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

AMENDMENT NO. 1
TO
FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

TILT Holdings Inc.
(Exact name of registrant as specified in its charter)

British Columbia	**83-2097293**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
2801 E. Camelback Road #180 **Phoenix, Arizona 85016**	**(623) 887-4990**
(Address of principal executive offices and zip code)	(Registrant's telephone number, including area code)

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Securities to be registered pursuant to Section 12(b) of the Act:
None

Securities to be registered pursuant to Section 12(g) of the Act:
Common Shares
(Title of class)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

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

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IMPLICATIONS OF BEING AN EMERGING GROWTH COMPANY AND SMALLER REPORTING COMPANY AND FILING THIS REGISTRATION STATEMENT

As a company with less than $1.07 billion in revenue during our most recently completed fiscal year, we qualify as an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, ("Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"). As an emerging growth company, we may take advantage of specified reduced disclosure and other exemptions from requirements that are otherwise applicable to public companies that are not emerging growth companies. These provisions include:

- reduced disclosure about our executive compensation arrangements;
- exemptions from non-binding shareholder advisory votes on executive compensation or golden parachute arrangements; and
- exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting.

We will remain an emerging growth company until the earliest of (i) the last day of the year in which we have total annual gross revenue of $1.07 billion or more; (ii) the last day of the year following the fifth anniversary of the first sale of the common equity securities pursuant to an effective registration under the Securities Act; (iii) the date on which we have issued more than $1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the Securities and Exchange Commission ("SEC").

Notwithstanding the above, we are also currently a "smaller reporting company," meaning that we are not an investment company, an asset-backed issuer, or a majority-owned subsidiary of a parent company that is not a smaller reporting company, and we have (a) a public float of less than $250 million or (b) annual revenues of less than $100 million during the most recently completed fiscal year for which audited financial statements are available and (i) no public float or (ii) a public float of less than $700 million. In the event that we are still considered a smaller reporting company, at such time as we cease being an emerging growth company, the disclosure we will be required to provide in our SEC filings will increase, but it will still be less than it would be if we were not considered either an emerging growth company or a smaller reporting company. Specifically, similar to emerging growth companies, smaller reporting companies are able to provide simplified executive compensation disclosures in their filings; are exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that independent registered public accounting firms provide an attestation report on the effectiveness of internal control over financial reporting; and have certain other decreased disclosure obligations in their SEC filings, including, among other things, only being required to provide two years of audited financial statements in annual reports.

You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. You should assume that the information contained in this document is accurate as of the date of this registration statement on Form 10 only.

This registration statement will become effective automatically sixty days from the date of the original filing (the "Effective Date"), pursuant to Section 12(g)(1) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As of the Effective Date, we will become subject to the reporting requirements of Section 13(a) under the Exchange Act and will be required to file annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and we will be required to comply with all other obligations of the Exchange Act applicable to issuers filing registration statements pursuant to Section 12(g) of the Exchange Act.

USE OF NAMES AND CURRENCY

In this registration statement on Form 10, unless the context otherwise requires, the terms "we," "us," "our," "Company," or "TILT" refer to TILT Holdings Inc. together with its wholly owned subsidiaries.

Unless otherwise indicated, all references to "$" or "US$" or "USD" in this registration statement refer to United States ("U.S.") dollars, and all references to "C$" or "CAD" refer to Canadian dollars.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This registration statement includes "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"). Such statements include, but are not limited to, statements with respect to expectations, projections, or other characterizations of future events or circumstances, and our objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to our plans and objectives, or estimates or predictions of actions of customers, suppliers, competitors or regulatory authorities. These statements are subject to certain risks, assumptions and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. The words "believe", "plan", "intend", "estimate", "expect", "likely", "potential", "proposed" or "anticipate", and similar expressions, as well as future or conditional verbs such as "will", "should", "would" and "could" often identify forward-looking statements.

Management of the Company has based the forward-looking statements on its current views with respect to future events and financial performance and has made assumptions and applied certain factors regarding, among other things: future product pricing; costs of inputs; the Company's ability to successfully market its products to its anticipated clients; the Company's reliance on its key personnel; certain regulatory requirements; the application of federal and state environmental laws; the impact of increasing competition; the ability to obtain additional financing on favorable terms; the receipt of applicable regulatory approvals; and the regulatory environments in which the Company operates. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement. The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose.

