

LOAN AND SECURITY AGREEMENT

This Loan and Security Agreement (this "Loan Agreement") is made and entered into at Chicago, Illinois, on June 30, 2016, by and between Linchpin Investors LLC, a Delaware limited liability company ("Lender"), and IGM, LLC an Illinois limited liability company ("IGM"), Harborside Illinois Grown Medicine, Inc., an Illinois corporation ("Harborside"), and IL Grown Medicine LLC, an Illinois limited liability company ("Grown Medicine") [Harborside and Grown Medicine are sometimes collectively referred to as "Borrowers"].

1. **BACKGROUND.** Contemporaneously with the execution of this Loan Agreement, 4Front Advisors, LLC, an Arizona limited liability company and an affiliate of Lender ("4Front"), Mission Partners USA, LLC, a Delaware limited liability company and an Affiliate of Lender ("Mission"), Lender, IGM and Borrowers entered into that certain Share and Membership Unit Issuance Agreement dated even date herewith (the "Issuance Agreement") providing for, among other things, Linchpin making the credit facilities described in *Paragraph 3* to Borrowers (collectively, the "Loans").

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants, agreements and obligations set forth in this Loan Agreement and other good and valuable consideration, the receipt and sufficiency of such consideration being hereby acknowledged, Lender, IGM and Borrowers hereby agree as set forth in this Loan Agreement.

2. **DEFINITIONS.** The capitalized terms set forth in this Agreement which are not defined in the text of this Agreement are defined in the Glossary of Defined Terms (see *Paragraph 14*) or the UCC.

3. **THE LOANS.** Contemporaneously with the execution of this Loan Agreement, Lender shall loan to Borrowers the original principal sum of One Million Six Hundred Fifteen Thousand Dollars (\$1,615,000) [the "Initial Loan"], accruing interest at the rate of five percent (5%) per annum (the "Base Rate"), and otherwise in accordance with the terms and provisions of the Secured Promissory Note in the form of Exhibit "1" (the "Secured Promissory Note") executed and delivered by Borrowers to Lender. A portion of the Initial Loan shall be used to pay the existing matured secured loan from Mission to IGM in the approximate amount of One Million Seventy-One Thousand Dollars (\$1,071,000).

A. When Mission is approved by:

- (1) the Illinois Department of Financial and Professional Regulation as the owner of a majority of the issued and outstanding shares of the stock of Harborside and Mission's designees are approved as two of the three members of the Board of Directors of Harborside; and
- (2) the Illinois Department of Agriculture as the owner of a majority of the membership interests in Grown Medicine and Mission's designees are approved as two of the three members of the Board of Managers of Grown Medicine,

Lender shall also make available to Borrowers an additional Two Million Three Hundred Eighty-Five Thousand Dollars (\$2,385,000) line of credit (the "Second Loan"), accruing interest on the principal outstanding from time to time at the Base Rate, to fund the build out of Harborside's medical marijuana dispensary and Grown Medicine's cultivation facility in accordance with the terms and provisions of the Secured Line of Credit Promissory Note in the form of Exhibit "2" executed and delivered by Borrowers to Lender. .

B. Lender shall also loan to Borrowers an additional Three Million Dollars (\$3,000,000) [the "Third Loan"], accruing interest at the Base Rate, for additional working capital required due to a significant expansion of the Illinois Medical Marijuana program, including, without limitation, a meaningful extension of the current "sunset date" and the inclusion of additional qualifying conditions and the attendant increase in Harborside's and Grown Medicine's respective businesses or earlier in Lender's discretion. The Third Loan shall be evidenced by Borrowers' execution and delivery of an additional secured promissory note in form and substance acceptable to Lender (the Issuance Agreement, this Loan Agreement, the Secured Promissory Note and all other promissory notes, agreements, documents and instruments executed and delivered contemporaneously herewith or therewith or pursuant hereto or thereto are collectively, the "Transaction Documents").

