contributed to by the Company or under which the Company has or may have any Liability (each, a "**Benefit Plan**").

(b) For each Benefit Plan, the Company has made available to Buyer accurate, current, and complete copies of each of the following: (i) the plan document with all amendments, or if not reduced to writing, a written summary of all material plan terms; (ii) any written contracts and arrangements related to such Benefit Plan, including trust agreements or other funding arrangements, and insurance policies, certificates, and Contracts; (iii) in the case of a Benefit Plan intended to be qualified under Section 401(a) of the Code, the most recent favorable determination or national office approval letter issued by the Internal Revenue Service and any formal written legal opinions issued to the Company thereafter with respect to such Benefit Plans (provided that the Company shall not be required to disclose any formal written legal opinions if the disclosure of such opinion would adversely affect its attorney client privilege); (iv) the most recent Form 5500 filed with respect to such Benefit Plan; and (v) any material written notices, audits, inquiries, or other correspondence from, or filings with, any Governmental Authority relating to the Benefit Plan.

(c) Each Benefit Plan and related trust established by the Company (if applicable) has been established, administered, and maintained in accordance with its terms and in material compliance with all applicable Laws (including ERISA and the Code). Nothing has occurred with respect to any Benefit Plan that has subjected or to the Company's knowledge, could reasonably be expected to subject the Company to a civil action, penalty, surcharge, or Tax under applicable Law or which would cause the qualified status of any Benefit Plan to be revoked. All benefits, contributions, and premiums relating to each Benefit Plan have been timely paid in accordance with the terms of such Benefit Plan.

(d) The Company has not: (i) incurred any Liability under Title I or Title IV of ERISA or related provisions of the Code or applicable Law relating to any Benefit Plan; or (ii) incurred any Liability to the Pension Benefit Guaranty Corporation. No complete or partial termination of any Benefit Plan has occurred.

(e) No Benefit Plan is: (i) a "multiemployer plan" as defined in Section 3(37) of ERISA; (ii) subject to Title IV of ERISA or Section 412 of the Code; (iii) a "multiple employer plan" as defined in Section 413(c) of the Code; (iv) a "multiple employer welfare arrangement" as defined in Section 3(40) of ERISA; (v) a leveraged employee stock ownership plan described in Section 4975(e)(7) of the Code; or (vi) any other Benefit Plan subject to required minimum funding requirements.

(f) Other than as required under Sections 601 to 608 of ERISA or other applicable Law (including, without limitation, the Consolidated Omnibus Budget Reconciliation Act of 1985), no Benefit Plan provides post-termination or retiree welfare benefits to any Person for any reason.

(g) Neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (i) entitle any current or former manager, officer, employee, independent contractor, or consultant of the Company to any bonus, severance pay, increase in severance pay, or other payment; (ii) accelerate the time of payment, funding, or vesting, or increase the amount of compensation (including equity-based compensation) due to any such Person; (iii) limit or restrict the right of the Company to amend or terminate any Benefit Plan; (iv) increase the amount payable under any Benefit Plan; (v) result in any change-of-control

payment or any “excess parachute payments” within the meaning of Section 280G(b) of the Code; or (vi) require a “gross-up” or other payment to any “disqualified individual” within the meaning of Section 280G(c) of the Code.

(h) No Benefit Plan or other arrangement to which the Company is a party provides for a “deferral of compensation” (within the meaning of Section 409A of the Code).

Section 3.18 Employment Matters.

(a) The Company has provided to Buyer a list of (i) all current employees, independent contractors, and consultants of the Company as of the date of this Agreement; and (ii) for each Person described in clause (i), the Person’s title or position, hire date, and compensation (or fees), any Contracts entered into between the Company and such Person, and the fringe and employee benefits provided to each such Person (other than fringe and employee benefits provided to all employees). All compensation payable to all employees, independent contractors, or consultants of the Company for services performed prior to the Closing Date have been paid in full.

(b) The Company is not, nor has been, a party to or bound by any collective bargaining agreement or other Contract with a union or similar labor organization, and no union or labor organization has represented or purported to represent any employee of the Company. There has never been any strike, work stoppage, slowdown, picketing, or other similar labor disruption or dispute affecting the Company or any of its employees.

(c) The Company is, and has been, in material compliance with all applicable employment Laws, including regarding hiring, employment, termination of employment, location closing and mass layoff, employment discrimination, harassment, retaliation, and reasonable accommodation, leaves of absence, wages and hours of work, employee classification, employee health and safety, engagement and classification of independent contractors, payroll taxes, and immigration with respect to all employees, independent contractors, and contingent workers.

(d) The Company is in compliance in all material respects with applicable employee licensing requirements. Each employee of the Company who is required to have a license or approval under Law maintains such a license or approval in current and valid form. To the Company’s knowledge, each consultant, contractor or other nonemployee service provider of the Company who is required to have a license or approval under Law maintains such a license or approval in current and valid form.

Section 3.19 Taxes.

(a) The Company is, and at all times since its inception has been, properly classified as a partnership for U.S. federal and applicable state and local income tax purposes.

(b) All returns, declarations, reports, information returns and statements, and other documents relating to Taxes (including amended returns and claims for refund) (“**Tax Returns**”) required to be filed by the Company on or before the Closing Date have been timely filed. Such Tax Returns are true, correct, and complete in all material respects. All Taxes due and owing by the Company (whether or not shown on any Tax Return) have been timely paid. The

Company has delivered to Buyer copies of all Tax Returns and examination reports of the Business and statements of deficiencies assessed against, or agreed to by, the Company for all Tax periods ending on and after December 31, 2019. The term “**Taxes**” means all federal, state, local, foreign, and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties, or other taxes, fees, assessments, or charges of any kind whatsoever, together with any interest, additions, or penalties with respect thereto.

(c) The Company has withheld and paid each Tax required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, customer, member or other party, and complied in all material respects with all information reporting and backup withholding provisions of applicable Law.

(d) The Company has received no written claim from any taxing authority in any jurisdiction where the Company does not file Tax Returns that it is, or may be, subject to Tax by that jurisdiction.

(e) No extensions or waivers of statutes of limitations have been given or requested with respect to any Taxes of the Company.

(f) The amount of the Company’s liability for unpaid Taxes did not, as of December 31, 2019, exceed the amount of reserves for Taxes (excluding reserves for deferred Taxes established to reflect differences between book and Tax income) reflected on the Financial Statements.

(g) All deficiencies asserted, or assessments made, against the Company as a result of any examinations by any taxing authority have been fully paid.

(h) The Company is not a party to any Action by any taxing authority. There are no pending Actions or Actions threatened in writing by any taxing authority against the Company.

(i) The Company is not bound by and does not have any obligation under any Tax allocation, Tax sharing or Tax indemnification Contract. The Company has not been a member of an affiliated, combined, consolidated, or unitary Tax group for Tax purposes. The Company has no Liability for Taxes of any other Person under Treasury Regulations Section 1.1502-6 (or any corresponding provision of state, local, or foreign Law), as transferee or successor, by contract, or otherwise.

(j) No private letter rulings, technical advice memoranda or similar agreement or rulings have been requested, entered into or issued by any taxing authority with respect to the Company.

(k) There are no liens for Taxes (other than for current Taxes not yet due and payable) upon the assets of the Company.

(l) The Company is not a “foreign person” as that term is used in Treasury Regulations Section 1.1445-2. No Interest in the Company is, nor has it been, a United States real property interest (as defined in Section 897 of the Code) at any time.

(m) The Company will not be required to include any amount in, or exclude any item of deduction from, income for any Tax period ending after the Closing Date as a result of a change in accounting method for any Tax period ending on or before the Closing Date and the portion through the end of the Closing Date for any Straddle Period (“**Pre-Closing Tax Period**”) or pursuant to any agreement with any Tax authority with respect to any such Pre-Closing Tax Period. The Company will not be required to include in any Tax period or portion thereof after the Closing Date any income that accrued in a Pre-Closing Tax Period but was not recognized in any Pre-Closing Tax Period as a result of the installment method of accounting, the completed contract method of accounting, the long-term contract method of accounting or the cash method of accounting or as a result of the receipt of any prepaid amounts.

(n) No property owned by the Company is (i) required to be treated as being owned by another person pursuant to the so-called “safe harbor lease” provisions of former Section 168(f)(8) of the Internal Revenue Code of 1954, as amended, (ii) subject to Section 168(g)(1)(A) of the Code, or (iii) subject to a disqualified leaseback or long-term agreement as defined in Section 467 of the Code.

(o) There are no outstanding (i) powers of attorney affirmatively granted by the Company concerning any Tax matter or (ii) Contracts entered into with any taxing authority that would have a continuing effect after the Closing Date.

(p) The Company is in compliance with all terms and conditions of all Tax grants, credits, abatements and other similar incentives granted or made available by any Tax authority for the benefit of the Company and the consummation of the transactions contemplated by this Agreement shall not adversely affect the Company’s ability to benefit from any such Tax grant, credit, abatement or other similar incentive in any taxable period ending after the Closing Date.

(q) The Company has timely and properly collected all sales, use, value-added and similar Taxes required to be collected, and has remitted on a timely basis such amounts to the appropriate Governmental Authority. The Company has timely and properly requested, received and retained all necessary exemption certificates and other documentation supporting any claimed exemption or waiver of Taxes on sales or similar transaction as to which it would otherwise have been obligated to collect or withhold Taxes.

(r) The Company has not deferred the inclusion of any amounts in taxable income pursuant to IRS Revenue Procedure 2004-34, Treasury Regulations Section 1.451-5, Sections 455 or 456 of the Code or any corresponding or similar provision of Law (irrespective of whether or not such deferral is elective).

(s) The Company does not have a permanent establishment (within the meaning of the applicable Tax treaty) or otherwise have an office or fixed place of business) in a country other than the country it is organized.

(t) For purposes of determining the number of partners in the Company under Treasury Regulations Section 1.7704-1(h), no person other than the actual member in the Company is or has been treated as a partner in the Company.

(u) The Company has not elected to defer any Taxes, including the employer-portion of any payroll Tax for which the Company will have future Tax liability, under the Coronavirus Aid, Relief, and Economic Security Act (the “**CARES Act**”).

(v) The Company has not received or claimed any Tax credits under Section 2301 of the CARES Act, nor has the Company accepted or otherwise been extended any PPP Loans. To the extent applicable, the Company has materially complied with all legal requirements and duly accounted for any available Tax credits under Section 7001 through 7005 of the Families First Act.

(w) The Company has not filed any amended Tax Return or other claim for a refund as a result of, or in connection with, the carry back of any net operating loss or other attribute to a year prior to the taxable year including the Closing Date under Section 172 of the Code, as amended by Section 2303 of the CARES Act, or any corresponding or similar provision of state, local or non-U.S. Law.

(x) The Company has not consummated or participated in, and is not currently participating in, any transaction which was or is a “Tax shelter,” “listed transaction” or “reportable transaction” as defined in Sections 6662, 6662A, 6011, 6012, 6111 or 6707A of the Code or the Treasury Regulations promulgated thereunder, including transactions identified by the IRS by notice, regulation or other form of published guidance as set forth in Treasury Regulation § 1.6011-4(b)(2).

Section 3.20 Intentionally Omitted.

Section 3.21 Affiliate Transactions. Except as set forth in Schedule 3.21, there are no obligations or Contracts between the Company, on the one hand, and any Seller or any Affiliate of any Seller or any of the Company’s managers or officers, on the other hand (each, a “**Related Party Transaction**”) other than (a) for payment of ordinary and customary salaries and bonuses for services rendered and the benefits provided to such Persons in accordance with the Benefit Plans and (b) reimbursement of customary and reasonable out-of-pocket expenses incurred on behalf of the Company. Any Related Party Transaction on Schedule 3.21 can be terminated by the Company without premium, penalty or prior notice.

Section 3.22 Operating Partner.

Commercially sensitive information - relationship with third party.

Section 3.23 Inventory. The Company’s inventories of raw materials, ingredients or finished goods held for sale or consumption in connection with the Business (the

“**Inventory**”) (a) consists of good and saleable items of a quality usable or saleable in the ordinary course of Business consistent with past practice; (b) are of quantities usable or saleable consistent with the ordinary course of Business consistent with past practice; (c) are not spoiled, damaged or contaminated, except for items that have been written off or written down to fair market value or for which adequate reserves have been established on the Balance Sheet, and (d) comply with all applicable Laws and no substances prohibited by Law have been used on the Inventory. Notwithstanding anything herein to the contrary, nothing contained in this Section 3.23 shall constitute or be deemed to constitute a representation or warranty that any such Inventory will be sold.

Section 3.24 Warranties. Except as set forth on Schedule 3.24, the Company provides no guarantees, warranties or indemnities with respect to any products or services. Except as set forth on Schedule 3.24, there are no claims with respect to any such guarantees, warranties or indemnities outstanding, pending or, to the knowledge of the Company, threatened. Except as set forth on Schedule 3.24, no written claims have been submitted to the Company for breach of any labeling or advertising Law relating to any products or services of the Company.

Section 3.25 Product Liability. Schedule 3.25 sets forth an accurate, correct and complete list and summary description of all claims arising out of, resulting from or relating to any products or services of the Company. Except for ordinary course warranty claims, the Company has no Liability arising out of, resulting from or relating to any products or services of the Company.

Section 3.26 Brokers. Other than as set forth on Schedule 3.26, no broker, finder, or investment banker is entitled to any brokerage, finder’s, or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company.