Such factors include, among others, the status of cannabis as a controlled substance under the U.S. Federal Controlled Substances Act ("CSA"); reputational risk to third parties; risks associated with banking, financial transactions and anti-money laundering laws and regulations; risks related to federal and state forfeiture laws; the risk of heightened security by regulatory authorities; risks related to the potential negative impact of regulatory scrutiny on raising capital; risks related to regulatory or political change; risks due to industry immaturity or limited comparable, competitive or established industry best practices; risks related to the uncertainty surrounding existing protection from U.S. federal prosecution relating to cannabis laws; risks related to uncertainty with respect to geo-political disruptions; risks related to regulatory changes in relation to vaporization devices and subsequent impacts to interstate commerce, registrations and revenue reporting requirements, and potential excise tax applicability; risks relating to tax status; risks associated with the Company's business model; risks related to the Company's dependency on suppliers and skilled labor; risks related to the reliance on third party suppliers; the uncertainty of the impact of the coronavirus pandemic ("COVID-19 pandemic") on the Company and on the operations of the Company; risks that the Company's actual financial position and results of operations may differ materially from the expectations of the Company's management; risks related to the costs and obligations relating to the Company's investment in infrastructure, growth, regulatory compliance and operations; risks related to the Company's dependency on regulatory approvals and licenses to conduct its business; risks related to the potential for changes in laws, regulations and guidelines which could adversely affect the Company's future business; risks related to a failure on the part of the Company to comply with applicable regulations; risks related to the legal, regulatory and scientific status of cannabis; risks related to the Company's ability to find suitable candidates and capital necessary to complete strategic alliances or partnerships; risks related to the Company's ability to successfully identify and execute future acquisitions or dispositions; risks related to the Company's ability to develop its products; risks related to the Company's ability to achieve successful cultivation; risks related to the Company's ability to turn a profit or generate immediate revenues; risks related to limitations on the permissible ownership of licenses; risks related to constraints on marketing the Company's products under varying state laws; risks related to the potential results of future clinical research; risks related to the Company's ability to effectively manage its growth and operations; risks related to the regulation of medical cannabis by the U.S. Food and Drug Administration ("FDA"); risks related to the differing local rules and regulations and the impact this may have on the Company's ability to expand into new markets; risks related to the protection and enforcement of intellectual property rights and allegations that the Company is in violation of intellectual property rights of third parties; risks relating to access to banking; risks relating to disclosure of personal information to government or regulatory entities; risks related to potential requirement to disclose personal identifying information to government or regulatory entities; risk that the

Company may be forced to litigate or defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights; risks relating to fraudulent activity by employees, contractors and consultants, risks regarding the enforceability of contracts; risk of litigation generally; risks relating to increasing competition in the industry; risks relating to the Company's ability to secure adequate or reliable sources of funding; risks relating to product recalls; risks relating to reliance on technology systems that may be subject to cyber-attacks or security breaches; risks that the Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest; risks relating to the Company's inability to successfully implement adequate internal controls over financial reporting; risks relating to restrictions on entry to the U.S. for the Company's Canadian individuals; risks relating to consumer perception; risks relating to the potential that bond requirements and insurance premiums may be economically prohibitive; risks relating to global economic and political instability and conflicts, such as the conflict between Russia and Ukraine; the risk that the Company's web presence's visibility is not limited by geography; risks relating to volatility in the market price of the Company's securities; risks related to price volatility of publicly traded securities; risks related to the Company's securities being currently quoted on the OTCQX; and other factors beyond our control, as more particularly described under the heading "Risk Factors" in this registration statement.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although we have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information and statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such information and statements. Accordingly, readers should not place undue reliance on forward-looking information and statements. The forward-looking information and statements contained herein are presented for the purposes of assisting readers in understanding our expected financial and operating performance and our plans and objectives and may not be appropriate for other purposes.

The forward-looking information and statements contained in this registration statement represent our views and expectations as of the date of this registration statement and forward-looking information and statements contained herein represent our views as of the date of hereof. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update such forward-looking information and statements at a future time, we have no current intention of doing so except to the extent required by applicable law.

ITEM 1. BUSINESS

Unless otherwise stated, all dollar figures included in this Item 1 Business and in Item 2 Financial Information, including Management's Discussion and Analysis, are quoted in thousands of U.S. dollars ("USD", "$" or "US$"), except per share amounts.