C. Notwithstanding the foregoing, if IGM is unable to reach a settlement in the pending litigation with Harborside Licensing and Services, LLC, a California limited liability company, on or before June 30, 2017, the Third Loan shall be reduced to One Million Six Hundred Fifteen Thousand Dollars (\$1,615,000).

4. **COLLATERAL.** To secure the full and timely payment of the Loans and any and all other sums, amounts and obligations of either Borrower to Lender or Lender's Affiliates and each Borrower's and IGM's full and timely performance of all covenants, duties and obligations to Lender or Lender's Affiliates pursuant to this Loan Agreement, the other Transaction Documents and otherwise, each Borrower hereby pledges, assigns and grants to Lender a continuing and unconditional first position priority security interest and lien in and to any and all of its now existing and hereafter arising or acquired tangible and intangible personal property and real property of any kind, nature or description whatsoever, wherever located, and all of each Borrower's books, records and recorded data relating thereto, regardless of the medium of recording or storage (collectively, the "Collateral"), including, without limitation, all:

A. Accounts, including, without limitation, Accounts Receivable, and all Goods whose sale, lease or other disposition by either Borrower has given rise to Accounts and have been returned to, or repossessed or stopped in transit by, such Borrower, or rejected or refused by an Account Debtor;

B. Inventory, including raw materials, work-in-process and finished goods;

C. Goods (other than Inventory), including embedded software, Equipment, vehicles, furniture and Fixtures;

D. Intellectual Property;

- E. Software and computer programs;
- F. Money, Securities, Investment Property, Financial Assets and Deposit Accounts;
- G. Leases, including that certain Industrial Building Lease dated as of September 1, 2015, between Kinzie Properties, LLC, an Illinois limited liability company, as to an undivided fifty percent (50%) interest, and 2400 Greenleaf Partners, LLC, an Illinois limited liability company, as to an undivided fifty percent (50%) interest, as tenants in common, as Landlord, and Grown Medicine, as Tenant, as amended from time to time (the "Grown Medicine Lease");
- H. Contract Rights and Claims, including, without limitation, Commercial Tort Claims and Supporting Obligations;
- I. Chattel Paper, Electronic Chattel Paper, Instruments, Documents, Letter of Credit Rights, all proceeds of letters of credit and General Intangibles, including Payment Intangibles; and
- J. products and Cash Proceeds or Non-Cash Proceeds of the foregoing, including, without limitation, all insurance policies and proceeds of insurance payable by reason of loss or damage to the foregoing property, including unearned premiums, and of eminent domain or condemnation awards.
- K. Contemporaneously with the execution of this Loan Agreement, Grown Medicine shall execute and deliver to Lender a Collateral Assignment of the Grown Medicine Lease in the form of Exhibit "3".
- L. Each Borrower shall make appropriate entries upon its respective financial statements and books and records disclosing Lender's perfected Encumbrance in, to and upon the Collateral.
- M. Each Borrower hereby authorizes Lender to file UCC financing statements and amendments and renewals to UCC financing statements and other filings or recordings in all jurisdictions which Lender determines appropriate without either Borrower's signature, and authorizes Lender to describe the Collateral in such financing statements in any manner Lender determines to be appropriate.
- N. Borrowers shall execute and deliver to Lender all other agreements, documents and instruments as Lender may request to fully evidence the Loans and the perfection of Lender's Encumbrance in, to and upon the Collateral.
- O. Borrowers shall, at their sole expense, maintain the Collateral in good and safe operating order and condition, reasonable wear and tear excepted, and in accordance with the requirements of any federal, state, county, municipal, local or other governmental authority.
- P. Borrowers shall immediately notify Lender of any seizure of, levy upon, loss of possession of, destruction of or damage to the Collateral.

Q. If Borrowers fail to maintain the Collateral as required, then Lender, without waiving any Event of Default hereunder, may, but shall not be obligated to, perform such maintenance and all sums paid by Lender to maintain the Collateral shall be part of the Loans, accruing interest at the Default Rate, secured by the Collateral, but payable on demand.