Section 3.27 Privacy. To the Company’s knowledge, the Company has not experienced any security incident in which confidential or sensitive information, personal information or other legally protected information relating to any Person (“**Personal Information**”) was or may have been stolen or improperly accessed while in the Company’s possession, custody or control. The Company’s practices concerning collection, use, analysis, retention, storage, protection, security, transfer, disclosure and disposal of Personal Information materially comply with, and have not violated in any material respect, any (a) Contract, (b) applicable Laws regarding privacy and security of information, or (c) written policy or privacy statements of the Company, including privacy policies. The Company has posted to its websites and each of its online sites, including all mobile applications (“**Apps**”), terms of use or service and a privacy policy that complies in all material respects with applicable Laws and that accurately reflects the Company’s practices concerning the collection, use, and disclosure of Personal Information by the site, service or App. No Personal Information has been collected, used or stored by the Company in manner that materially violates applicable Law or the Company’s privacy and security requirements. The Company does not use any of the Personal Information it receives through any App or websites or otherwise in a manner that materially violates any applicable Law or the Company’s privacy and security requirements. The Company has not used any software disseminated by a Person on behalf of the Company that is installed on consumers’ or customers devices and used by any Person on behalf of the Company to monitor, record or transmit

information about activities occurring on the devices on which it is installed, or about data that is stored or created on, transmitted from or transmitted to the computers on which it is installed, in each case, in a manner that materially violates any applicable privacy and security Laws. No complaint relating to an improper use or disclosure of, or a breach in the security of, any Personal Information has been made or, to the knowledge of the Company, threatened against the Company. To the Company's knowledge, there has been no: (i) material unauthorized disclosure of any third party proprietary or confidential information in the possession, custody or control of the Company, or (ii) material breach of the Company's security procedures wherein confidential information has been disclosed to a third person.

Section 3.28 Full Disclosure. No representation or warranty by the Company in this Agreement and no statement contained in the Disclosure Schedules contains any untrue statement of a material fact, or to the Company's knowledge, omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF EACH SELLER

Except as set forth in the correspondingly numbered section of the Disclosure Schedules (or to the extent it is reasonably apparent from a reading of the face of such disclosure that such disclosure qualifies a representation or warranty in another Section of this Article IV), each Seller, on an individual basis, rather than jointly and severally and enforceable solely with respect to the respective Seller, as applicable, hereby makes the following representations and warranties to Parent and Buyer.

Section 4.01 Organization, Qualification and Corporate Authority. Each Seller that is not a natural person is entity duly formed, validly existing and in good standing under its jurisdiction of formation or organization.

Section 4.02 Authority. Each Seller has full capacity, power and authority to enter into this Agreement and the Transaction Documents to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by each of Seller that is not a natural person of this Agreement and the Transaction Documents to which it is a party, the performance of its obligations hereunder and thereunder and the consummation by such Seller of the transactions contemplated hereby and thereby have been duly authorized by such Seller. This Agreement and the Transaction Documents to which such Seller is a party have been (in the case of this Agreement and the Transaction Documents to which such Seller is a party executed on the date of this Agreement) or will be (in the case of a Transaction Document to which such Seller is a party which is not executed on the date hereof) duly executed and delivered by such Seller, and (assuming due authorization, execution and delivery by Parent, Buyer and any other Persons party thereto) constitutes (in the case of this Agreement and the Transaction Documents to which such Seller is a party executed on the date of this Agreement), or will constitute when executed and delivered (in the case of a Transaction Document to which such Seller is a party which is not executed on the date hereof), as applicable, a legal, valid and binding obligation of such Seller, enforceable against such Seller

in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally, or by general principles of equity.

Section 4.03 Equity Information. Such Seller has good title to the Company Interests set forth next to such Seller's name on Exhibit B, free and clear of all Encumbrances other than Permitted CI Encumbrances. Subject to Permitted CI Encumbrances (other than the restrictions and impediments to transfer of the Company Interests to the Buyer set forth in the Company LLC Agreement, which have been waived), such Seller has the full and unrestricted power to sell, assign, transfer and deliver the Company Interests that such Seller owns pursuant to the terms of this Agreement. Such Seller is not a party to any option, warrant, purchase right or other contract or commitment that could (including upon the occurrence or satisfaction of any condition, contingency or event) require such Seller to sell, transfer or otherwise dispose of any of the Company Interests or any interest therein, other than this Agreement, the Company LLC Agreement or the Pledge Agreement. Other than this Agreement, the Company LLC Agreement and the Pledge Agreement, such Seller is not a party to any voting trust, proxy or other agreement or understanding with respect to its ownership, voting or transfer of, or otherwise related to, the Company Interests that such Seller owns. At the Closing, Buyer will acquire good, valid and marketable title to the Company Interests, free and clear of all Encumbrances other than Permitted CI Encumbrances.

Section 4.04 No Conflicts or Consents. The execution, delivery, and performance by such Seller of this Agreement and the other Transaction Documents to which such Seller is a party and the consummation of the transactions contemplated hereby and thereby do not and will not: (i) violate or conflict with any provision of the certificate or articles of formation, operating agreement, or other governing documents of such Seller that is not a natural person; (ii) violate or conflict with any provision of any Law or Government Order applicable to each Seller; (iii) require the consent, notice, or filing with or other action by any Person or require any Permit, license, or Governmental Order, unless in each case disclosed in Schedule 4.04 (the "**Seller Closing Approvals**") and together with the Company Closing Approvals, the "**Closing Approvals**"; (iv) unless otherwise disclosed in Schedule 4.04, violate or conflict with, result in the acceleration of, or create in any party the right to accelerate, terminate, or modify any Contract, to which such Seller is a party or by which such Seller is bound or to which any of such Seller's properties and assets are subject; or (v) result in the creation or imposition of any Encumbrance on any properties or assets of such Seller, including such Seller's Company Interests.

Section 4.05 Accredited Investor. Each Seller:

(a) is an "accredited investor," as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "**US Securities Act**");

(b) is acquiring the Stock Consideration for investment purposes, and not with a view to resale in a manner which would violate the US Securities Act or applicable state securities laws;

(c) has had the opportunity to ask questions regarding its or his investment in the Stock Consideration and the business of Buyer and Parent;

(d) is capable of evaluating the merits and risks of such investment and can bear a loss on such investment; and

(e) acknowledges that the Stock Consideration has not been registered under the US Securities Act, constitute “restricted securities” under the US Securities Act and will be issued in certificated form bearing legends to ensure compliance with the US Securities Act and applicable state securities laws.

Section 4.06 Brokers. Other than as set forth on Schedule 4.06, no broker, finder, or investment banker is entitled to any brokerage, finder’s, or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of such Seller.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF PARENT AND BUYER

Except as set forth in the correspondingly numbered section of the Disclosure Schedules (or to the extent it is reasonably apparent from a reading of the face of such disclosure that such disclosure qualifies a representation or warranty in another Section of this Article V), the Buyer and the Parent, jointly and severally hereby make the following representations and warranties to the Sellers. For purposes of this Article V, “Parents (or Buyer’s) knowledge,” “knowledge of the Parent or the Buyer,” and any similar phrases shall mean the actual knowledge of _____, in each case after a reasonable inquiry of such person’s direct reports.

Section 5.01 Organization and Authority.

(a) Buyer is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Nevada. Buyer has full corporate power and authority to enter into this Agreement and the other Transaction Documents to which it is a party, to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. Parent is a corporation duly organized, validly existing, and in good standing under the Laws of the Canadian province of British Columbia. Parent has full corporate power and authority to enter into this Agreement and the other Transaction Documents to which it is a party, to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The Parent has the corporate power and authority to own its property and assets and to transact the business in which it is engaged and presently proposes to engage. Confidential personal identity details.

(b) The execution and delivery by each of Buyer and Parent of this Agreement and the other Transaction Documents to which it is a party, the performance by each of Buyer and Parent of its obligations hereunder and thereunder, and the consummation by each of Buyer and Parent of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Buyer and Parent, as applicable. This Agreement and the

Transaction Documents to which it is a party have been (in the case of this Agreement and the Transaction Documents to which the Parent or the Buyer is a party executed on the date of this Agreement) or will be (in the case of a Transaction Document to which the Parent or the Buyer is a party which is not executed on the date hereof) duly executed and delivered by each of Buyer and Parent, and (assuming due authorization, execution and delivery by the Company, Sellers and any other non-Buyer parties thereto) constitute (in the case of this Agreement and the Transaction Documents to which the Parent or the Buyer is a party executed on the date of this Agreement), or will constitute when executed and delivered (in the case of a Transaction Document to which the Parent or the Buyer is a party which is not executed on the date hereof), as applicable, a legal, valid and binding obligation of Buyer or Parent, as applicable, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally, or by general principles of equity.

Section 5.02 No Conflicts; Consents. The execution, delivery, and performance by each of Buyer or Parent of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby (including, without limitation, the issuance of the Stock Consideration and the Promissory Notes) and thereby, do not and will not: (a) violate or conflict with any provision of its articles of organization, certificate of incorporation, bylaws, or other governing documents; (b) violate or conflict with any provision of any Permit, Law or Governmental Order applicable to it or held by it; (c) conflict with or result in any breach of, any of the terms, covenants, conditions or provisions of, or constitute a default under the terms of any promissory note, bond, debenture, indenture, mortgage, deed of trust, credit or loan agreement, or any other Contract, to which the Parent is a party or by which it or any of its property or assets are bound, (d) result in the creation or imposition of any Encumbrance upon any of the property or assets of the Parent or (e) require the consent, notice, declaration, or filing with or other action by any Person or require any Permit, or Governmental Order.

Section 5.03 Actions. There are no Actions pending or, to, the knowledge of the Buyer or the Parent, threatened with respect to the Parent or the Buyer (i) that have, or would reasonably be expected to have, a Parent Material Adverse Effect or (ii) which question the validity or enforceability of any of this Agreement and the Transaction Documents to which the Parent or the Buyer is a party, or of any action to be taken by the Parent or the Buyer pursuant to this Agreement or any other Transaction Document to which the Buyer or the Parent is a party. **"Parent Material Adverse Effect"** means with respect to the Parent and the Buyer, any change, occurrence, fact, condition or event that, individually or in the aggregate, has or would reasonably be expected to have a material adverse effect on the business, assets, regulatory approvals, properties, Liabilities, condition (financial or otherwise) or results of operations of the Parent, the Buyer and their respective Affiliates, taken as a whole, but excluding, in each case, any change, occurrence, violation, inaccuracy, event or effect arising out of or resulting from: (a) changes in general business conditions; (b) changes in conditions in the U.S. or global economy or capital, financial, credit, foreign exchange or securities markets generally, including any disruption thereof; (c) changes in business conditions or conditions in the U.S. or global economic or capital, financial, credit, foreign exchanges or securities markets generally resulting from COVID-19 or the any Governmental Authority's response thereto; (d) fires, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, hurricanes, floods or other acts of God or natural disasters; (e) any outbreak or escalation of hostilities, insurrection or war, whether or not pursuant to

declaration of a national emergency or war, acts of terrorism or similar calamity or crisis; (f) changes in applicable accounting regulations or principles or interpretations thereof; or (g) the negotiation, announcement, pendency, execution, delivery or performance of this Agreement; except, in the case of clauses (a) through (f), to the extent such change, effect, event, occurrence, state of facts or development, has had a disproportionate effect on the Parent, the Buyer and their respective Affiliates compared to other Persons operating in the same industry in which the Parent, the Buyer or their respective Affiliates operates.

Section 5.04 Indebtedness. The Parent is not entering into this Agreement and the other Transaction Documents to which it is a party with the intent to hinder, delay or defraud its creditors. Except as set forth on Schedule 5.04, as of the date of this Agreement, the Parent has no outstanding indebtedness for borrowed money pursuant to which Parent has granted a security interest in any of its assets. The Parent will provide to the Sellers' Representative an update to Schedule 5.04 as of the Closing.

Section 5.05 Brokers. No broker, finder, or investment banker is entitled to any brokerage, finders', or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of either Parent or Buyer.

Section 5.06 Reporting Issuer Status and Listing. The Parent is a "reporting issuer" as that term is defined in the applicable securities Laws in each of the provinces and territories of Canada other than the Province of Quebec, is not in default of the requirements of such Laws and rules established pursuant thereto or the policies and requirements of the Canadian Securities Exchange ("CSE") or any of the Canadian Securities Administrators, and the issued and outstanding subordinate voting shares of the Parent which, upon implementation of the Amendment Resolution (as defined in the Parent's management information circular prepared in connection with the shareholder meeting held on November 4, 2020 (the "MIC")), will include the Restricted Voting Shares (as defined in the MIC) and the Limited Voting Shares (as defined in the MIC)) (collectively, the "**Subordinate Voting Shares**") are listed and posted for trading on the CSE.

Section 5.07 Compliance with Laws; Permits.

(a) The Parent and each of its subsidiaries have conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it or any of its subsidiaries carries on business, including all applicable securities Laws and rules of the CSE, and has not received any written notice of material non-compliance.

(b) All Permits obtained, or required to be obtained, from Governmental Authorities that are required or are necessary for the Parent and its subsidiaries to operate their respective businesses have been obtained and are in full force and effect. Neither the Parent nor any of its subsidiaries have received any written notice from any Governmental Authority to the effect that the Parent or any of its subsidiaries are not in compliance with any Permit (and to the knowledge of the Parent there are no presently existing facts, circumstances or events which, with notice or lapse of time, would result in material violations of any of Permit or Governmental Order)

Section 5.08 Consents and Approvals of Governmental Bodies and Other Persons. No consent, approval or authorization of, or declaration, filing or registration with, any Governmental Authority or any other person is required by the Parent in connection with the execution and delivery of this Agreement and each Transaction Document to which it is a party and the consummation of the transactions contemplated herein and therein, including the issuance of the Subordinate Voting Shares pursuant to the Exchange Agreements. The Parent has obtained all approvals (the “**Conditional Approval**”) from the CSE necessary for the issuance of the Subordinate Voting Shares issuable pursuant to the Exchange Agreements and, the listing of such Subordinate Voting Shares on the CSE when issued.