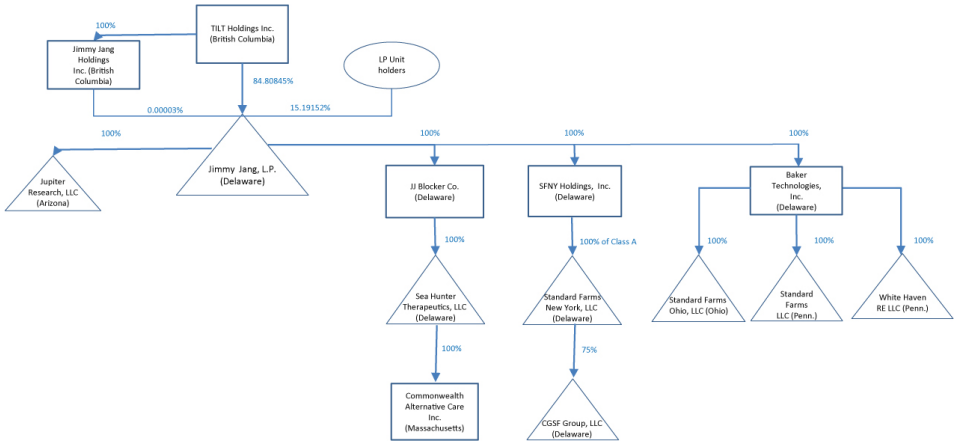
General

TILT is a global provider of cannabis business solutions that include inhalation technologies, cultivation, manufacturing, processing, brand development and retail. TILT operates through two business divisions: Inhalation Technology and Cannabis.

TILT Holdings Inc. was incorporated under the laws of Nevada pursuant to NRS Chapter 78 on June 22, 2018. The Company was continued under the Business Corporations Act (British Columbia) (the "BCBCA") pursuant to a Certificate of Continuance dated November 14, 2018. The Company is a reporting issuer in Canada in the Provinces of British Columbia, Alberta and Ontario and its common shares (the "Common Shares") are listed for trading on the NEO Exchange (the "NEO Exchange") under the symbol "TILT." In addition, the Common Shares are quoted on the OTCQX in the U.S. under the symbol "TLLTF."

The Company's head office is located at 2801 E. Camelback Road #180, Phoenix, Arizona 85016 and the registered office is located at 745 Thurlow St #2400, Vancouver, British Columbia V6E 0C5. The Company's business website is *www.tiltholdings.com*.

The following chart depicts the material subsidiaries of the Company as of May 16, 2022.



Principal Products and Services

Inhalation Technology — Jupiter

Inhalation Technology encompasses the business of Jupiter Research, LLC ("Jupiter") which is a leading participant in the cannabis vape and accessory product market. Through the Inhalation Technology division, the Company sells vape and accessory products and services to cannabis clients and brand partners across thirty-seven states in the U.S., as well as Canada, Israel, South America and the European Union. The Company's "designed in Arizona, manufactured in China" business model leverages in-house technical and product design acumen along with supply chain expertise to deliver customized hardware, accessories, technology and packaging solutions, which enables cannabis brands to differentiate their product in the marketplace. Jupiter's product solutions incorporate industry-leading CCELL® technology developed by Shenzhen-based Smoore Technology. Jupiter is one of only four licensed resellers of CCELL® technology.

Cannabis

In the Cannabis division, the Company supports third-party cannabis clients through turn-key retail, distribution, cultivation and manufacturing offerings. The Company provides these products and services in Massachusetts, Pennsylvania and Ohio. The Company's contract manufacturing and distribution network provides its cannabis clients with efficient access to these fast growing, supply-constrained, limited license markets. The following reflects a summary of the Company's Cannabis operations and assets in each market:

Cannabis — Massachusetts

In Massachusetts, the Company operates through its wholly owned subsidiary, Commonwealth Alternative Care, Inc. ("CAC"). CAC operates a vertically integrated marijuana facility in Taunton, Massachusetts, dually licensed for both medical and adult-use operations. The facility includes over 60,000 square feet dedicated to cultivation, 8,000 square feet of production and 2,400 square feet of onsite retail dispensary space. At its Taunton facility, CAC also operates a full commercial kitchen and extraction facility producing packaged units across dozens of demand-driven stock keeping units ("SKUs"). CAC produces and distributes a variety of cannabis flower, vape cartridges, concentrates, edibles and topicals via wholesale to other licensed cannabis operators in the Commonwealth of Massachusetts, and via retail and direct delivery to registered patients of the Massachusetts Medical Use of Marijuana Program. CAC has two additional dispensary locations: one is operational for medical/adult-use in the City of Brockton, and the other is non-operational in the City of Cambridge.