5. **BORROWERS' PLACE OF BUSINESS.** Borrowers keep and will continue to keep the Collateral and all records relating to the Collateral at its chief executive office or the other locations listed on Exhibit "4" (collectively, the "Business Premises"). Notwithstanding the forgoing, if any of the Collateral is to be located other than at the Business Premises, Borrowers shall notify Lender of such location prior to the delivery or relocation of any Collateral to such location or the opening or closing of any place of business, office or other location. Lender and its agents shall have the right at all times to enter onto the Business Premises and examine and inspect the Collateral and all related records.

6. **PRIORITY OF SECURITY INTERESTS.** Borrowers represent, warrant and covenant unto Lender that Lender's Encumbrance in, to and upon the Collateral shall at all times constitute a valid perfected first priority security interest and lien in and to all of the Collateral. All reasonable costs and expenses incurred by Lender with respect to the administration, enforcement, collection or protection of its Encumbrance in, to and upon the Collateral, enforcement of any claims against Borrowers or the exercise of any of Lender's rights, remedies or privileges pursuant to this Loan Agreement, any of the other Transaction Documents, at law, in equity or otherwise, including, but not limited to, attorneys' and paralegals' fees, shall be additional Loans, accruing interest at the Default Rate, secured by the Collateral, but payable on demand.

7. **GUARANTY AND PLEDGE OF SHARES AND MEMBERSHIP INTERESTS.** IGM hereby voluntarily, knowingly, unconditionally and irrevocably guaranties the full and timely payment of all Loans and any and all other sums, amounts and obligations of either Borrower to Lender and Lender's Affiliates and each Borrower's full and timely performance of all covenants, duties and obligations to Lender and Lender's Affiliates pursuant to this Loan Agreement, the other Transaction Documents and otherwise (the "Guaranty").

A. To secure the full and timely payment to Lender of the Loans and any and all other sums, amounts and obligations of either Borrower to Lender and Lender's Affiliates and each Borrower's full and timely performance of all covenants, duties and obligations to Lender and Lender's Affiliates pursuant to this Loan Agreement, the other Transaction Documents and otherwise, and IGM's full and timely performance of the Guaranty, IGM hereby pledges, assigns and grants to Lender a continuing and unconditional first position priority security interest and lien in and to:

- (1) any and all now existing and hereafter arising or acquired shares of the stock of Harborside, currently ___ shares of Harborside's stock ("IGM's Current Shares"), and subsequently it is anticipated that IGM's Current Shares will be exchanged for the issuance to IGM of 400,000 shares of Harborside's no par value Class B non-voting common shares (the "Pledged Shares"); and
- (2) any and all now existing and hereafter arising or acquired membership interests in Grown Medicine, currently one hundred percent (100%) of Grown Medicine's

membership interests ("IGM's Current Membership Interest"), and subsequently, it is anticipated that IGM's Current Membership Interest will be exchanged for 400,000 Class B non-voting membership units of Grown Medicine (the "Pledged Interest").

B. Contemporaneously with the execution of this Loan Agreement, IGM shall deliver to Lender its certificate evidencing the IGM's Current Shares and subsequently, upon issuance, the certificates evidencing the Pledged Shares and the Pledged Interest, together with Assignments Separate From Certificate in the forms of Exhibit "5" duly executed in blank and in form and substance sufficient to transfer the IGM's Current Shares, the Pledged Shares and the Pledged Interest to Lender.

8. **TAXES.** Borrowers shall pay promptly when due all sales, use, excise, personal property, income, withholding and other taxes, assessments and governmental charges for which Borrowers are or may be liable, including, without limitation, taxes, assessments and governmental charges upon and relating to the ownership or use of the Collateral, each Borrower's business and each Borrower's revenue, receipts and income. Borrowers shall not permit or suffer to remain, and will promptly discharge, any Encumbrance on any of the Collateral arising from any unpaid tax, assessment, levy, governmental charge or otherwise. If Borrowers fails to timely pay any such tax, assessment, levy or governmental charge, or to discharge any such Encumbrance, then Lender, without waiving any Event of Default, may, but shall not be obligated to, make such payment, or discharge such Encumbrance. All sums paid by Lender in satisfaction, or on account, of any such taxes, levies, assessments or governmental charges, or to discharge or release any such Encumbrances, including, but not limited to, reasonable attorneys' fees, court costs and other expenses, shall be part of the Loans, accruing interest at the Default Rate, secured by the Collateral, but payable on demand.