Section 5.09 Continuous Disclosure. The Parent currently, and since the date the Parent became a “reporting issuer” for purposes of applicable Canadian provincial and territorial securities Laws, is in compliance with the timely and continuous disclosure obligations under all applicable securities laws in all material respects and, without limiting the generality of the foregoing, there has not occurred any Parent Material Adverse Effect which has not been publicly disclosed on a non-confidential basis and all the statements set forth in the documents and reports filed by the Parent that are publicly available on SEDAR are true, correct, and complete in all material respects and do not contain any misrepresentation (as defined in the *Securities Act* (Ontario)) as of the date of such statements and the Parent has not filed any confidential material change reports.

Section 5.10 No Cease Trade. No order preventing, ceasing or suspending trading in any securities of the Parent or prohibiting the issue and sale of securities by the Parent has been issued and no proceedings for any of such purposes have been instituted or are pending or, to the knowledge of the Parent, are contemplated or threatened.

Section 5.11 Authorized and Issued Capital. The authorized capital of the Parent as of the date hereof consists of an unlimited number of Subordinate Voting Shares and an unlimited number of multiple voting shares of the Parent (the “**Multiple Voting Shares**”) of which 19,880,615 Subordinate Voting Shares and 3,696,486 Multiple Voting Shares are presently outstanding on the date hereof. All of the presently issued and outstanding Subordinate Voting Shares have been validly allotted and issued and are outstanding as fully paid shares. No person has or will have any Contract or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming a Contract or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase from the Parent of any Subordinate Voting Shares (or any securities convertible or exchangeable into Subordinate Voting Shares) or for the subscription, allotment or issuance of any unissued securities in the capital of the Parent, other than as disclosed or as will be disclosed in the Parent’s publicly available continuous disclosure documents. The Parent will provide to the Sellers’ Representative an update, as of the Closing, to the representations contained in this Section 5.11, which update shall be set forth in Schedule 5.11 and take into account, among other things, the implementation of the Amendment Resolution (as defined in the MIC).

Section 5.12 Issuance of the Shares. The Stock Consideration and, all of the Subordinate Voting Shares to be issued upon exchange of the Stock Consideration, when issued, will be (i) duly authorized, validly issued and outstanding and fully paid and nonassessable shares in the capital of the Buyer or the Parent, as applicable, and (ii) not be subject to any resale

restrictions (other than pursuant to the Lock-Up Agreements), and (iii) in respect of the Subordinate Voting Shares, when issued in exchange for the Stock Consideration, will be listed and posted for trading on the Canadian Securities Exchange.

ARTICLE VI

PRE-CLOSING COVENANTS

Section 6.01 Reasonable Commercial Efforts. During the period from the date hereof and continuing until the earlier of the date of the termination of this Agreement or the Closing Date (the “**Effective Period**”):

(a) Each Party will cooperate with the other Parties and use its commercially reasonable efforts to promptly take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable under this Agreement, any Transaction Document or applicable Law to consummate and make effective the Closing as soon as practicable.

(b) Without limiting the forgoing, the Parties will: (i) cooperate with one another promptly to determine whether any filings are required to be, or should be made, or consents, approvals, Permits or authorizations are required to be obtained under any applicable Law, and (ii) in promptly doing so, furnishing information required in connection therewith and seeking to obtain timely any such consents, Permits, authorizations or approvals.

Section 6.02 Operation of the Company. Except as set forth on Schedule 6.02 or as otherwise expressly contemplated by this Agreement, during the Effective Period, the Company will conduct the Business in the ordinary course of the Business consistent with past practice. During the Effective Period, the Company shall pay its debts and Taxes when due unless subject to a good faith dispute and, in the case of Taxes, for which adequate reserves have been established, pay or perform other Liabilities and obligations in the ordinary course of the Business subject to good faith disputes over whether payment or performance is owing, and use commercially reasonable efforts to preserve its present business organizations, keep available the services of its employees, consultants and contractors, preserve its relationships with key customers, suppliers, distributors, licensors, licensees, and others having business dealings with it, maintain all of its cannabis-related Permits and continue the Projects in accordance with the applicable Project Plans. During the Effective Period, the Company and each Seller will promptly notify Parent and Buyer of any event or occurrence of which it receives knowledge, and that the Company or such Seller believes could reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, except as set forth on Schedule 6.02 or expressly contemplated by this Agreement, during the Effective Period, no Seller will allow the Company to do, and the Company will not do, any of the following without the prior written consent of Parent and Buyer (which solely for this purposes may be consented to via email), which may be withheld in their sole discretion:

(a) adopt any change to the Company LLC Agreement or any of its other organizational or governance documents or the rights and preferences of the Company Interests;

(b) merge or consolidate with any other Person or acquire equity interests or assets of any other Person other than (i) acquisitions of supplies and inventory the ordinary course of business, and (ii) capital expenditures permitted by Section 6.02(k), or effect any business combination, joint venture, partnership, recapitalization or similar transaction;

(c) sell, lease, license, encumber or otherwise dispose of any material amount of tangible or intangible assets, securities or other property, individually or in the aggregate, in excess of [redacted] except in the ordinary course of Business (including the sale of Inventory consistent with past practices);

(d) enter into any real estate transaction involving a real estate investment trust or enter into any sale-leaseback transaction or similar real estate transaction;

(e) issue any debt or equity securities of any kind, including any membership interests, options, warrants, borrowed money, notes or instruments convertible into any equity securities, other than the draws on the Bridge Loan or the other indebtedness described in Section 6.08;

(f) create or assume any loan pursuant to the provisions of the CARES Act;

(g) make or change any election in respect of Taxes, amend, modify or otherwise change any filed Tax Return, adopt or request permission of any taxing authority to change any accounting method in respect of Taxes, enter into any closing agreement in respect of Taxes, settle any claim or assessment in respect of Taxes other than settlements of any claim or assessment which contain a release of all claims in exchange for a payment of monetary amount, surrender or allow to expire any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes or in respect to any Tax attribute that would give rise to any claim or assessment of Taxes, or claim any Tax credits under Section 2301 of the CARES Act;

(h) declare, set aside or pay any dividend or other distribution with respect to the Company Interests or make any loans, advances or payments to any Sellers, other than (i) in connection with existing indebtedness owed by the Company to any Seller (including any amounts payable or distributable to pay such Seller for any Taxes of such Seller (or its direct and indirect equityholders in the case of any Seller classified as a partnership or disregarded entity for income Tax purposes) for the original issue discount for any such indebtedness) or (ii) Tax distributions to Sellers made pursuant to the terms of the Company LLC Agreement;

(i) create or incur any Encumbrance (other than Permitted Encumbrances) on any of its assets or properties;

(j) make any loan, advance or capital contribution to or investment in any other Person other than trade credit in the ordinary course of the Business;

(k) make any capital expenditure that is not consistent with the Project Plans or in excess of [redacted] in the aggregate;

Commercially sensitive information as the thresholds can be prejudicial in future negotiations with unrelated parties.

Commercially sensitive information as the thresholds can be prejudicial in future negotiations with unrelated parties.

(l) grant to any employee, consultant or contractor who earns in excess of per year any increase in compensation or benefits, except in the ordinary course of the Business and consistent with past practice or as may be required under existing Contracts;

(m) enter into or establish or amend or modify any Benefit Plan, except as may be required by Law or the existing Benefit Plans;

(n) enter into any new employment or consulting Contract with an employee or contractor resulting in payments by the Company of more than [] or collective bargaining Contract;

(o) enter into or amend any Related Party Transaction;

(p) terminate or amend any Material Contract;

(q) enter into any settlement with respect to any Action against or relating to it other than settlements of any Action which contain a release of all claims in exchange for a payment of monetary amount not to exceed []

(r) change any method of accounting or accounting principles or practice or cash management services unless required by applicable Law;

(s) transfer any cannabis-related Permits or Permit applications or enter into any management services agreements; or

(t) agree, commit or enter into any arrangement or understanding to do any of the foregoing.

Commercially sensitive information as the thresholds can be prejudicial in future negotiations with unrelated parties.

Section 6.03 Publicity. Except as otherwise required under this Agreement, prior to the Closing, the Company and the Parent will (a) develop a joint communication plan with respect to this Agreement, the transactions contemplated hereby and the Closing, (b) ensure that all press releases and other public statements with respect to this Agreement, the transactions contemplated hereby and the Closing will be consistent with such joint communication plan, and (c) consult promptly with the Parent or the Company (or the Sellers' Representative after the Closing), as applicable, prior to issuing any press release or otherwise making any public statement with respect to this Agreement, the transactions contemplated hereby or the Closing, provide to the Parent or the Company (or the Sellers' Representative after the Closing), as applicable, for review a copy of any such press release or statement, and no Party shall issue any press release or make any such public statement without the consent of the Parent or the Company (or the Sellers' Representative after the Closing), as applicable, unless a Party determines in good faith in consultation with such Party's legal counsel that such disclosure is required or necessary under applicable Law or any listing agreement with or rules and regulations of a securities exchange or Governmental Authority.

Section 6.04 Access. During the Effective Period, the Company will permit representatives of Buyer and Parent (including legal counsel, accountants, financial sources and advisors) to have, upon prior written notice, reasonable access during normal business hours and under reasonable circumstances, and in a manner so as not to interfere with the normal business

operations of the Company, to the premises, personnel, books, records (including Tax records), Material Contracts, Permits and documents of or pertaining to the Business and the Projects. During the Effective Period, the Parent will deliver to the Sellers' Representative and its representatives (including legal counsel, accountants, financial sources and advisors) all Contracts for borrowed money in excess of \$500,000 that are not publicly filed by the Parent pursuant to which the Parent or the Buyer have granted a pledge, mortgage, lien or security interest on any of the assets of the Parent or the Buyer. Neither Buyer, nor any of its representatives will contact any employee, customer, supplier or landlord of the Company without the prior written consent of the Company. The Buyer and the Parent will comply with, and will cause their respective representatives and financial sources to comply with, all of their obligations under the confidentiality agreement previously signed with respect to this Agreement and the transactions contemplated hereby (the "**Confidentiality Agreement**"), among one or more Parties with respect to the terms and conditions of this Agreement and the transaction contemplated hereby, which Confidentiality Agreement will remain in full force and effect and survive any termination of this Agreement in accordance with the terms of the Confidentiality Agreement.

Section 6.05 Notification of Certain Matters. During the Effective Period, except as prohibited by applicable Law, the Company or the applicable Seller will give prompt notice to the Buyer and the Parent of (i) the occurrence or non-occurrence of any event the occurrence or non-occurrence of which would be likely to cause any representation or warranty of such Party contained in this Agreement to be untrue or inaccurate in any material respect at or prior to the Closing such that the conditions set forth in Section 7.02(a) would not be satisfied, and (ii) any material failure of such Party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party hereunder such that the conditions set forth in Section 7.02(b) would not be satisfied. During the Effective Period, except as prohibited by applicable Law, the Parent and the Buyer will give prompt notice to the Company and the Sellers' Representative of (i) the occurrence or non-occurrence of any event the occurrence or non-occurrence of which would be likely to cause any representation or warranty of such Party contained in this Agreement to be untrue or inaccurate in any material respect at or prior to the Closing such that the conditions set forth in Section 7.03(a) would not be satisfied, and (ii) any material failure of such Party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party hereunder such that the conditions set forth in Section 7.03(b) would not be satisfied.

Section 6.06 No Solicitation.

(a) During the Effective Period, no Seller or the Company will, nor will it authorize or permit any officer, director, member or employee of, or any investment banker, attorney or other advisor or representative of, such Seller or the Company, to (i) (A) directly or indirectly solicit or initiate or (B) knowingly encourage the submission of, any proposal or offer to acquire all or any portion of the Business, the Company or any Company Interests, whether in a merger, asset sale, equity sale, joint venture, business combination or similar transaction, excluding sales of inventory in the ordinary course of business consistent with past practice (an "**Acquisition Proposal**"), (ii) enter into any Contract with respect to, or consummate, any Acquisition Proposal, or (iii) directly or indirectly participate in any substantive discussions or negotiations regarding, furnish to any Person any information with respect to the Business or the Company outside of the ordinary course of the operation of its business, allow any Person access

to the Company's assets, properties, information or personnel outside of the ordinary course of the operation of its business, or take any other action to facilitate the making of, an Acquisition Proposal.

(b) During the Effective Period, the Company and Sellers promptly will advise Buyer orally and in writing of any Acquisition Proposal and the material terms and conditions of any such Acquisition Proposal and provide Buyer with copies of any documents related to such Acquisition Proposal. The Company will keep Buyer informed on a current basis of the status (including any change to the material terms thereof) of any such Acquisition Proposal.

Section 6.07 Governmental and Regulatory Approvals and Other Third-Party Consents.

(a) Each Party shall use its reasonable best efforts to obtain, or cause to be obtained as promptly as reasonably practicable after the date hereof, all consents, authorizations, orders and approvals from all third parties, including Governmental Authorities, that are required to be obtained to consummate the Closing, including the applicable Required Closing Approvals, and with respect to applicable Laws, including, for the avoidance of doubt, providing information with respect to the execution and filing of any submissions to a Governmental Authority in respect thereof and participating in meetings with the applicable Governmental Authorities. Each Party shall cooperate with each other Party and each other Party's Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals (including supplying each other Party with any information which may be required in order to obtain such consents, authorizations, orders and approvals, and responding as promptly as practicable to any inquiry or request received from any Governmental Authority for additional information or documentation) and, once obtained, shall comply with the terms and conditions of such consents, authorizations, orders and approvals. No Party shall willfully take any action that would reasonably be expected to have the effect of materially delaying, or impairing or impeding in any material respect, the receipt of any the Required Closing Approvals from a Governmental Authority. Notwithstanding anything herein to the contrary, Buyer and the Company shall determine the strategy to be pursued for obtaining and leading any efforts to obtain all Required Closing Approval from any Governmental Authorities in connection with the Closing. Notwithstanding anything to the contrary herein, it is acknowledged and agreed that despite Title 28 Pa. Code Section 1141.39 which requires the approval of the Pennsylvania Department of Health for a change of ownership of the Company Interests, all closing conditions regarding such approval shall be deemed to be satisfied so long as the Pennsylvania Department of Health does not object to the change of ownership of the Company Interests set forth herein prior to the Closing or otherwise change its process or requirements concerning approval of a change in ownership.