Cannabis — Pennsylvania

The Company has a cultivation and production presence in Pennsylvania through its wholly owned subsidiary, Standard Farms LLC ("Standard Farms PA"). Standard Farms PA produces medical cannabis products, including vape cartridges, flower, capsules, oil syringes and tinctures, which are sold via wholesale to more than 90% of the state's cannabis dispensaries. Standard Farms PA operates a greenhouse facility that includes 33,500 square feet dedicated to cultivation with the ability to expand that footprint in the future.

Cannabis — Ohio

The Company operates a cannabis extraction facility outside of Cleveland, Ohio through its wholly owned subsidiary, Standard Farms Ohio, LLC ("Standard Farms OH"). The approximately 21,000 square foot facility, expanded in Q3 2021, utilizes CO2 extraction to produce high-quality medical cannabis products from cannabis biomass including tinctures, vape cartridges, syringes, topicals, concentrates and edibles. Standard Farms OH products are sold and distributed throughout Ohio at wholesale to other licensed cannabis businesses.

Cannabis — New York

The Company formed a partnership in August 2021 with the Shinnecock Indian Nation ("Shinnecock"), a federally recognized Native American tribe, to establish vertical cannabis operations on their tribal territory in Long Island, New York. Through a joint venture with the Shinnecock's cannabis project development firm, Conor Green, the Company is financing, building and providing management services for Shinnecock's wholly owned cannabis business, Little Beach Harvest ("Little Beach Harvest"). The project is expected to include a 60,000 square-foot cultivation, processing, extraction and packaging facility; a two-story dispensary with a drive through; and an adjacent wellness lounge. Construction is expected to begin in 2022. The initial term of the management agreement is for nine years but may be extended up to an additional ten years, pending accomplishment of certain performance-based milestones related to revenue and profitability.

Strategy

The Company provides innovative, unique and cost-effective business solutions to its customers across the cannabis industry value chain. The Company's core mission is to help its customers build brands by offering unique products, solutions and services that deliver added value to consumers, multi-state cannabis operators, licensed producers and cannabis brands around the globe. The Company believes that its clients rely on the Company for its expertise to help address growing supply chain specialization and complexity in cannabis

industry retailing and wholesaling. Further, as a result of its extensive Jupiter customer base and differentiated cannabis value proposition, the Company is uniquely positioned to cross-sell services between each business division and its respective customers and partners.

Recent Developments

On January 8, 2021, the Company announced that it had been approved for immediate trading on the OTCQX Best Market under the symbol "TLLTF."

On January 12, 2021, the Company announced that its subsidiary, Jupiter, had obtained ISO 13485:2016 certification of its quality management system for medical devices. The qualification verifies that Jupiter adequately fulfills regulatory requirements and specifications established by the International Organization for Standardization for medical device development and quality management systems. Jupiter can now design and manufacture its own medical device components, as well as act as a contract manufacturer for third party companies, allowing Jupiter to supply the U.S. and European medical cannabis markets with medical-grade inhalation devices.

On February 4, 2021, the Company announced an exclusive contract with Her Highness NYC ("Her Highness"), the premier purveyors of female-forward cannabis couture products inspired and engineered by women. Launched on March 5, 2021, Her Highness products are being manufactured and distributed in Massachusetts by the Company's wholly owned subsidiary, CAC.

On February 9, 2021, the Company entered into a promissory note with PBM Enterprises, LLC, amending and restating in its entirety the original note entered into during May 2020. The promissory note includes a principal balance of $1,250 with an interest rate of 0% and a maturity date of December 31, 2022.

On February 22, 2021, the Company announced the assignment by its subsidiary, SH Finance Company, LLC, of the loan and security agreement entered into with Ermont, Inc. (the "Ermont Note") to Teneo Funds SPVi LLC, through an arm's-length third-party transaction, in exchange for $1,250 in cash and a portion of future collections pursuant to the Ermont Note. The assignment agreement contains standard representations, warranties and indemnifications between the parties.

On March 2, 2021, the Company announced that it had received regulatory approval from the Cannabis Control Commission ("CCC") to commence operation of eight additional grow rooms at its subsidiary, CAC. The Company began cultivation operations in the newly approved space in late March 2021.

On March 15, 2021, the Company acquired all assets and assumed all liabilities of Standard Farms OH, a medical cannabis provider focused on cultivation, processing and CO2 extraction for the State of Ohio's operating dispensaries. The acquisition of Standard Farms OH (the "Standard Farms OH Acquisition") further expands the Company's footprint into a new market, thus providing access to additional customers. The Company's consideration for the Standard Farms OH Acquisition consisted of $7,550 settled indebtedness to the Company, transferred into ownership interest.