9. **INSURANCE.** Borrowers shall, at their sole expense, keep all of the Collateral insured against loss or damage by fire, theft, explosion and such other risks ordinarily insured against by other owners or users of similar property for the full insurable value thereof pursuant to policies of insurance in such form, with such companies and in such amounts as may be reasonably satisfactory to Lender. All such insurance policies shall contain a lender's loss payable endorsement naming Lender as loss payee and additional insured, and copies of such policies shall be delivered to Lender upon demand. All proceeds payable under any of such policies shall be paid to Lender and first applied to the Loans. Each policy shall contain an endorsement that such policy cannot be changed, modified, altered or canceled without, in each instance, 30 days prior written notice to Lender.

A. If Borrowers fail to obtain or maintain any of the policies of insurance required above, or fail to timely pay all or any portion of the premiums for such policies, then Lender, without waiving any Event of Default, may, but shall not be obligated to, obtain and cause to be maintained any or all of such policies of insurance and pay all or any part of the premiums due therefor, and any amounts paid by Lender shall be part of the Loans, accruing interest at the Default Rate, secured by the Collateral, but payable on demand.

B. Each Borrower hereby irrevocably appoints Lender, and all officers, employees and agents designated by Lender, as Borrowers' attorney-in-fact to settle and adjust any and all insurance losses, to sign all applications, receipts, releases and other documents necessary to

settle such losses and obtain any unearned premium, to execute proofs of loss, to make settlements, to endorse and deposit any check or other item payable to either Borrower issued in connection therewith and to apply the same to the Loans.

10. **REPRESENTATIONS, WARRANTIES AND COVENANTS.**

A. Each Borrower and IGM, individually and collectively, hereby represents, warrants and covenants unto Lender as follows:

(1) Harborside is a corporation and Grown Medicine is a limited liability company, duly incorporated or organized, as applicable, validly existing, and in good standing under the laws of the state of Illinois;

(2) this Loan Agreement and the other Transaction Documents are duly authorized, executed and delivered by Borrowers and IGM, and constitutes a legal, valid and binding obligation of Borrowers and IGM enforceable in accordance with its terms;

(3) the execution, delivery and performance by Borrowers and IGM of this Loan Agreement and the other Transaction Documents shall not constitute a breach of any provision of applicable law or any provision of any agreement, document or instrument to which either Borrower or IGM is a party;

(4) the Collateral will be used solely for commercial or business purposes;

(5) other than Lender's Encumbrance, Mission's Encumbrance which will be released upon payment in full of the Initial Loan and those items set forth on **Schedule 10A(5)**, the Collateral is, and at all times shall remain, free and clear of any and all Encumbrances; and

(6) Borrowers and IGM shall promptly supply Lender with such other information as Lender may request, and shall promptly notify Lender of any default in any agreement executed by either Borrower or IGM and delivered to Lender or Lender's Affiliates.

B. Each Borrower and IGM hereby represent, warrant and covenant unto Lender that it shall not, without the prior consent of Lender:

(1) grant, create or permit an Encumbrance in, to or upon any of the Collateral;

(2) permit any levy, attachment or restraint to be made or exist on any of the Collateral;

(3) merge or consolidate with any other firm, business or entity;

(4) dissolve, liquidate, sell, transfer or otherwise dispose of all or any portion of either Borrower's or IGM's assets, tangible or intangible personal property or real property outside of the ordinary course of business; or

(5) change either Borrower's legal name, form of organization or chief executive office.