(b) Each Party agrees (i) to make (or cause its controlled Affiliates or ultimate parent entities to make), to the extent required by applicable Law (if such filing has not already occurred), a required initial filing pursuant to each applicable Law with respect to the Required Closing Approvals from a Governmental Authority within 30 days following the date of this Agreement and (ii) to respond as promptly as possible to any request for information from any Governmental Authority.

(c) Subject to applicable Laws relating to the exchange of information, prior to making any application or material written communication to, or filing with, any Governmental Authority with respect to the transactions described herein, each Party shall provide each other Party with drafts thereof, afford each other Party a reasonable opportunity to comment on such drafts and incorporate each other Party's reasonable comments. To the extent relating to the Closing, Buyer, Sellers and the Company shall, and shall cause their respective representatives to, (i) each use its respective reasonable best efforts to schedule and attend any hearings or meetings with Governmental Authorities, (ii) permit, to the extent permitted, each other Party to participate in any meetings or conference calls with any Governmental Authority and (iii) promptly notify in writing each other Party following (A) receipt of any comments, requests or other material communications (whether written or oral) from any Governmental Authority (and provide to each other Party copies of any written communications so received) and (B) receipt of any threatened Action. For the avoidance of doubt, provisions contained in this Section 6.07 do not apply to interactions between the Company with Governmental Authorities in the ordinary course of business unless such interaction directly relates to or directly implicates the transactions contemplated by this Agreement.

(d) If any consent, approval, authorization or amendment necessary to preserve any right or benefit under any Contract to which the Company is a party is not obtained prior to the Closing, the Sellers' Representative shall, subsequent to the Closing, cooperate with Buyer and the Company in attempting to obtain such consent, approval, authorization or amendment as promptly thereafter as practicable.

Section 6.08 Continuation of Debt. As of the Closing and continuing thereafter, the Company will remain as the primary borrower and obligor under (a) the bridge loan in the original principal amount of up to \$5,000,000 held by Parent (the "**Bridge Loan**"), (b) the revolving promissory note in the original principal amount of \$5,000,000 held by 535 Keystone Drive, LLC, and (c) the three promissory notes in the aggregate original principal amount of \$3,000,000 held by CannaPharmacy, Inc., and in each case all indebtedness thereunder shall remain outstanding in accordance with its terms (including any security interests securing such indebtedness), and not reduce the Aggregate Consideration.

Section 6.09 Updates to Disclosure Schedules. Prior to Closing, the Company and Sellers shall deliver to Parent and Buyer all updates to the Disclosure Schedules, if any, that would be necessary to cause the satisfaction of the closing condition set forth in Section 7.02(a), taking into account any such updates. With respect to any such updates, (a) any matter, fact, event or circumstance that occurred or was in existence on or prior to, or that arises from or relates to the period of time on or prior to the date of this Agreement, shall not be considered as part of the Disclosure Schedules for purposes of Closing and shall not be deemed to have cured or remedied any breach of any representation and warranty made by the Company or the Sellers as of the date of this Agreement; and (b) any matter, fact, event or circumstance that first occurred or came into existence following, or that first arises from or relates to the period of time following, the date of this Agreement and is not otherwise related to a breach of an interim covenant of the Company or any Seller set forth in Section 6.02 of this Agreement ("**Post-Signing Matters**") shall be deemed to be part of the Disclosure Schedules; *provided, however*, that if the Liability associated with Post-Signing Matters (as reasonably determined by the Buyer, the Company and the Sellers' Representative) (i) exceeds \$3,000,000 in the aggregate, then Buyer shall have the option, at its

sole option and election, (A) to terminate this Agreement (and for the avoidance of doubt with no continuing Liability (other than Liabilities for Buyer Pre-Closing Claims (as hereinafter defined) and claims of fraud, intentional or knowing misrepresentation, or willful breach by the Buyer or the Parent) owing by Buyer or the Parent to the Company or the Sellers), or (B) if the Buyer does not elect to terminate this Agreement pursuant to the immediately preceding clause (A) and the Closing occurs, to deduct from the Cash Consideration payable at Closing the full amount of such Post-Signing Matters, on a dollar-for-dollar basis (such Post-Signing Matters, are hereinafter referred to as “**Terminable Post-Signing Matters**” or (ii) exceeds \$100,000 but is less than \$3,000,000, then neither the Buyer nor the Parent shall have the right to terminate this Agreement due to such Post-Signing Matter, and if the Closing occurs, Buyer shall deduct from the Cash Consideration payable at Closing the full amount of such Post-Signing Matters, on a dollar-for-dollar basis. If the Liability associated with Post-Signing Matters does not exceed \$100,000 in the aggregate and the Closing occurs, then such Post-Signing Matters shall be deemed to have become part of the Disclosure Schedules and shall qualify all of the representations and warranties set forth herein for all purposes of this Agreement, including without limitation as it relates to indemnification claims. Notwithstanding the foregoing, Post-Signing Matters shall not include the representations and warranties in Section 3.15(c) as it relates to the Regulatory Permits (as hereinafter defined).

Section 6.10 Maintaining Listing and Further Assurances. The Parent covenants to the Sellers that it shall use commercially reasonable efforts to maintain the listing of its Subordinate Voting Shares on the CSE or a nationally recognized stock exchange in Canada for at least the period of 36 months following the Closing ;provided that the foregoing shall in no way affect Parent’s ability to proceed with any reorganization of capital that is subject to shareholder approval. The Parent covenants and agrees that it shall use its best efforts to satisfy all conditions (if any) set out in the Conditional Approval and to cause the subordinate voting shares issuable in connection with the Stock Consideration to be approved for listing (subject to issuance) on the CSE at the Closing; *provided* that nothing herein shall limit the Parent’s ability to engage in a merger, amalgamation, reorganization or similar transaction in which the Parent is not the surviving entity after the Closing. During the Effective Period, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Parent in which all of the issued and outstanding subordinate voting shares of the Parent are converted into or exchanged for securities, cash or other property, then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Stock Consideration shall thereafter be exchangeable in lieu of the subordinated voting shares of the Parent into which it was exchangeable prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of subordinate voting shares of the Parent issuable upon conversion of one (1) share of Stock Consideration immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment shall be made to the Per Share Price.

Section 6.11 Preservation of Records. For a period of seven years after the Closing Date or such other longer period as required by applicable Law, Buyer shall (and Parent shall cause the Buyer to) preserve and retain, all limited liability company, accounting, legal, auditing, human resources and other similar books and records of the Company (including (i) any documents relating to any Actions and (ii) all Tax Returns, schedules, work papers and other

material records or other documents relating to Taxes of the Company) relating to the conduct of the business and operations of the Company prior to the Closing Date, in each case that were in the possession of the Company upon the Closing. Notwithstanding the foregoing, during such seven-year period, the Buyer may dispose of any such books and records which are offered to, but not accepted by, the Sellers' Representative.

Section 6.12 Employees. After the Closing, Newco (as defined below) may (but shall not be obligated to) offer to engage any Applicable Person (as hereinafter defined) as an employee, consultant, director (or equivalent position) or other service provider on terms and conditions approved by Newco in its sole and absolute discretion. Each of the Buyer and the Company (after the closing) agrees not to (and to cause its Affiliates not to) materially and intentionally interfere with or prevent any Applicable Person from accepting such relationship with Newco (or an Affiliate of Newco). The Buyer and the Company (after the Closing) hereby waives, with respect to the employment by Newco (or an Affiliate of Newco) of each Applicable Person, any claims or rights the Buyer or the Company (or their respective Affiliates) may have against Newco (or an Affiliate of Newco) or any Applicable Person under (A) any non-competition or non-solicitation provision set forth in any Contract in effect on the date of this Agreement between the Company or the Buyer, on the one hand, and an Applicable Person, on the other hand, or (B) the non-solicitation provisions set forth in Section 9.07. Notwithstanding anything to the contrary herein, after the date hereof it is acknowledged and agreed that Newco or any Applicable Person may engage in the same business as the Company and nothing contained herein shall prohibit such Person from competing with the Company; provided that if such Applicable Person is a Seller, such Seller shall remain subject to Section 9.07. “**Applicable Person**” means each of

Confidential personal identity details.

“**Newco**” means any Person created by a Seller, a group of Sellers or any Affiliates of a Seller or group of Sellers. Nothing in this Section 6.12 or elsewhere in this Agreement shall, or shall be construed so as to: (i) create any third party beneficiary or enforcement rights in any Applicable Person (or any beneficiaries or dependents thereof), or any other third party or (ii) prevent or restrict in any way the right of Newco (or any entity managed by Newco or its Affiliates) after the Closing to engage or if engaged to terminate, reassign, promote or demote any employee, or to change (adversely or favorably) the title, powers, duties, responsibilities, functions, compensation, benefits, locations, or other terms or conditions of employment of any Applicable Person, subject to the applicable terms of any written agreement between Newco (or any entity managed by Newco or its Affiliates) and any Applicable Person.

ARTICLE VII

CONDITIONS TO OBLIGATION TO CLOSE

Section 7.01 Conditions to Obligations of Each Party. The respective obligations of each Party to effect the Closing will be subject to the satisfaction at or prior to the Closing of the following conditions, any or all of which may be waived in writing (i) with respect to the Buyer and the Parent, by the Buyer and the Parent or (ii) with respect to the Company (prior to the Closing) and the Sellers, by the Company (prior to the Closing) and the Sellers' Representative, in whole or in part, in each case to the extent permitted by applicable Law:

(a) **Proceedings.**

(i) No Governmental Authority of competent jurisdiction will have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and has the effect of making the Closing illegal or otherwise prohibiting consummation of the transaction described herein; and

(ii) No Action will have been commenced against any Party by a third person unaffiliated with any Party which would prevent the Closing (either by way of injunction or other legal remedy).

(b) **Consents and Approvals.** The Company and Sellers will have received all of the Required Closing Approvals (including the consent of the lenders specified in Section 6.08 to the transactions contemplated by this Agreement) on terms satisfactory to all Parties, acting reasonably.

Section 7.02 Additional Conditions to Obligations of Buyer. The obligations of Buyer and the Parent to effect the Closing are subject to satisfaction or waiver of the following additional conditions:

(a) **Representations and Warranties.** Subject to Section 6.09, the (i) the representations and warranties of the Company set forth in this Agreement (other than the Fundamental Representations set forth in Article III) will be true and correct in all material respects (giving effect to the applicable exceptions set forth in the Disclosure Schedules, but without giving effect to any limitation as to “materiality” or “Material Adverse Effect”) and (ii) the Fundamental Representations of the Company set forth in Article III will be true and correct in all respects, in each case as of the Closing Date, as if made as of such time (except to the extent that such representations and warranties expressly speak as of another date, in which case such representations and warranties will be true and correct as of such date). Subject to Section 6.09, the (i) representations and warranties of each Seller set forth in this Agreement (other than the Fundamental Representations set forth in Article IV) will be true and correct in all material respects (giving effect to the applicable exceptions set forth in the Disclosure Schedules, but without giving effect to any limitation as to “materiality” or “Material Adverse Effect”) and (ii) the Fundamental Representations of each Seller set forth in Article IV will be true and correct in all respects, in each case as of the Closing Date, as if made as of such time (except to the extent that such representations and warranties expressly speak as of another date, in which case such representations and warranties will be true and correct as of such date). Buyer will have received a certificate signed on behalf of the Company and each Seller to such effect.

(b) **Agreements and Covenants.** The Company will have performed and complied with all of its covenants hereunder in all material respects through the Closing, each Seller shall have performed and complied with all of such Seller’s covenants hereunder in all material respects through Closing and Buyer will have received a certificate signed on behalf of each Seller and the Company to such effect.

(c) **Documents.** All of the documents, instruments and agreements to be executed or delivered pursuant to Section 2.02 will have been executed by the parties thereto other than Buyer and delivered to Buyer, in either substantially the form and substance attached hereto or, if not so attached, in form and substance reasonably satisfactory to Buyer.

(d) **No Material Adverse Effect.** Since the date of this Agreement, no Material Adverse Effect will have occurred.

Section 7.03 Additional Conditions to Obligations of Sellers. The obligations of the Company and the Sellers to effect the Closing are subject to satisfaction or waiver of the following additional conditions:

(a) **Representations and Warranties.** The (i) representations and warranties of Buyer and the Parent set forth in this Agreement (other than the Fundamental Representations set forth in Article V) will be true and correct in all material respects (but without giving effect to any limitation as to “materiality” or “Parent Material Adverse Effect”) and (ii) the Fundamental Representations of Buyer and Parent set forth in Article V will be true and correct in all respects, in each case as of the Closing Date, as if made as of such time (except to the extent that such representations and warranties expressly speak as of another date, in which case such representations and warranties will be true and correct as of such date). Sellers will have received a certificate signed on behalf of Buyer and the Parent to such effect.

(b) **Agreements and Covenants.** Buyer and the Parent will have performed and complied with all of their respective covenants hereunder in all material respects through the Closing. Sellers will have received a certificate signed on behalf of Buyer to such effect.

(c) **No Material Adverse Effect.** Since the date of this Agreement, no change, occurrence, violation, inaccuracy, event or effect that, individually or in the aggregate, has or would reasonably be expected to have a Parent Material Adverse Effect.

(d) **Documents.** All of the documents, instruments and agreements to be executed or delivered pursuant to Section 2.03 will have been executed by the parties thereto other than Sellers and delivered to Sellers in either substantially the form and substance attached hereto or if not so attached in form and substance reasonably satisfactory to the Sellers’ Representative and the Company.