On May 24, 2021, the Company announced the expansion of its partnership with Airo Brands, Inc. ("Airo"), a multi-state consumer packaged goods company focused on proprietary inhalation products. Airo is a leading cannabis inhalation brand, available in more than 1,250 dispensaries across the U.S. and Puerto Rico. Airo is one of Jupiter's earliest customers, licensing exclusive Jupiter products since 2016 and collaborating on proprietary inhalation technologies. Under the expanded partnership, Jupiter would continue to provide its proprietary hardware for Airo's AiroPro and AiroX devices, as well as AiroPod cartridges, while Standard Farms PA would produce and fill high-quality cannabis oil for Airo's AiroPod cartridges to be sold at retailers across Pennsylvania. Sales of Airo products through Standard Farms PA subsequently commenced in September 2021.

On June 8, 2021, the Company announced that Baker Technologies Inc. ("Baker"), an indirect wholly owned subsidiary of the Company, had agreed to amend and receive payment for the convertible senior secured promissory note (the "Blackbird Note") that was previously issued in connection with the sale of Blkbrd Holdings Corp. ("Blackbird"). The Blackbird Note receivable was paid at its $7,900 fair value calculated as of March 31, 2021. Baker agreed to receive payment through a series of transactions (collectively, the

"Transactions") with Slam Dunk LLC ("Slam Dunk") and HERBL, Inc. ("HERBL"), a California corporation and arm's-length third party to both the Company and Slam Dunk, pursuant to which:

- Blackbird Logistics Corporation, a Nevada corporation and wholly owned subsidiary of HERBL, assumed from Slam Dunk the obligation to repay the Blackbird Note to Baker;
- the Blackbird Note was fully repaid through the payment to Baker of US $1,500 in cash and the issuance to Baker of a certain number of shares of common stock of HERBL (such number of shares subject to adjustment in certain circumstances) (the "HERBL Shares") based on HERBL's enterprise value. Baker entered into customary investor and stockholder agreements related to its ownership of the HERBL Shares. If the cash payment was not made to Baker, or the HERBL Shares were not issued to Baker, such that the debt obligations under the Blackbird Note were not fully repaid on or before June 11, 2021, Slam Dunk would remain liable for all of its original debt obligations to Baker under the Blackbird Note; and
- HERBL agreed to give a guarantee to Baker of Slam Dunk's obligations to Baker under the securities purchase agreement, dated November 18, 2020, entered into by Baker and Slam Dunk in connection with the Blackbird Sale (as defined below).

All of the Transactions were completed on June 11, 2021.

On June 17, 2021, the Company announced that it had entered into an exclusive agreement (the "Old Pal Agreement") to manufacture, package and distribute select products by Old Pal, a Los Angeles-based lifestyle cannabis company. Pursuant to the Old Pal Agreement, the Company's subsidiary, CAC, would bring Old Pal into the Company's full-service wholesale manufacturing, packaging and distribution platform in Massachusetts.

On June 17, 2021, the Company reached an agreement with the CCC to settle concerns of regulatory violations by making a payment in the amount of $275 to the Massachusetts Marijuana Regulation Fund (the "Settlement"). The Settlement was paid in full and allowed the Company to move forward with its licensing process and expansion plans in Massachusetts. The concerns of regulatory violations related to commercial arrangements with third-party licensed marijuana businesses in Massachusetts that the CCC determined could constitute unapproved control over such licensed businesses, and which resulted in the possible control of more than the permissible number of licensed businesses that a person or entity may control at any given time. The applicable business relationships have been terminated.

On July 21, 2021, Jupiter entered into a new two-year, $10,000 asset-based revolving credit facility with Entrepreneur Growth Capital, LLC.

On August 12, 2021, the Company announced a multi-state licensing agreement with cannabis product innovator brand 1906 ("1906"). Through its subsidiaries Standard Farms PA, in Pennsylvania, Standard Farms OH, in Ohio and CAC in Massachusetts, the Company provides full-service wholesale manufacturing, packaging and distribution services to accelerate the availability of 1906's portable, non-smokable cannabis products to patients in the growing adult-use and medical markets that the Company serves.

On August 12, 2021, the CCC granted CAC a final retail license for the sale of medical cannabis in Brockton, Massachusetts. Subsequently, on September 21, 2021, the CCC approved the commencement of retail operations at CAC's Brockton location, effective immediately.