11. REMEDIES. Upon an Event of Default, without notice or any demand by Lender to or upon Borrowers or IGM, at the sole discretion and option of Lender, the Loans shall be immediately due and payable and Lender may exercise any and all rights and remedies afforded to a "secured party" pursuant to this Loan Agreement, the other Transaction Documents, the UCC, at law, in equity or otherwise, including, without limitation, the right to sell, transfer, lease or otherwise dispose of any or all of the Collateral at public auction or private sale, for cash or on credit, as Lender may elect at its option. Borrowers agree that thirty days' notice of any such sale is reasonable. Upon request, Borrowers shall assemble the Collateral and make it available to Lender at a location designated by Lender.

A. Upon an Event of Default, Lender shall also have the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose, Borrowers hereby grant to Lender the unqualified right and license to enter upon the Business Premises or any premises where the Collateral or any portion thereof may be situated, and to take possession and remove the Collateral therefrom.

(1) Borrowers irrevocably waive any bonds, surety or other security required by any statute, court rules or otherwise as a requirement for Lender to take possession of the Collateral, and Borrowers waive any demand for possession prior to the commencement of any suit or action with respect thereto and in any other related action.

(2) During the time that Lender is in the possession of the Collateral, and to the extent permitted by law, Lender shall have the right to:

(a) hold, use, operate, manage and control all or any portion of the Collateral;

(b) make any repairs, replacements, alterations, additions, and improvements to the Collateral as Lender may deem proper;

(c) demand, collect and retain all earnings, proceeds and other sums or amounts due or to become due with respect to the Collateral; and

(d) exercise or continue to exercise all of the rights and remedies granted to Lender.

(3) Without limiting the foregoing, Lender shall also be entitled to have a receiver appointed to take charge of all or any portion of the Collateral and to exercise all of the rights specified in this *Paragraph 11*.

C. After an Event of Default, the proceeds of any sale or other disposition of the Collateral shall be applied first to Lender's costs of collecting the Loans, if any, then to accrued and unpaid interest and lastly to principal. Borrowers shall, jointly and severally, pay to Lender all reasonable fees, costs and expenses of or incidental to retaking, holding, preparing for sale

and selling the Collateral, exercising Lender's rights and remedies pursuant to this Loan Agreement, the other Transaction Documents, the UCC, at law, in equity or otherwise and enforcing any term or provision of this Loan Agreement or the other Transaction Documents.

D. Borrowers hereby waive presentment, demand and protest, and notice of presentment, demand, protest, breach, default, non-payment, maturity, release, compromise, amendment, modification, settlement, extension or renewal of this Loan Agreement, the other Transaction Documents, the Collateral, the Guaranty or any other collateral, security or guaranty for or of the Loans.

E. Borrowers also waive the benefit of all valuation, appraisal and exemption laws prior to the exercise by Lender of its rights to repossess the Collateral without judicial process or to replevy, attach or levy upon the Collateral.

F. Upon an Event of Default, Borrowers and IGM will, jointly and severally, pay to Lender upon demand all reasonable costs and expenses incurred by Lender in enforcing any of the Lender's rights or remedies pursuant to this Loan Agreement, the other Transaction Documents, the UCC, at law, in equity or otherwise, including Lender's court costs and attorneys' fees.

G. All of Lender's rights and remedies pursuant to this Loan Agreement are cumulative, are not exclusive and are in addition to all other rights and remedies of Lender pursuant to the other Transaction Documents, the UCC, at law, in equity or otherwise, and shall inure to the benefit of Lender, its successors and assigns.

12. **CONTINUING SECURITY INTEREST AND LIEN.** Lender's Encumbrance in, to and upon the Collateral will continue in full force and effect until the Loans have been indefeasibly paid and satisfied in full. Lender's Encumbrance in, to and upon the Collateral and the rights, privileges and remedies of Lender set forth in this Loan Agreement, the other Transaction Documents, the UCC, at law, in equity or otherwise shall be reinstated upon any requirement that Lender return or reimburse either Borrower, IGM or any trustee or receiver any payment of the Loans received by Lender.