(e) **Parent Contribution/Organizational Documents.** Concurrently with the Closing, the Parent shall have contributed the Cash Consideration, less the Deposit, to the Buyer in exchange for equity securities of the Buyer in a manner that is consistent with the Intended Tax Treatment as reasonably determined by the Sellers’ Representative (“**Parent Contribution**”).

(f) **Perfection of Security.** All steps, actions, documents and instruments to ensure the perfection of all Encumbrances contained in the Security Agreement shall have been taken, completed and delivered, as the case may be.

ARTICLE VIII

TERMINATION

Section 8.01 Termination. This Agreement may be terminated and the transaction described herein may be abandoned at any time prior to the Closing:

(a) By mutual written consent of Buyer and Parent, on the one hand, and Seller Majority, on the other hand;

(b) By either Buyer or Seller Majority if:

(i) the Closing has not occurred on or before the Outside Date (as hereinafter defined); *provided*, that the right to terminate this Agreement under this Section 8.01(b)(i) will not be available to (A) Buyer if Buyer's or Parent's failure to fulfill any material obligation under this Agreement has been the cause of, or resulted in, the failure of the Closing to have occurred on or before the Outside Date, or (B) Seller Majority if the Company's or any Seller's failure to fulfill any material obligation under this Agreement has been the cause of, or resulted in, the failure of the Closing to have occurred on or before the Outside Date; or

(ii) a Governmental Authority will have issued a Governmental Order or a Law, in each case that has become final and non-appealable and that restrains, enjoins or otherwise prohibits the Closing or any part of it; *provided*, that the right to terminate this Agreement under this Section 8.01(b)(ii) will not be available to (A) Buyer if Buyer's or Parent's breach of Section 6.07 has been the cause of, or resulted in, the issuance of such Governmental Order or (B) Seller Majority if the Company's or any Seller's breach of Section 6.07 has been the cause of, or resulted in, the issuance of such Governmental Order.

For purposes of this Agreement, "**Outside Date**" means December 31, 2020; *provided, however*, that if the Closing has not occurred by December 31, 2020 due to (i) the Pennsylvania Department of Health's objection to, or imposition of additional requirements or conditions for, the consummation of the transactions contemplated hereby, or (ii) the failure to obtain any other approval required by a Governmental Authority of the transactions contemplated hereby, then in either case the Outside Date automatically shall be extended until March 3, 2021; *provided, further* that if the only closing condition that remains to be satisfied (other than closing conditions that, by their terms, can only be satisfied as of Closing) is approval under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or other applicable anti-trust Law, the Outside Date shall be extended until the relevant Governmental Authority either provides its consent, authorization, order or approval of the transactions contemplated by this Agreement, or announces that it will oppose or refuse to grant its consent for the transactions contemplated by this Agreement.

(c) By Seller Majority, if at any time (i) any of the representations and warranties of Buyer or the Parent in this Agreement become untrue or inaccurate such that Section 7.03(a) would not be satisfied; (ii) there has been a material breach on the part of Buyer

or the Parent of any of its covenants or agreements contained in this Agreement such that Section 7.03(b) would not be satisfied or (iii) any of the other conditions in Section 7.03 cannot be fulfilled; and such breach, inaccuracy or failure has not been waived by the Company and the Sellers' Representative or cured by the Parent or the Buyer within twenty (20) Business Days of receipt of such notice from the Company and the Sellers' Representative.

(d) By Buyer if at any time (i) any of the representations and warranties of Sellers or the Company in this Agreement become untrue or inaccurate such that Section 7.02(a) would not be satisfied; (ii) there has been a material breach on the part of Sellers or the Company of any of their respective covenants or agreements contained in this Agreement such that Section 7.02(b) would not be satisfied; (iii) any of the other conditions in Section 7.02 cannot be fulfilled and such breach, inaccuracy or failure has not been waived by the Buyer or cured by the Company or the Sellers within twenty (20) Business Days of receipt of such notice from the Buyer or (iv) as contemplated by Section 6.09 in the event of a Terminable Post-Signing Matter; or

(e) By Buyer at any time if contemporaneously with such termination, Buyer pays to the Company \$1,100,000 by wire transfer of immediately available funds (the "**Break-Up Fee**"). The Break-Up Fee shall constitute liquidated damages and not a penalty. The Break-Up Fee shall constitute the Company's and Sellers' sole and exclusive remedy for any and all Losses (other than Losses from Buyer Pre-Closing Claims or claims related to fraud, intentional or knowing misrepresentation, or willful breach by the Buyer or the Parent) related to or arising from the transactions contemplated by this Agreement but the amount of the Break-Up Fee shall reduce the amount of the Company's or the Sellers' monetary Losses recoverable in any Buyer Pre-Closing Claim or claims of fraud, intentional or knowing misrepresentation, or willful breach by the Buyer or the Parent. For the avoidance of doubt, if the Buyer pays the Break-Up Fee, the payment of the Break-Up Fee and the termination of this Agreement pursuant to this Section 8.01(e), shall not constitute or give rise to a breach, willful or otherwise, of this Agreement by the Buyer or the Parent, including, without limitation, under circumstances where all of the conditions to each Party's respective obligations to close have been satisfied or waived.

Section 8.02 Effect of Termination.

(a) If this Agreement is terminated by Buyer pursuant to Section 8.01(d)(i) (provided however that, for purposes of this Section 8.02(a), any breach of an applicable Fundamental Representation (other than (1) the first, second, fourth, fifth and seventh sentences of Section 3.03 and (2) Section 4.03) must be a material breach) or Section 8.02(d)(ii) (other than due to the failure to obtain or deliver (1) any consulting agreement pursuant to Section 2.02(j) or (2) the consent of the Pennsylvania Department of Health, the Parent or BCB Community Bank, in each case as set forth on Schedule 3.05), each Seller that received the Deposit shall refund to Parent the full amount received by such Seller from the Deposit by wire transfer of immediately available funds within three Business Days of such termination.

(b) Except as provided in this Section 8.02, in the event of the termination of this Agreement pursuant to Section 8.01, this Agreement (other than this Section 8.02, Section 6.03, the last sentence of Section 6.04, and Article X, which for purposes of clarity shall each survive such termination) will forthwith become void, and there will be no Liability on the

part of any Party or any of their respective managers, officers or directors to the other and all rights and obligations of any Party will cease, except that nothing in this Section 8.02 will relieve any Party from Liability for Buyer Pre-Closing Claims, fraud or for any willful and material breach, prior to termination of this Agreement in accordance with its terms, of any covenant or agreement contained in this Agreement.

ARTICLE IX

INDEMNIFICATION AND POST-CLOSING COVENANTS

Section 9.01 Indemnification by Sellers.

(a) Subject to the other terms and conditions of this Article IX, Sellers (jointly and severally) shall indemnify and defend each of Buyer, Parent and their Affiliates and their respective representatives (collectively, the “**Buyer Indemnitees**”) against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, any Buyer Indemnitees based upon, arising out of, with respect to, or by reason of:

(i) any inaccuracy in or breach of any of the representations or warranties of the Company contained in this Agreement;

(ii) any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by the Company pursuant to this Agreement;

(iii) any Excluded Liabilities which remain unpaid after Closing and are not adjusted for at the Closing pursuant to Section 1.01(b);

(iv) (A) all Taxes (or the non-payment thereof) of the Company for any Pre-Closing Tax Period, (B) all Taxes of any member of an affiliated, consolidated, combined, or unitary group of which the Company (or any of its respective predecessors) is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulation §1.1502-6 under the Code or any analogous or similar Law, and (C) any and all Taxes of any Person (other than the Company) imposed on the Company as a transferee or successor, by Contract or pursuant to any Law which Taxes relate to an event or transaction occurring before the Closing;

(v) any failure of the Company to comply with applicable state and local Laws controlling the cultivation, harvesting, production, handling, storage, distribution, sale or possession of cannabis or medical marijuana, including licensing requirements applicable to the Company if and only if (A) such failure was caused by the acts or omissions of any employees or agents of the Company, or (B) such failure was caused by the acts or omissions of any employees or agents of the Buyer or the Parent which were and had been providing services to the Company prior to the Closing, which acts or omissions were approved in advance in writing by any employee or agent of the Company;

(vi) any fraud, intentional or knowing misrepresentation or willful breach by the Company.

(b) Subject to the other terms and conditions of this Article IX, each Seller (severally and not jointly) shall indemnify and defend each of the Buyer Indemnitees against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, any Buyer Indemnitees based upon, arising out of, with respect to, or by reason of:

(i) any inaccuracy in or breach of any of the representations or warranties of such Seller contained in this Agreement;

(ii) any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by such Seller pursuant to this Agreement;

(iii) any failure of the Company to comply with applicable state and local Laws controlling the cultivation, harvesting, production, handling, storage, distribution, sale or possession of cannabis or medical marijuana, including licensing requirements applicable to the Company if and only if such failure was caused by the acts or omissions of any agents or the employees of the Buyer or the Parent which were and had been providing services to the Company prior to the Closing, other than such acts or omissions that were approved in advance in writing by an employee or agent of the Company (each, a “**Buyer Pre-Closing Claim**”);

(iv) all Taxes (or non-payment thereof) of such Seller; or

(v) any fraud, intentional or knowing misrepresentation or willful breach by such Seller.

The indemnification obligations of Sellers under Section 9.01(a) will be joint and several in all matters related to the Company, and the indemnification obligation of the Sellers under Section 9.01(b) will be several, but not joint. As used in this Agreement, “**Losses**” means all losses, Liabilities, deficiencies, damages (including consequential damages and lost profits), fines, penalties, claims, costs and expenses (including, amounts paid (i) pursuant to a judgment (entered into or determined in accordance with, or that is entered into or determined under circumstances that do not constitute a breach of, this Agreement), or a compromise or settlement entered into in accordance with this Agreement or (ii) in enforcing any right to indemnification hereunder), court costs and fees (including reasonable legal and accounting fees and disbursements, reasonable witness fees); *provided, however*, that “**Losses**” will not include punitive damages, except to the extent such punitive damages are payable to a third party in a claim for which indemnification is permitted hereunder.

Section 9.02 Indemnification by Buyer and Parent. Subject to the other terms and conditions of this Article IX, Buyer and the Parent on a joint and several basis shall indemnify and defend the Company (prior to the Closing), Sellers and their respective Affiliates and their respective representatives (collectively, the “**Seller Indemnitees**”) against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses

incurred or sustained by, or imposed upon, Seller Indemnitees based upon, arising out of, with respect to, or by reason of:

- (a) any inaccuracy in or breach of any of the representations or warranties of Buyer or Parent contained in this Agreement;
- (b) any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Buyer or Parent pursuant to this Agreement; or
- (c) any fraud, intentional or knowing misrepresentation or willful breach by Buyer or Parent.

Section 9.03 Indemnification Procedures and Limitations.

(a) Direct Claims. Whenever any claim shall arise for indemnification hereunder not arising from a Third Party Action (a “**Direct Claim**”), the party or parties entitled to indemnification (the “**Indemnified Party**”) shall promptly provide written notice of such Direct Claim (a “**Direct Claim Notice**”) and the amount of such claim to the extent known (the “**Claimed Amount**”) to the Party against whom such indemnification is sought (the “**Indemnifying Party**”) (but notwithstanding anything herein to the contrary, in any event within thirty days after discovering such indemnifiable claim); *provided, however*, that the failure to promptly provide a Direct Claim Notice shall not affect the indemnification obligations of an Indemnifying Party under this Agreement, except to the extent such Indemnifying Party is materially prejudiced by such failure. With respect to a Direct Claim, the Direct Claim Notice shall describe the Direct Claim in reasonable detail based on the facts then known and the provisions of this Agreement upon which such claim is based. Within thirty days after receipt of a Direct Claim Notice, the Indemnifying Party will deliver a response in which it will: (i) agree that the Indemnified Party is entitled to receive all of the Claimed Amount, (ii) agree that the Indemnified Party is entitled to receive an agreed amount that is less than the Claimed Amount, or (iii) dispute that the Indemnified Party is entitled to receive all of the Claimed Amount. If no response is delivered by the Indemnifying Party within such thirty day period, the Indemnifying Party shall be deemed to have agreed that all of the Claimed Amount is owed to the Indemnified Party. Acceptance by the Indemnified Party of partial payment of any Claimed Amount shall be without prejudice to the Indemnified Party’s right to claim the balance of any such Claimed Amount in accordance with the terms of this Agreement. Any dispute over any Direct Claim Notice or all or any portion of a Claimed Amount (“**Disputed Amounts**”) will be resolved in accordance with Section 10.08. For purposes of investigating any Direct Claim, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Direct Claim, together with such other information as the Indemnifying Party may reasonably request, including (to the extent applicable) reasonable access to any physical premises owned or leased by, equipment or other tangible property owned or leased by the Indemnified Party that is the subject of, or otherwise relevant to, the Direct Claim.