On August 16, 2021, the Company announced that it had received approval for the listing of its Common Shares on the NEO Exchange. The Company's Common Shares began trading in Canadian dollars on the NEO Exchange on August 17, 2021, under the symbol 'TILT'. In conjunction with the new listing, the Common Shares were voluntarily delisted from the Canadian Securities Exchange ("CSE") at the close of trading on Monday, August 16, 2021. The Company's Common Shares continue to be quoted on the OTCQX Best Market.

On August 17, 2021, the Company announced a second exclusive agreement with Old Pal, a Los Angeles-based lifestyle cannabis company, to manufacture, package and distribute select Old Pal products in the Pennsylvania market via the Company's subsidiary Standard Farms PA.

On August 24, 2021, the Company announced a partnership with the Shinnecock to establish vertical cannabis operations on their aboriginal tribal territory in the Hamptons on Long Island, New York. Through a joint venture with Shinnecock's cannabis project development firm Conor Green, TILT will finance, build and provide management services for the vertical cannabis operations of Shinnecock's wholly owned cannabis business, Little Beach Harvest. The project will include a 60,000 square-foot cultivation, processing, extraction and packaging facility, a two-story dispensary with drive-thru and an adjacent wellness lounge. A subsidiary of the Company purchased 100% of the Class A membership interests of Standard Farms New York, LLC ("SFNY"), which holds a 75% interest in CGSF Group ("CGSF"), a newly formed joint venture with Conor Green. The Company paid a total of $751 with $400 being paid in cash and $351 paid in Common Shares, in the acquisition of its interests in SFNY and CGSF. Additionally, upon the achievement of certain milestones, the Company will provide for additional consideration of up to 5,673,844 Common Shares, valued at $2,837 upon closing, in share-based payments to Connor Green. Through the agreements between CGSF and Little Beach Harvest, the Company will provide management services to Little Beach Harvest for the development of the facilities, including planning, design and funding of up to approximately $18,000 in capital expenditures in order to provide a fully vertical cannabis operation. The 9% debt financing the Company provides is repaid through cash flows monthly and is secured by the assets of the project. In exchange for providing management services, SFNY receives 11.25% of Shinnecock's gross revenue as well as 18.75% of free cash flows from all Shinnecock cannabis operations during the initial term of up to nine years. The management agreement may be extended up to ten additional years, pending accomplishment of certain performance-based milestones related to revenue and profitability.

On October 14, 2021, the CCC granted the Company's subsidiary, CAC, a final adult-use retail establishment license for its Brockton location. Following a final inspection, the CCC approved the commencement of adult-use retail operations effective November 22, 2021.

On October 27, 2021, the Company closed the sale of substantially all of the assets of Sante Veritas Therapeutics Inc. ("SVT"), an inactive wholly owned subsidiary of the Company, to Meridian 125W Cultivation Ltd. for approximately C$900 in cash. Part of the proceeds were used to resolve outstanding liabilities.

On November 10, 2021, the Company announced the expansion of its partnership with Airo, a multi-state consumer packaged goods company focused on proprietary inhalation products, beyond its current manufacturing and distribution agreement in Pennsylvania, to include Massachusetts. An early client of the Company's subsidiary, Jupiter, since 2016, Airo also licenses exclusive Jupiter products and collaborates on proprietary inhalation technologies. Airo products are currently available in Massachusetts as Airo transitions to the Company's subsidiary, CAC, to take over production and distribution. Through this expanded partnership, the Company will distribute Airo products including the AiroPro®, AiroSport™, and AiroX® featuring formulations from Airo's Strain Series, Artisan Series, and Live Flower Series, plus additional products throughout the year.

On November 19, 2021, the CCC awarded CAC final adult-use cultivation, manufacturing and retail licenses for CAC's Taunton location. Following a final inspection, the CCC approved the commencement of adult-use cannabis operations including cultivation, manufacturing, distribution and retail sales effective December 20, 2021. With this approval, CAC is the first dispensary to open its doors to recreational cannabis customers in Taunton, Massachusetts.

On February 9, 2022, the Company announced that it had signed a definitive agreement (the "Purchase Agreement") to exercise its purchase option for ownership of its Taunton, Massachusetts facility (the "Taunton Facility") for a purchase price of approximately $13,000 (the "Taunton Purchase"). Through its subsidiary, CAC, the Company entered into the Purchase Agreement with the current owner of the Taunton facility. The Company paid an initial deposit of $50 into escrow upon execution of the Purchase Agreement, with an additional $150 deposit to be paid into escrow once the Company elected to proceed with its acquisition of the Taunton Facility after its due diligence review. The Taunton Facility is comprised of two condominium units (Unit A and Unit B). The Company had the option to elect to purchase both Unit A and Unit B or solely Unit A but the Purchase Agreement was amended on March 15, 2022, to extend the deadline to May 15, 2022. If the Company elected to purchase Unit A only, the purchase price was to be reduced to approximately $4,600.