13. **COMMUNICATIONS.** All notices, requests, demands, waivers, consents, approvals, certifications, directions, designations and other communications required or desired to be given pursuant to this Loan Agreement will be given in writing and will be deemed duly given upon personal delivery, or on the third day after mailing if sent by certified mail, postage prepaid, return receipt requested, or on the day after deposit with a recognized overnight delivery service which maintains records of the time, place and recipient of delivery, and in each case if directed as follows:

If to Lender, then to:

Linchpin Investors LLC
5060 N 40th
Suite #120
Phoenix, AZ 85018

If to IGM or Borrowers, then to:

IGM, LLC
213 W. Institute Place
Suite #404
Chicago, Illinois 60610

Attn: Joshua Rosen

Attn: [REDACTED]

or to such other person, entity or address as Lender, IGM or either Borrower may respectively designate in like manner, from time to time.

14. **GLOSSARY OF DEFINED TERMS**. For the purposes of this Loan Agreement, the following words and phrases will have the meanings respectively set forth thereafter.

A. ***“Affiliate”*** means a person or entity that, directly or indirectly, owns or controls, is owned or controlled by or is under common ownership or control with another person or entity; for purposes of illustration, but not limitation, IGM, Harborside and Grown Medicine are Affiliates and Lender, 4Front and Mission are Affiliates.

B. ***“Default Rate”*** means eleven percent (11%) per annum or the highest rate permitted by law, whichever is less.

C. ***“Encumbrance”*** means liens, security interests, pledges, mortgages, encumbrances, charges, options, options to purchase, leases, licenses, the balance due under any lease or financing arrangements, and claims and rights of any person or entity of any kind, nature or description whatsoever

C. ***“Event of Default”*** means the occurrence of any one of the following events:

(1) Borrowers and IGM fail to fully and timely pay all or any portion of the Loans when due and payable, and such failure is not cured within 10 days after notice thereof from Lender to Borrowers and IGM;

(2) either Borrower or IGM fails to fully and timely pay any other sum, amount or obligation due Lender or Lender’s Affiliates, and such failure is not cured within 10 days after notice thereof from Lender to Borrowers or IGM, as applicable;

(3) either Borrower or IGM fails to fully and timely perform any term, covenant, provision, warranty or condition contained in this Loan Agreement, the other Transaction Documents or in any other agreement, document or instrument heretofore, now or at any time hereafter executed by either Borrower and delivered to Lender or Lender’s Affiliates, including, without limitation, the Indemnification Agreement dated May 5, 2016, by and between Borrowers, IGM and 4Front Ventures, Inc., a Delaware corporation and an Affiliate of Lender, and such failure is not cured within the time frame provided therein or, if no time frame is provided, within 10 days after notice thereof from Lender or Lender’s Affiliates to Borrowers or IGM, as applicable;

(4) any of either Borrower’s or IGM’s assets or personal or real property is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors;

(5) a petition under the United States Bankruptcy Code or any similar federal, state or local law, statute or regulation shall be filed by or against either Borrower or IGM;

(6) either Borrower or IGM makes an assignment for the benefit of creditors or an application is made by or against either Borrower or IGM for the appointment of a receiver, trustee, custodian or conservator for either Borrower or IGM or any of either Borrower's or IGM's respective assets;

(7) either Borrower or IGM is enjoined, restrained or in any way prevented by court order from conducting any material part of its business affairs;

(8) a lawsuit or other proceeding is filed by or against either Borrower or IGM to liquidate a material portion of such Borrower's assets;

(9) a notice of lien, levy or assessment is filed of record with respect to any of either Borrower's or IGM's respective assets by the United States of America or any department, agency or instrumentality thereof, or by any state, county, municipal, local or other governmental department, agency or instrumentality;