(b) Third Party Actions. In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any Action by a Person who is not a party to this Agreement (a “**Third Party Action**”), subject to Section 9.05(h), the Indemnified Party shall give written notice to the Indemnifying Party containing the same information as a Direct Claim Notice

promptly (and in any event within 15 days) after receiving notice or becoming aware of such Third Party Action. Upon receipt of such notice, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such Third Party Action with counsel reasonably satisfactory to the Indemnified Party *provided* that (i) the Indemnifying Party may only assume control of such defense if (A) it acknowledges in writing to the Indemnified Party that any Losses that may be assessed against the Indemnified Party in connection with such Third Party Action constitute Losses hereunder for which the Indemnified Party shall be indemnified pursuant to this Article IX and (B) such claim is not a criminal Action, an Action where only equitable relief is sought or an Action by a Governmental Authority and (ii) the Indemnified Party shall furnish the Indemnifying Party with such information as it may have with respect to such Third Party Action (including copies of any summons, complaint or other pleading which may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and shall otherwise use commercially reasonable efforts to cooperate with and assist the Indemnifying Party in the defense of such Third Party Action. The Indemnified Party shall be entitled to participate in the defense of any such Action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such Third Party Action, the Indemnified Party may, but shall not be obligated to, defend against such Third Party Action in such manner as it may deem appropriate but may not settle such Third Party Action, without the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed) and no action taken by the Indemnified Party in accordance with this Agreement in such defense shall relieve the Indemnifying Party of its indemnification obligations in this Article IX with respect to any Losses resulting therefrom. Notwithstanding anything to the contrary set forth herein, the Indemnifying Party shall not settle any Third Party Action without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed) unless (i) the terms of the compromise and settlement require only the payment of money for which the Indemnifying Party is solely liable, (ii) the Indemnified Party is not required to admit any wrongdoing, take or refrain from taking any action, acknowledge any rights of the Person making the Third Party Claim or waive any rights that the Indemnified Party may have against the person or entity making the Third Party Claim, and (iii) the Indemnified Party receives, as part of the compromise and settlement, an unconditional release from any and all claims, obligations and Liabilities with respect to the Third Party Claim.

(c) Loss Limitations.

(i) With respect to claims for Losses based upon any Sellers or the Company's representations and warranties arising under Section 9.01(a)(i) or Section 9.01(b)(i), Sellers will not be liable for any such Losses until the aggregate amount of all such Losses exceeds [] (the "**Deductible**"), at which point Sellers shall become liable for all Losses under Section 9.01(a)(i) or Section 9.01(b)(i) that are in excess of the Deductible; *provided* that this limitation shall not apply to claims based on Fundamental Representations (set forth in Article III or Article IV) or based on fraud, intentional or knowing misrepresentation or willful breach. With respect to claims for Losses based upon any of the Company's representations and warranties arising under Section 9.01(a)(i), Sellers will not be liable for any Losses in excess of [] (the "**Rep Cap**"); *provided* that this limitation shall not apply to claims based on Fundamental Representations (set forth in Article III) or based on fraud, intentional

Commercially sensitive information - Deductible amount.

Commercially sensitive information - Rep Cap amount.

or knowing misrepresentation or willful breach. With respect to claims for Losses based upon any Seller's representations and warranties arising under Section 9.01(b)(i), such Seller will not be liable for any Losses in excess of the Seller's indemnification percentage (as set forth in the Funds Flow) of the Rep Cap; *provided* that this limitation shall not apply to claims based on Fundamental Representations (set forth in Article IV) or based on fraud, intentional or knowing misrepresentation or willful breach. Sellers will not be liable for Losses (i) under Section 9.01(a) (but with respect to Section 9.01(a)(i), solely with respect to breaches of the Fundamental Representations set forth in Article III) in excess of the aggregate amount of [] and (ii) under Section 9.01(b) (but with respect to Section 9.01(b)(i), solely with respect to breaches of the Fundamental Representations set forth in Article IV) in excess of such Seller's indemnification percentage (as set forth on Funds Flow) of [] ~~(in each case, the "Cap")~~; *provided* that the Cap shall not apply to claims based on fraud, intentional or knowing misrepresentation or willful breach.

Commercially sensitive information - Loss amount.

Commercially sensitive information - Cap amount.

(ii) With respect to claims for Losses under Section 9.01(a)(v), Sellers will not be liable for any such Losses until the aggregate amount of all such Losses under Section 9.01(v) exceeds [] at which point the Sellers shall become liable for all Losses under Section 9.01(a)(v) which exceed such amount; *provided* that this limitation shall not apply to claims based on fraud, intentional or knowing misrepresentation or willful breach.

(iii) For purposes of determining (A) whether a breach of a representation or warranty exists for purposes of this Article IX and (B) the amount of any Losses in connection with such a breach for which an Indemnified Party is entitled to indemnification under this Agreement (including for determining whether the Deductible has been exceeded), each representation or warranty contained in this Agreement shall be read without giving effect to any qualification that is based on materiality, including the words "material", "Material Adverse Effect", "Parent Material Adverse Effect", "in any material respect" and other uses of the word "material" or words of similar meaning (and shall be treated as if such words were deleted from such representation or warranty).

(iv) The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of (A) any investigation made by or on behalf of the Indemnified Party, or (B) the fact that the Indemnified Party knew or should have known that any such representation or warranty is, was or might be inaccurate.

(v) Notwithstanding anything to the contrary in this Agreement, and without limiting the effect of any other limitation contained in this Article IX, for purposes of computing the amount of any Losses incurred by any Indemnified Party under this Article IX, the amount of any Losses recoverable hereunder shall be reduced by an amount equal to the amount of any insurance proceeds that have been actually received by any Indemnified Party in connection with such Losses which,

had they been received prior to the recovery of Losses by the Indemnified Party from the Indemnifying Party would have reduced the amount of the indemnifiable Losses that would have been paid by the Indemnifying Party for such indemnification claim; *provided, however*, nothing herein shall require any Indemnified Party to seek recovery for Losses from its insurance policies (or to maintain any such insurance policies). To the extent any such insurance proceeds are received by the Indemnified Party or its applicable Affiliate or designee after any indemnification claim has been paid by the Indemnifying Party, the Indemnified Party shall, within 10 days following its receipt thereof, pay to the Indemnifying Party the applicable portion of such insurance proceeds, if any, received in connection with such indemnification claim (not to exceed the amount of Losses from such indemnification claim). Nothing in this Agreement in any way restricts or limits the general obligation under existing Law of an Indemnified Party to take reasonable measures to mitigate any loss which it may suffer or incur by reason of the breach by an Indemnifying Party of any representation, warranty, covenant, agreement or obligation under this Agreement.

(vi) Losses shall be calculated based on the amount of Loss that remains after deducting therefrom any Tax benefit received by the Indemnified Party or its Affiliates. If an Indemnified Party realizes a Tax benefit described above that was not included in the computation of a Loss for which Indemnified Party was indemnified, the Indemnified Party shall within ten (10) Business Days of filing the Tax Return claiming such Tax benefit (or, to the extent such Tax benefit is in the form of a refund, within ten (10) Business Days of receiving such refund from the applicable Tax authority) pay to the Seller Representative (for distribution to the Sellers) the amount of such Tax benefit. Without limitation of the foregoing, Buyer shall take commercially reasonable actions (and shall cause the Company to take commercially reasonable actions) to timely claim any Tax benefit that shall reduce the amount of a Loss, or give rise to a payment to or for the benefit of the Sellers, under this Section 9.03(c)(vi).

(vii) Notwithstanding anything to the contrary in this Agreement, (i) no Seller shall have any right of contribution against the Company, Parent, Buyer or any of their Affiliates with respect to any obligations of, or claims against such Seller under or with respect to this Agreement or the transactions contemplated hereby and (ii) no Seller shall have any indemnification (including, without limitation, as contemplated under Section 9.08) or reimbursement rights against the Company arising from any claims which would also give rise to an indemnification claim under Section 9.01(a) (collectively, a “**Released Indemnifiable Claim**”). For purposes of clarity the Sellers shall have right of contribution against other Sellers pursuant to a contribution agreement to be entered into among the Sellers.

(d) Exclusive Remedies. Except for claims based on fraud, intentional or knowing misrepresentation or willful misconduct, the indemnification rights provided in this Article IX shall be the sole and exclusive monetary remedy available to the parties hereto for any and all Losses related to or arising from the transactions contemplated by this Agreement (including, but not limited to, a breach of any of the terms, conditions, covenants, agreements,

representations or warranties contained in this Agreement, or any right, claim or action arising from the transactions contemplated hereby); *provided, however*, that the provisions of this Section 9.03(d) shall not (i) preclude any party from bringing an action for specific performance, injunction or any other equitable remedy to the extent that such action or remedy is permitted by this Agreement or (ii) limit the rights or remedies of any party under any other Transaction Document.

(e) One Recovery. An Indemnified Party is not entitled to duplicative recovery of Losses for any claim for indemnification or otherwise under this Agreement even though there may be one or more legal claims resulting from the breach of more than one of the representations, warranties, covenants or obligations of one or more Indemnifying Parties under this Agreement. In the event that a Buyer Indemnified Party recovers Losses from (i) the Sellers under Section 9.01(a), (A) such Losses shall count towards the satisfaction of the Rep Cap (to the extent that the Rep Cap applies to such Losses, as provided in this Article IX) and the Cap (to the extent that the Cap applies to such Losses, as provided in this Article IX) and (B) the amount of any such Losses paid by a Seller shall count towards the satisfaction of the Rep Cap (to the extent that the Rep Cap applies to such Losses, as provided in this Article IX) and the Cap of such Seller (to the extent that the Cap applies to such Losses, as provided in this Article IX) and (ii) a Seller under Section 9.01(b), such Losses shall count towards the satisfaction of the Rep Cap (to the extent that the Rep Cap applies to such Losses, as provided in this Article IX) and the Cap (to the extent that the Cap applies to such Losses, as provided in this Article IX) of the Company by the amount of such Losses.

(f) Payments; Set-off.

(i) Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this Article IX, the Indemnifying Party shall satisfy its obligations within 15 Business Days of such agreement or final, non-appealable adjudication by wire transfer of immediately available funds; *provided, however*, that the foregoing shall not apply with respect to indemnification claims for Set-Off Losses payable to a Buyer Indemnitee until Buyer has exercised its setoff rights under Section 9.03(f)(ii). For purposes of this Agreement, “**Set-Off Losses**” means any Losses based upon (A) any of the Company’s representations and warranties arising under Section 9.01(a)(i) or (B) any of a Seller’s representations and warranties arising under Section 9.01(b)(i), in each case other than claims based on an applicable Fundamental Representation or based on fraud, intentional or knowing misrepresentation or willful breach

(ii) Subject to the terms, conditions and limitations described in this Agreement, any Set-off Losses agreed to by the Sellers’ Representative (an indemnifying Seller) or finally adjudicated to be payable to a Buyer Indemnitee pursuant to this Article IX shall be satisfied first by setting off and deducting any such Set-off Losses from and against the Promissory Notes payable to the Sellers (with respect to claims under Section 9.01(a)(i) in accordance subclause (B) below) or against the Promissory Note payable to such Seller (with respect to claims under Section 9.01(b)(i)), on a dollar-for-dollar basis. For purposes of this Article IX, (A) any amounts set-off hereunder shall be deemed to be Losses paid by the Sellers

or a Seller, as applicable, for purposes of the limitations on indemnification set forth herein, (B) any amount set-off hereunder arising from a claim under Section 9.01(a)(i) shall be set off against each Promissory Note in accordance with each such Seller's indemnification percentage set forth on the Funds Flow, and (C) the Buyer Indemnified Parties may not bring a claim for monetary damages against a Seller for indemnification of Set-off Losses unless and until it has set-off and reduced the Promissory Note payable to such Seller to zero (0). It is acknowledged and agreed that, subject to and in accordance with this Agreement, if a Buyer Indemnified Party is required to setoff Losses as described in this Section 9.03(f)(ii), the Buyer Indemnified Party shall setoff any such Losses from the Promissory Note (in accordance with this Section 9.03(f)(ii)) prior to making a claim for monetary damages for any Set-Off Losses.

(iii) Notwithstanding the foregoing, subject to the terms, conditions and limitations described in this Agreement, any Losses (other than a Set-off Loss) agreed to by the Sellers' Representative (or an indemnifying Seller) or finally adjudicated to be payable to a Buyer Indemnitee pursuant to this Article IX may be satisfied, at the sole option and election of the Buyer (in lieu of requiring payment therefor in accordance with Section 9.03(f)(i)), by setting off and deducting any such Losses from and against the Promissory Notes payable to the Sellers (with respect to claims under Section 9.01(a) (other than Set-Off Losses) or against the Promissory Note payable to such Seller (with respect to claims under Section 9.01(b) (other than Set-Off Losses)), in each case in accordance with the procedures set forth in accordance with Section 9.01(f)(ii), on a dollar-for-dollar basis.

(g) Tax Treatment. Any indemnification payments pursuant to this Section 9.3 shall be treated as an adjustment to the Aggregate Consideration by the Parties for Tax purposes, unless otherwise required by applicable Law.

Section 9.04 Survival. All representations and warranties contained herein shall survive the Closing until the 12-month anniversary of the Closing Date; *provided*, that the representations and warranties in (a) Section 3.01 (Organization, Authority and Qualification), Section 3.02 (Authority), Section 3.03 (Equity Information), Section 3.04 (No Subsidiaries), Section 3.15(c) (the first sentence only and only with respect to the Clinical Registrant Processor, Grower / Processor Permit and Dispensary Permits issued by the Pennsylvania Department of Health – Office of Medical Marijuana to the Company (collectively, the “Regulatory Permits”), Section 3.21 (Affiliate Transactions) Section 3.26 (Brokers), Section 4.01 (Organization), Section 4.02 (Authority), Section 4.03 (Equity Information), Section 4.06 (Brokers) Section 5.01 (Organization and Authority) and Section 5.06 (Brokers) (collectively, the “Fundamental Representations”) shall survive until sixty days after the expiration of the applicable statute of limitations, and (b) Section 3.17 (Employee Benefit Matters) and Section 3.19 (Taxes) shall survive for 60 days after the full period of all applicable statutes of limitations for the underlying subject matter of such representation or warranty. All covenants and agreements of the Parties contained herein shall survive the Closing in accordance with their terms or if not performed, until the expiration of the applicable statute of limitations. Claims for indemnification hereunder which are not asserted in writing in good faith with reasonable specificity in accordance with this

Agreement prior to the expiration date of the applicable survival period shall thereafter be barred by the expiration of the relevant survival period, it being acknowledged and agreed that any claim asserted in good faith with reasonable specificity in accordance with this Agreement prior to the expiration date of the applicable survival period shall survive until such claim is resolved. Notwithstanding the foregoing, the limitations set forth in Section 9.04 shall not apply to or have any effect upon any claim for indemnification arising from fraud, intentional or knowing misrepresentation or willful breach.