On February 17, 2022, the Company announced a multi-state licensing agreement with Toast™, an Aspen, Colorado born national cannabis brand. Initial product rollout will begin in Massachusetts through CAC. Pending regulatory approval, TILT will launch Toast™ in Pennsylvania and Ohio through its Standard Farms subsidiaries with new SKUs created for each market. The Company will provide full-service wholesale manufacturing, packaging and distribution for several existing Toast™ SKUs, as well as collaborative research and development services to create new products and increase the accessibility of high-end cannabis to medical patients and adult-use consumers. In the coming months, Toast™ will debut a new set of SKUs with the Company that are currently under development and are specially curated for each market.

On February 28, 2022, the Company announced that it will be launching adult-use cannabis delivery from its CAC's dispensary in Taunton. The delivery service is made available through a partnership with Bracts & Pistils, a local woman-owned and veteran-managed social equity cannabis delivery operator.

On March 2, 2022, the Company announced an exclusive manufacturing and distribution partnership in Ohio with Timeless Refinery, a leading cannabis lifestyle brand with operations in Arizona, Oklahoma, Missouri and California.

On March 15, 2022, the Company announced that it had signed an amendment to the Purchase Agreement ("the Taunton Purchase Amendment"). Pursuant to the terms of the Taunton Purchase Amendment, the Company paid $200 to extend the closing of the transactions contemplated by the Purchase Agreement to a date that is on or before May 31, 2022. The Taunton Purchase Amendment also extended the due diligence period and the deadline to determine whether TILT would acquire both Unit A and Unit B of the condominium comprising the Taunton Facility until May 15, 2022.

On March 22, 2022, the Company announced it was expanding its leadership team by hiring Lynn Ricci as Vice President, Investor Relations and Corporate Communications.

On May 12, 2022, the Company announced an exclusive manufacturing and distribution partnership with Black Buddha Cannabis, an environmentally conscious and social impact-driven wellness brand.

On May 16, 2022, through its subsidiary CAC, the Company completed the previously announced acquisition of the Taunton Facility. Concurrent with the acquisition, CAC closed on the sale of the Taunton Facility (the "Massachusetts Sale" and, with the Taunton Purchase, the "Massachusetts Transaction") to Innovative Industrial Properties, Inc. ("IIP"). The purchase price for the property in the Massachusetts Sale was $40,000. The all-cash net proceeds of the Massachusetts Transaction of approximately $27,000 will be used by the Company to pay down the outstanding corporate debt. Concurrent with the closing of the Massachusetts Sale, IIP entered into a long-term, triple-net lease agreement for the property with CAC for a term of 20 years, with two 5-year extensions exercisable at the tenant's discretion. CAC anticipates no disruption to its operations as a result of the transaction. In addition to the Massachusetts Transaction, the Company entered into a definitive purchase and sale agreement between TILT's subsidiary, White Haven RE, LLC, and an affiliate of IIP, providing for the sale and leaseback of TILT's cultivation and production facility in White Haven, PA (the "Pennsylvania Transaction") in exchange for $15,000 cash. In accordance with the terms of the Pennsylvania Transaction, TILT's subsidiary, Standard Farms PA, will also execute a long-term, triple-net lease agreement. The term lease agreement will be 20 years, with two 5-year extensions exercisable at the tenant's discretion. Standard Farms PA anticipates no disruption to its operations as a result of the transaction. The Pennsylvania Transaction is subject to various closing conditions, including standard property/title inspections and appraisals and is scheduled to close before the end of the second quarter of 2022.

History of the Company

On May 15, 2018, Baker entered into a letter of intent with Santé Veritas Holdings, Inc., a Canadian corporation ("SVH"), Sea Hunter Therapeutics, LLC, a Delaware limited liability company ("Sea Hunter"), and Briteside Holdings, LLC, a Tennessee limited liability company ("Briteside"). The letter of intent contemplated that SVH and Baker would become sister operating companies owned by TILT. The letter of intent further contemplated that Baker would, in turn, own Sea Hunter and Briteside following the transaction. On June 22, 2018, TILT Holdings Inc. and its wholly owned subsidiary TILT Holdings US, Inc. ("TILT Holdings US"), were formed with the intention of creating a vertically integrated, technology driven infrastructure platform to deliver comprehensive solutions to the legalized cannabis industry in Canada and the U.S.