(10) either Borrower's or IGM's breach or default or the occurrence of an event of default under any now existing or hereafter executed agreement, instrument or document between either Borrower, IGM, Lender or Lender's Affiliates;

(11) the breach or default or the occurrence of an event of default under any agreement, instrument or document executed and delivered by any person or entity to Lender pursuant to which such person or entity has guaranteed the payment of the Loans to Lender, including, without limitation, IGM, or such person or entity terminates or purports to terminate his guaranty of the Loans, including, without limitation, the Guaranty;

(12) IGM gives, sells, disposes of or otherwise transfers, or grants an Encumbrance in, to or upon, any of IGM's Current Shares, the Pledged Shares or the Pledged Interest;

(13) any governmental authority initiates any litigation or administrative or other action to suspend, cancel, revoke, terminate or detrimentally limit, or modify in any material respect, Harborside's Illinois Compassionate Use of Medical Cannabis Pilot Program Act - Dispensing Organization Registration Authorization or Grown Medicine's Illinois Compassionate Use of Medical Cannabis Pilot Program Act - Medical Cannabis Cultivation Center Operating Permit or any other federal, state, municipal or local governmental license, permit or other regulatory authorization of either Borrower is not timely renewed or extended or expires, is suspended, canceled, revoked, terminated or detrimentally limited or modified in any material respect;

(14) either Borrower becomes ineligible or disqualified to hold, retain, or maintain its license, permit or other authorization under the Compassionate Use of Medical Cannabis Pilot Program Act; or

(15) [REDACTED] breach or default in any material respect the full and timely performance of their respective covenants, duties and obligations set forth in their respective Independent Contractor Agreement with each Borrower and such breach or default is not cured within 10 days after notice thereof.

D. "UCC" means the Uniform Commercial Code as adopted by the State of Illinois, as amended, modified or restated from time to time

15. **CONSTRUCTION.** This Loan Agreement and the other Transaction Documents will be governed, construed and interpreted in accordance with the laws and decisions of the State of Illinois, without regard to conflict of laws principles that would require the laws of another state or jurisdiction be applied.

A. This Loan Agreement and the other Transaction Documents constitute the entire agreement and understanding between Lender, IGM and Borrowers with respect to the subject matter hereof and thereof and supersede all prior and contemporaneous verbal and written communications, agreements, assurances and understandings between Lender, IGM and Borrowers with respect thereto and may not be modified, altered or amended except by an agreement in writing signed by Lender, IGM and Borrowers.

B. Wherever possible, each provision of this Loan Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Loan Agreement shall be prohibited by or invalid under applicable law, such provision shall be severed herefrom and such invalidity or unenforceability shall not affect any other provision of this Loan Agreement, the balance of which shall remain in and have its intended full force and effect; provided, however, if such provision may be modified so as to be valid and enforceable as a matter of law, such provision shall be deemed to be modified so as to be valid and enforceable to the maximum extent permitted by law.

C. All covenants, duties and obligations of IGM and Borrowers pursuant to this Loan Agreement and the other Transaction Documents shall be binding upon IGM and Borrowers and their respective parent companies, successors, divisions, subsidiaries and affiliates.

D. All representations and warranties of Borrowers and IGM contained herein, the other Transaction Documents and in any other agreement executed and/or delivered by either Borrower or IGM to Lender shall be true and correct when delivered, and shall continue to be true and correct until such time as the Loans have been indefeasibly paid and satisfied in full.

E. Lender's failure at any time or times hereafter to require strict performance by either Borrower or IGM of any provision of this Loan Agreement or the other Transaction Documents shall not waive, affect or diminish any right of Lender thereafter to demand strict compliance and performance therewith.

(1) Any suspension or waiver by Lender of a default or Event of Default by Borrowers or IGM under this Loan Agreement, the other Transaction Documents or otherwise shall not suspend, waive or affect any other Event of Default by Borrowers or IGM under this Loan Agreement, the other Transaction Documents or otherwise, whether such default or Event of Default is prior or subsequent thereto and whether such default or Event of Default is the same or a different type.