Section 9.05 Tax Covenants.

(a) Generally.

(i) Without the prior written consent of Buyer, each Seller shall not, to the extent it may affect or relate to the Company: (i) make, change or rescind any Tax election, (ii) amend any Tax Return, or (iii) take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would in each case have the effect of increasing the Tax Liability or reducing any Tax asset of Buyer or the Company in respect of any taxable period that begins after the Closing Date or, in respect of any taxable period that begins before and ends after the Closing Date.

(ii) Except as otherwise provided in this Agreement or required by applicable Law, without the prior written consent of the Sellers' Representative (not to be unreasonably withheld, conditioned or delayed), neither the Parent nor the Buyer shall take any of the following actions (or cause the Company to take any of the following actions) if such action would or would reasonably be expected to result in any Tax liability to the Company or the Sellers (or a loss of a Tax refund or credit) for any Pre-Closing Tax Period: (A) amend or permit the Company to amend any Tax Return for a taxable period ending on or before the Closing Date, (B) file or permit the Company to file a Tax Return, with respect to a taxable period ending on or before the Closing Date, in any jurisdiction in which the Company, did not file such Tax Return prior to the Closing, (C) extend or waive, or cause to be extended or waived, or permit the Company to extend or waive, any statute of limitations or other period for the assessment of any Tax or deficiency related to a taxable period ending on or before the Closing Date, (D) make or change any material Tax election or accounting method or practice that has retroactive effect to any taxable period ending on or before the Closing Date, or (E) initiate any voluntary disclosure or other communication with any Tax authority unrelated to audit, litigation, challenge or other Action relating to any actual or potential Tax payment or Tax Return filing obligation of the Company for any Pre-Closing Tax Period

(b) Buyer, Parent, the Company, Sellers' Representative and Sellers shall cooperate fully, as and to the extent reasonably requested by the other Parties, in connection with the filing of Tax Returns and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention, and (upon the other Party's request) the provision, of records and information which are reasonably relevant to any such audit, litigation or other

proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder; *provided*, that the Party requesting assistance shall pay the reasonable out-of-pocket expenses incurred by the Party providing such assistance; *provided, further*, no Party shall be required to provide assistance at times or in amounts that would interfere unreasonably with the business and operations of such Party. Buyer, Parent, the Company, Sellers' Representative and Sellers (as the case may be) shall retain all Tax Returns, schedules and work papers, records and other documents in its possession relating to Tax matters of the Company and such applicable Seller and for any taxable period beginning before the Closing Date until 60 days following the expiration of the statute of limitations of the taxable periods to which such Tax Returns and other documents relate, without regard to extensions except to the extent notified by the other Party in writing of such extensions for the respective Tax periods. Furthermore, Buyer, Parent, the Company, Sellers' Representative, and Sellers further agree, upon request, to use their reasonable efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including with respect to the transactions contemplated hereby).

(c) All transfer, excise, property, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the transactions contemplated hereby (including any real property transfer Tax and any other similar Tax), if any, of a Seller shall be borne and paid by such Seller (and no Seller will be responsible for any other Seller's failure to do so) when due absent a valid contest of same. Each Seller shall, at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and Buyer shall cooperate with respect thereto as necessary).

(d) Any and all existing Tax sharing agreements (whether written or not) binding upon the Company shall be terminated as of the Closing Date. After such date, the Company shall not have any further rights or Liabilities thereunder.

(e) In the case of any taxable period that includes (but does not end on) the Closing Date (a "**Straddle Period**"), the amount of any Taxes of the Company for the portion of the Straddle Period included in the Pre-Closing Tax Period shall be determined as follows: (i) any Taxes based on or measured by income or receipts of the Company for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date and (ii) the amount of other Taxes of the Company for the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days included in the portion of the Straddle Period ending on the Closing Date and the denominator of which is the number of days in such Straddle Period.

(f) Sellers' Representative shall prepare or cause to be prepared and file all income Tax Returns of the Company for all Pre-Closing Tax Periods (each a "**Seller Return**"). Any such Tax Return shall be prepared on a basis consistent with past practices, except as otherwise required by applicable Law. To the extent permitted by applicable Law, the Company shall treat the Closing Date as the last day of the taxable period. With respect to any such Seller Returns, Sellers' Representative shall provide Buyer and Parent with such Tax Returns no later than 20 Business Days prior to the due date therefore. Sellers' Representative shall permit Buyer

and Parent to review and comment on each such Tax Return prior to filing and shall consider in good faith any such revisions to such Tax Returns as are reasonably requested by Buyer or Parent no later than ten Business Days prior to the due date thereof; *provided, however*, if the Sellers' Representative fails to provide any such Seller Returns to Buyer and Parent in advance of such 20 Business Day period, Buyer and Parent may prepare and file such Seller Returns, at Sellers' expense, which expense shall be reasonable and consistent with the cost of preparing such Seller Returns in prior periods, in a manner consistent with the past practice of the Company, except as otherwise required by applicable Law; *provided further, however*, Buyer and Parent shall use their commercially reasonable efforts to deliver any such Seller Return to the Seller Representative for its review and comment as soon as reasonably practicable prior to filing such Seller Return. Sellers shall include any income, gain, loss, deduction or other Tax items for such periods on their Tax Returns in a manner consistent with the Company's Schedule K-1s for such periods (including any income, gain, loss, deduction or other Tax items resulting from the transactions contemplated hereunder) and pay all Taxes imposed on Sellers individually as partners of the Company.

(g) Buyer shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Company other than Seller Returns required to be filed after the Closing Date and shall pay all Taxes shown thereon or otherwise imposed on or payable by the Company after the Closing Date. The non-Seller Tax Returns for taxable periods which end on or before the Closing Date or which include the Closing Date shall be prepared in a manner consistent with past practice of the Company, unless a contrary treatment is required by applicable Law.

(h) Tax Claims.

(i) If the Buyer or the Company receives written notice of any pending or threatened claim made or deficiency alleged relating to the Company for the Pre-Closing Tax Period that would reasonably be expected to result in Losses that are indemnifiable under this Agreement, (each, a "**Tax Claim**"), the Buyer shall provide written notice to Sellers' Representative within five (5) Business Days of receipt thereof. If the Sellers' Representative or any Seller receives written notice of a Tax Contest that would reasonably be expected to result in a Tax Claim, (i) Sellers' Representative (if it was the Person receiving such written notice) shall provide written notice to the Buyer or such Seller (if it was the Person receiving such written notice) shall provide written notice to the Sellers' Representative, who shall then provide written notice to the Buyer, in all cases within five (5) Business Days of receipt thereof. In each case within this clause (i), notwithstanding anything to the contrary herein, the failure or delay in delivering such notice shall not relieve a party of its obligations hereunder except to the extent that such party is prejudiced by such failure or delay.

(ii) With respect to any Tax Claims, the Sellers' Representative shall have the right (but not the obligation), to be exercised within ten (10) Business Days following its receipt of the written notice of such Tax Contest by delivering written notice to the Buyer, to assume and thereafter conduct and control the defense of such Tax Claim (with counsel of the Seller Representative's choosing). For so long as the Sellers' Representative is conducting and controlling such defense, (A) the Buyer shall have the right, but not the obligation, to participate in such defense with

separate counsel of its choosing and at its own expense and (B) the Buyer, the Parent and Company shall cooperate with the Sellers' Representative in such defense and make available to the Sellers' Representative all witnesses, pertinent records, materials and information in or under the Buyer, the Parent or the Company's possession or control relating thereto as may be reasonably requested by the Sellers' Representative. The Sellers' Representative shall not be permitted to consent to the entry of any judgment or enter into any settlement of such Tax Claim which could reasonably be anticipated to adversely impact the Buyer, the Parent or the Company for a post-Closing period without the prior written consent of the Buyer (such consent not to be unreasonably withheld, delayed or conditioned). In the event the Company is subject to a final partnership adjustment for a Pre-Closing Tax Period, such adjustment shall be taken into account by the former partners pursuant to Section 6241(7) of the Code or the Company shall make or cause to be made an election under Section 6226 of the Code with respect to such adjustment, each as applicable.

(i) Each of the parties hereto shall file all Tax Returns consistently with the Intended Tax Treatment and shall not take any inconsistent position therewith on any Tax Returns, financial statements or other, similar reports.

(j) For purposes of Sections 351(b), 751(a), 362(a) and other provisions of the Code for which the allocation of the Aggregate Consideration among the assets of the Company may be relevant, Buyer and the Company shall agree on an allocation of the Aggregate Consideration among the assets of the Company (the "**Aggregate Consideration Allocation**") prior to the Closing Date. The Aggregate Consideration Allocation will be done in a manner consistent with the applicable provisions of the Code and regulations, and the principles set forth in Schedule 9.05(j), and in a manner consistent with the fair market values to be mutually agreed upon by Buyer and Sellers, acting reasonably. Sellers, Buyer and Parent agree to (i) be bound by the Aggregate Consideration Allocation, (ii) act in accordance with the Aggregate Consideration Allocation in the preparation and the filing of all Tax Returns and in the course of any Tax audit, Tax review or Tax litigation relating thereto, and (iii) take no position and cause their Affiliates to take no position inconsistent with the Aggregate Consideration Allocation for income Tax purposes.

(k) Each of Sellers and the Company, on the one hand, and Buyer and Parent, on the other hand, have consulted with their own respective Tax advisors to the extent each has deemed advisable and has reviewed with their own respective Tax advisors the federal, state, local and non-U.S. Tax consequences of the transactions contemplated by this Agreement. Sellers and the Company have relied solely on their own such advisors and not on any statements or representations of Buyer or Parent or their respective counsel or agents.

(l) Any Tax refunds or credits for overpayment of Taxes actually received by the Company with respect to a Pre-Closing Tax Period after Closing that were paid by the Company prior to the Closing or paid by the Sellers after Closing (a "**Tax Refund**") shall be owed to the Sellers, and Buyer agrees to cause the Company to transfer all such refunds or credits to the Sellers' Representative, net of any reasonable expenses of Buyer or the Company in obtaining such refunds or credits. In the event any amount is paid to Sellers or Sellers' Representative

pursuant to this Section 9.05(l) and all or any portion of the Tax Refund underlying such payment is disallowed by the applicable Taxing authority, Sellers shall repay such amount to Buyer to the extent Buyer or its Affiliates (including the Company) has repaid such amount to the Taxing authority plus the reasonable expenses of Buyer or the Company incurred in connection therewith and any applicable penalties and interest provided, however, that Sellers shall not be liable for any such penalties or interest to the extent that such amounts are attributable to any acts, omissions or delay on the part of Buyer or the applicable Company. For purposes of determining any Tax Refunds to which the Sellers are entitled under this Section 9.05(l), any refunds or credits (including any interest thereon) for a Straddle Period shall be allocated between the Pre-Closing Tax Period and the post-Closing Tax period in accordance with the principles of Section 9.05(e).

Section 9.06 Confidentiality. From and after the Closing Date, each Seller (severally and not jointly) shall, and shall cause such Seller's controlled Affiliates to, hold in confidence any and all information, whether written or oral, concerning the Company, except to the extent that such Seller can show that such information (a) is generally available to the public through no fault of such Seller or any of its controlled Affiliates; (b) is lawfully acquired by such Seller or any of its controlled Affiliates from and after the Closing Date from sources (other than the Buyer, the Company or any of their respective Affiliates) which are not prohibited from disclosing such information by a legal or contractual or fiduciary obligation known to such Seller; or (c) required to be disclosed in accordance with any applicable Law, court order or stock exchange rule. If any Seller or any of its controlled Affiliates are compelled to disclose any information by judicial or administrative process or by other requirements of Law, such Seller shall (unless such notification is prohibited by Law, court order or stock exchange rule) promptly notify Buyer in writing and shall disclose only that portion of such information which such Seller is legally required to be disclosed, *provided that* any such notification shall be made promptly to allow Buyer time to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded to such information.

Section 9.07 Non-Solicitation.

(a)

Commercially sensitive information related to non-solicitation covenant.

(b) Each Seller, severally and not jointly, acknowledges that a breach or threatened breach of this Section 9.07 would give rise to irreparable harm to Buyer, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by such Seller or any controlled Affiliate of such Seller of any such obligations in this Section 9.07, each of Buyer and the Company shall, in addition to any and all

other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

(c) Each Seller, severally and not jointly, acknowledges that the restrictions contained in this Section 9.07 are reasonable and necessary to protect the legitimate interests of Buyer and the Company and constitute a material inducement to Buyer and Parent to enter into this Agreement and consummate the transactions contemplated by this Agreement. In the event that any covenant contained in this Section 9.07 should ever be adjudicated to exceed the time or other limitations permitted by applicable Law in any jurisdiction, then any court is expressly empowered to reform such covenant, and such covenant shall be deemed reformed, in such jurisdiction to the maximum time or other limitations permitted by applicable Law.

Section 9.08 Manager and Officer Indemnification. From and after the Closing for a period of six years, the Buyer and the Parent shall not, and shall not permit the Company to amend, repeal or modify any provision of the Certificate of Formation or the Company LLC Agreement relating to the exculpation or indemnification of any current or former manager, officer or partnership representative (unless required by applicable Law), it being the intent of the parties hereto that such present and former managers, officers or partnership representatives of the Company continue to be entitled to such exculpation and indemnification to the fullest extent of the Law (for claims other than Released Indemnifiable Claims). If the Company (i) consolidates with, or merges into, any other entity, or (ii) transfers all or substantially all of its properties and assets to any entity then each of the Parent and the Buyer and the Parent shall cause proper provision to be made so that any such successor or assign of the Company shall expressly assume all of the obligations set forth in this Section 9.08. This Section 9.08 is intended for the benefit of, and is enforceable by, each current and former manager, officer and partnership representative of the Company, and his or her heirs, executors, legal representatives, successors and assigns, as applicable, and is in addition to, and not in substitution for, any other rights to indemnification or contribution that any such person may have had by contract, under Law, or otherwise.