(2) None of the undertakings, agreements, representations, warranties, covenants, duties and obligations of Borrowers or IGM contained in this Loan Agreement, the other Transaction Documents or otherwise, and no default or Event of Default by Borrowers or IGM under this Loan Agreement, the other Transaction Documents or otherwise, shall be deemed to have been waived by Lender unless such waiver is signed by an officer of Lender and delivered in conformity with *Paragraph 13* of this Loan Agreement.

F. The Exhibits referred to in this Loan Agreement are attached hereto, made a part hereof and incorporated herein by this reference thereto.

G. Borrowers and IGM waive the right to direct the application of any and all payments received by Lender on account of the Loans, and Borrowers agree that Lender shall have the continuing exclusive right to apply and reapply any and all payments, offsets, set offs, and deductions in such manner and in such order as Lender may deem advisable, including, without limitation, to the payment of any of Lender's costs, attorneys' fees and expenses.

H. In addition to *Paragraph 11E*, IGM, Harborside and Grown Medicine will be solely responsible for and fully and timely pay all of their respective costs and expenses incurred in connection with the Transactions and the negotiation, preparation and execution of this Loan Agreement and the other Transaction Documents, including all legal and accounting fees; provided, however, that Harborside and Grown Medicine shall pay Lender's costs, fees and expenses incurred in connection with the negotiation, preparation and execution of this Loan Agreement and the other Transaction Documents and the consummation of the Transactions.

I. Notwithstanding anything to the contrary in this Loan Agreement or the other Transaction Documents, neither this Loan Agreement, the other Transaction Documents, the Transactions nor the transactions described in, or contemplated by, the other Transaction Documents have been duly authorized by the Board of Directors and Shareholders of Harborside and, accordingly, are not binding or effective upon Harborside only, unless and until duly authorized and approved by the Board of Directors and Shareholders of Harborside.

J. LENDER , IGM AND BORROWERS HEREBY WAIVE PERSONAL SERVICE OF ANY AND ALL PROCESS AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE AS SET FORTH IN PARAGRAPH 13 OF THIS LOAN AGREEMENT OR IN THE MANNER PROVIDED BY APPLICABLE STATUTE, LAW, RULE OF COURT OR OTHERWISE.

K. LENDER, IGM AND BORROWERS HEREBY IRREVOCABLY AGREE, CONSENT AND SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS, AND THE UNITED STATES

DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION, WITH REGARD TO ANY ACTIONS OR PROCEEDINGS ARISING FROM, RELATING TO OR IN CONNECTION WITH THE LOANS, THIS LOAN AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE COLLATERAL.

L. LENDER, IGM AND BORROWERS HEREBY WAIVE ANY RIGHT THEY MAY RESPECTIVELY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION FILED IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS, AND THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION.

M. LENDER, IGM AND BORROWERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY.

[signature page follows]


IN WITNESS WHEREOF, Lender, IGM and Borrowers have executed and delivered this Loan Agreement on the date first set forth above.

LINCHPIN INVESTORS, LLC

By: _____

Title: _____

IGM, LLC

BY:  _____

Title: CEO

Harborside Illinois Grown Medicine, Inc.,

By:  _____

Title: CEO

IL Grown Medicine, LLC,

By:  _____

Title: CEO

IN WITNESS WHEREOF, Lender, IGM and Borrowers have executed and delivered this Loan Agreement on the date first set forth above.

LINCHPIN INVESTORS LLC

By: 

Title: 

IGM, LLC

By: _____

Title: _____

HARBORSIDE ILLINOIS GROWN MEDICINE, INC.

By: _____

Title: _____

IL GROWN MEDICINE LLC

By: _____

Title: _____

Exhibit "1"

Secured Promissory Note

Exhibit "2"

Secured Line of Credit Promissory Note

Exhibit "3"

Collateral Assignment of IL Grown Medicine, LLC Lease

Exhibit "4"

Business Premises

Exhibit "5"

Assignments Separate from Certificate

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