Section 9.09 Release. Effective as of the Closing, each Seller (solely in its capacity as a member of the Company) hereby releases and forever discharges the Company and its past, present and future managers, officers, representatives, Affiliates, members, controlling persons, partnership representatives, subsidiaries, successors and assigns (individually, a “**Releasee**” and collectively, “**Releasees**”) from any and all claims, demands, proceedings, causes of action, orders, obligations, contracts, agreements, debts and liabilities whatsoever, whether known or unknown, suspected or unsuspected, both at law and in equity, that such Seller now has, have ever had or may hereafter have against the Releasees arising prior to the Closing or on account of or arising out of any matter, cause or event occurring prior to the Closing including, without limitation, the Released Indemnifiable Claims; *provided, however*, that nothing contained in this Section 9.09 will operate to release any obligations of or claims (i) arising under this Agreement or any Transaction Document, (ii) with respect to current claims for salaries, wages or benefits accrued but not paid as of the Closing Date, (iii) with respect to any rights to indemnification from the Company arising from such Seller’s position as a member, manager, officer or partnership representative of the Company (other than Released Indemnifiable Claims) and (iv) relating to any

other matter in connection with any relationship of a Seller with the Company, Buyer or Parent from and after the Closing.

Section 9.10 Further Assurances. Following the Closing, each of the Parties shall, and shall cause their respective Affiliates to, execute and deliver such additional documents and instruments and take such further actions as may be reasonably required to carry out the provisions of this Agreement and any Transaction Document and give effect to the transactions contemplated hereby and thereby.

Section 9.11 Preservation of Attorney-Client Relationship.

(a) The Parent and the Buyer hereby acknowledges that McCarter & English, LLP and DLA Piper (Canada) LLP (together, the “**Firm**”) is serving as counsel for the Company in connection with the negotiation and preparation of this Agreement and the consummation of the transactions contemplated hereby (collectively, “**Transaction Matters**”). In the event of any dispute among the parties hereto after the Closing, the Sellers reasonably anticipate that the Firm may represent the Sellers (including the Sellers’ Representative) in such matters. Moreover, the Firm anticipates that it may continue to represent certain of the Sellers or their Affiliates in other matters. Accordingly, to the extent required by reason of applicable Law, or otherwise, the Parent, the Buyer and the Company (in each case for itself and on behalf of its controlled Affiliates) expressly consent to the Firm’s representation of the Sellers (including the Sellers’ Representative) in any matter after the Closing in which the interests of the Parent, Buyer, the Company and any of their respective controlled Affiliates, on the one hand, and the Sellers, on the other hand, are adverse, whether or not such matter is one in which the Firm may have previously advised any Seller or the Company, and the Buyer, the Parent and the Company agree to execute and deliver any conflict waiver letter or other document, reasonably requested by the Sellers (including the Sellers’ Representative) to confirm and implement such consent and the provisions of this Section 9.11.

(b) Each party to this Agreement further acknowledges that, notwithstanding any other provision of this Agreement to the contrary, although the Buyer is acquiring the Company Interests at the Closing pursuant to this Agreement, after the Closing, none of the Parent, the Buyer or the Company shall have any right to any attorney-client privileged matters, communications or materials in the course of and relating to the Firm’s representation of the Company in the Transaction Matters (collectively, the “**Retained Materials**”), and, at the Closing, all rights to any such attorney-client privileged matters or materials shall, without the requirement of any further action, be deemed automatically transferred to and fully vested in the Sellers and not in the Company; and as such, (i) the Parent, the Buyer and the Company expressly consent to the disclosure by each Firm to the Sellers of any Retained Materials or any information learned by such Firm in the course of and relating to the Firm’s representation of the Company in the Transaction Matters, and (ii) the attorney-client privilege for the Retained Materials or any or any information learned by such Firm in the course of and relating to the Firm’s representation of the Company in the Transaction Matters belongs to the Sellers and may be controlled by the Sellers and shall not be claimed by the Parent, the Buyer, or the Company. Notwithstanding the foregoing, in the event that a dispute arises between the Parent, Buyer or the Company, on the one hand, and a third party, on the other hand, after the Closing, the Company may assert and control the attorney-client privilege to prevent disclosure of confidential communications by the Firm to such third

party. Nothing set forth herein shall affect the attorney-client privilege with respect to any communications between a Firm, on the one hand, and the Company or any of its representatives, on the other hand, with respect to communications other than those made solely and directly in connection with the Transaction Matters

ARTICLE X

MISCELLANEOUS

Section 10.01 Expenses. Except as set forth in this Agreement, all costs and expenses (including all legal, accounting, broker, finder or investment banker fees) incurred in connection with this Agreement and the transactions contemplated hereby (a) in the case of costs and expenses incurred by the Company which have not been paid by the Company prior to the Closing will be paid by the Buyer (on the Company's behalf) out of the Cash Consideration as described in Section 1.01(b), (b) in the case of the and the costs and expenses incurred by Buyer or Parent, will be paid by Buyer or Parent, and (c) in the case of the costs and expenses incurred by each Seller, will be paid by such Seller.

Section 10.02 Notices. All notices, claims, demands, and other communications hereunder shall be in writing and shall be deemed to have been given, if sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 10.02):

If to the Company (prior to Closing):

c/o CannTech PA, LLC
Confidential personal identity details.
505 West Germantown Pike
Plymouth Meeting, PA 19462
Confidential personal identity details.

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

McCarter & English, LLP
2 Tower Center Boulevard, 24th Floor
East Brunswick, New Jersey 08816
Confidential personal identity details.

If to Parent or Buyer:

c/o AYR Strategies Inc.
Attn: Jonathan Sandelman.
590 Madison Avenue, 26th Floor
New York, New York 10022
Confidential personal identity details.

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

Dorsey & Whitney LLP
Attn: Richard Raymer
161 Bay St., Suite 4310
Toronto, ON M5J 2S1
Canada
raymer.richard@dorsey.com

If to the Sellers' Representative:

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

McCarter & English, LLP
2 Tower Center Boulevard, 24th Floor
East Brunswick, New Jersey 08816

Confidential personal identity details.

Section 10.03 Interpretation; Headings. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement. Unless the context of this Agreement clearly requires otherwise, (a) "or" has the inclusive meaning frequently identified with the phrase "and/or," (b) "including" has the inclusive meaning frequently identified with the phrase "but not limited to" or "without limitation" and (c) references "hereunder" or "herein" or "hereby" relate to this Agreement.

Section 10.04 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement.

Section 10.05 Entire Agreement. This Agreement and the Transaction Documents constitute the sole and entire agreement of the Parties with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous agreements, arrangements or understandings, both written and oral, with respect to such subject matter.

Section 10.06 Successors and Assigns. This Agreement, including the Recitals hereto, shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign its rights or obligations hereunder without the prior written consent of the Buyer, the Parent, the Company and the Sellers' Representative and any such purported assignment by any party without such consent shall be void, except that Buyer may assign, in whole or in part, its rights hereunder for collateral security purposes to any lender providing financial accommodations to it from time to time, or, with notice to Sellers' Representative, Buyer may assign, in whole or in part, its rights hereunder to any of its Affiliates that assume the obligations of Buyer hereunder (*provided* that in such instance the Buyer shall remain liable for its obligations hereunder). No assignment shall relieve the assigning Party of any of its obligations hereunder.

Section 10.07 Amendment and Modification; Waiver. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by the Buyer, the Parent, the Company and the Seller Majority (and any amendment which effects or modifies the rights of the Sellers' Representative shall be consented to by the Sellers' Representative). No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Parent, the Buyer, the Company and the Sellers' Representative. No failure to exercise, or delay in exercising, any right or remedy arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right or

remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

Section 10.08 Governing Law; Submission to Jurisdiction.

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

(b) THE PARTIES WAIVE ANY RIGHT THEY MAY HAVE TO A JURY TRIAL AND AGREE THAT ANY DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

(c) Any dispute, claim or controversy arising out of or relating to this Agreement, including the determination of the applicability, enforceability or scope of this agreement to arbitrate, will be determined by arbitration in the State of Delaware before one arbitrator. The arbitration will be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures (as it exists on the effective date of this Agreement). Judgment on the award may confirmed, entered and docketed in any court having jurisdiction. If the Parties to such dispute, claim or controversy cannot agree on a single arbitrator reasonably acceptable to such Parties, one will be appointed by JAMS. The arbitrator (if appointed by JAMS) will be a retired judge from a federal court in the Southern District of New York or a lawyer admitted to practice in the State of New York with at least 25 years' active legal practice in corporate acquisition transactions based in the State of New York. All objections are reserved for the arbitration hearing, except for objections based on privilege and proprietary or confidential information. The arbitrator will be instructed by such Parties to ignore the application of the Federal Cannabis Laws to each and every Party and to the dispute, claim or controversy. The arbitrator may not modify the terms of this Agreement. A transcription of the hearing will be made and the arbitrator will provide a reasoned decision in writing. The Parties will keep confidential all matters relating to the arbitration, the arbitration award and any challenge or appeal, except as may be necessary (i) to prepare for or conduct the arbitration hearing on the merits, (ii) in connection with a court application for a preliminary remedy, (iii) in connection with a judicial challenge to an arbitration award or its enforcement, (iv) in connection with an appeal of the arbitration award, as permitted under this Agreement, or its confirmation, entering, docketing or enforcement, (v) to comply with applicable Law or judicial decision, or (vi) to comply with any applicable stock exchange rules. Except as expressly provided in this Agreement, the Parties must commence and pursue arbitration to resolve all disputes arising under or relating to this Agreement prior to commencement of any legal action.

(d) It is the Parties intent that this Agreement evidences a transaction involving interstate commerce. Notwithstanding the choice of substantive law under this Agreement, the Federal Arbitration Act will apply to the arbitration of all disputes, including the breach of this Agreement.

(e) If it is determined that the requirement to arbitrate is unenforceable, and after any and all final appeals the decision is upheld, the Parties shall litigate in any state court in the State of Delaware, and these courts will have exclusive jurisdiction to entertain any proceeding

in respect of this Agreement, and the Parties will submit to the jurisdiction of such courts in all matters relating to or arising out of this Agreement. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (ii) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, AND (iii) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY.

(f) Any arbitration award will have a binding effect only on the actual dispute arbitrated, and will not have any collateral effect on any other dispute whatsoever, whether in arbitration, litigation or other dispute resolution proceeding.

(g) If a Party (i) commences action in any court, except to compel arbitration, or except as specifically permitted under this Agreement, prior to an arbitrator's final decision, or (ii) commences any arbitration or litigation in any forum except where permitted under this Agreement, then that Party must commence arbitration (or litigation, if permitted under this Agreement), in a permitted forum prior to any award or final judgment and such Party will be responsible for all expenses incurred by the other Party as a result of the failure to bring suit in accordance with the terms of this Agreement, including reasonable legal fees, costs and expenses.

(h) The Parties adopt and will implement the JAMS Optional Arbitration Appeal Procedures (as it exists on the effective date of this Agreement) with respect to a final award in an arbitration arising out of or relating to this Agreement, if that award requires the payment of monetary damages in excess of \$500,000 (with this dollar value to be indexed from the date of this Agreement based on the annual rate of inflation in the United States). The JAMS appeal panel will determine whether such appeal threshold has been met. If the appeal panel consists of three members and the Parties do not reasonably agree on such members, the Chair will be a retired judge from a federal court located in the Southern District of the State of New York and one member will be a lawyer admitted to practice in the State of New York with at least 25 years' active legal practice in corporate acquisition transactions based in the State of New York. Judgment on any revised award may be confirmed, entered and docketed in any court having jurisdiction. The same confidentiality provision that apply to the Parties with respect to the original arbitration will apply to the appeal.

(i) If JAMS is no longer in business, an alternative administrative arbitration agency will be selected by mutual agreement of the Parties. If they cannot agree, the Parties will apply to a court of competent jurisdiction to select the agency. In the event of any conflict between the rules and procedures of JAMS or an alternate administrative arbitration agency and the provisions of this Section 10.08, the provisions of this Section 10.08 will prevail.

Section 10.09 Specific Performance. The Parties agree that if any of the provisions of this Agreement or any other document contemplated by this Agreement are not performed in accordance with their specific terms or are otherwise breached, irreparable damage would occur, no adequate remedy at law would exist and damages would be difficult to determine, and, therefore the Parties shall be entitled to specific performance of the terms hereof and thereof, in addition to any other remedy at law or in equity.

Section 10.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by email (including those in portable document format) or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 10.11 Currency and Conversion. All references to “\$” or “dollars” in this Agreement shall be to the lawful currency of the United States of America. To the extent any Claimed Amount or other obligation set out herein is in lawful currency other than dollars, such amount shall be converted to dollars using the conversion rate set forth by the Royal Bank of Canada.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed to be effective as of the date first written above.

Buyer:

CSAC Acquisition PA Corp.

By: /s/ Jonathan Sandelman
Name: Jonathan Sandelman
Title: President

Parent:

AYR Strategies, Inc.

By: /s/ Jonathan Sandelman
Name: Jonathan Sandelman
Title: President & CEO

The Company:

CannTech PA, LLC

By: Kemel W. Dawkins
Name: Kemel W. Dawkins
Title: Chief Executive Officer

Sellers' Representative:

Canna Research, LLC

By:

Confidential personal identity details.

Sellers:

Confidential personal identity details.

Canna Research, LLC

By:

Confidential personal identity details.

Chi-Town CTPA LLC

By:

Confidential personal identity details.