On July 9, 2018, Baker, SVH, Sea Hunter, Briteside and 1167411 B.C. Ltd. ("Finco") entered into a Business Combination Agreement to combine their respective businesses, all to be owned by the Company (the "Business Combination"). Pursuant to an Agreement and Plan of Merger between TILT Holdings US, TILT Holdings and Baker (the "Merger Agreement"), it was agreed that TILT Holdings US would merge with and into Baker with Baker continuing as the surviving corporation in the merger (the "Merger"). Prior to the Merger, members of Briteside and Sea Hunter entered into separate contribution agreements (the "Contribution Agreements") pursuant to which they contributed their respective membership interests in Briteside and Sea Hunter to TILT Holdings in exchange for common shares in TILT Holdings. As a result of the Merger Agreement and the Contribution Agreements, Baker, Sea Hunter and Briteside became wholly owned subsidiaries of TILT Holdings. TILT Holdings subsequently became the Company by way of conversion from the State of Nevada into the Province of British Columbia and thereby became a British Columbia corporation. On November 21, 2018, pursuant to a plan of arrangement under the BCBCA, SVH then became a wholly owned subsidiary of the Company. In connection with this transaction, the Company became a publicly listed company on the CSE.

On January 14, 2019, the Company announced the closing of the acquisition (the "Jupiter Acquisition") of all of the issued and outstanding membership interests in Jupiter for consideration of $226,800 consisting of: (i) $70,000 of cash consideration; and (ii) $154,000 of security based consideration comprised of 54,914,224 limited partnership units of Jimmy Jang, L.P. ("LP Units") and 54,914,224 rights of the Company ("Rights"), with each one LP Unit and one Right being convertible together, at the request of the holder, into one Common Share.

On January 16, 2019, the Company announced the closing of the acquisition of all issued and outstanding shares in Blackbird for consideration of $53,915, consisting of: (i) $4,716 of cash consideration and (ii) $45,000 of security-based consideration comprised of 161,543 compressed shares in the capital of the Company ("Compressed Shares"). Each Compressed Share has since been decompressed into 100 Common Shares.

On January 28, 2019, the Company announced the closing of the acquisition of all issued and outstanding shares in Standard Farms PA for consideration of $40,000, consisting of: (i) $12,000 of cash consideration; and (ii) $28,000 of security-based consideration comprised of 11,090,427 Common Shares.

On April 16, 2019, the Company announced that Baker, the Company's wholly owned subsidiary, closed a loan to Standard Farms OH for up to $3,000. The first tranche of $1,000 was funded on closing and the remaining $2,000 was scheduled to be funded in late 2019 subject to, among other things, Standard Farms OH's receipt of a certificate of operation. The proceeds of the loan were distributed to the holders of all of the membership interests in Standard Farms, Bio Alpha Venture LLC ("BAV"), and Goldrath Alpha Venture LLC ("GAV"), wholly owned companies of Jonathon Goldrath and Peter Bio, officers of Standard Farms PA, an indirect subsidiary of the Company.

On April 29, 2019, the Company secured a $20,000 credit facility (the "Bridge Loan" or the "Credit Facility"). The Credit Facility was created pursuant to a loan agreement (the "Loan Agreement") among Standard Farms PA and White Haven RE, LLC ("White Haven"), both indirect wholly owned subsidiaries of the Company, as borrowers (the "Borrowers"), BAV, GAV and certain other parties consented to by BAV and GAV, as lenders (collectively, the "Lenders"), BAV and GAV as agents for the Lenders and the Company and each of its indirect and direct wholly owned subsidiaries as guarantors for the Borrowers. Under the Loan Agreement, the Lenders provided $8,000 initially followed by an additional $12,000 issued on May 10, 2019, at an effective interest rate of 18.75%.

On November 4, 2019, the Company announced the closing of a private placement of up to $35,000 of senior secured notes (the "Financing") from a syndicate consisting of existing shareholders and new investors. The first close was for $25,600. The Financing was specifically used to retire in full the Bridge Loan.

On November 4, 2019, the Company announced that the previous sellers of Jupiter (the "Sellers") agreed to restructure unsecured obligations incurred in connection with the Jupiter Acquisition (the "Jupiter Debt Restructuring"). Pursuant to a junior secured note purchase agreement, dated November 1, 2019, among Jimmy Jang, L.P. ("Jimmy Jang"), Baker, CAC, Jupiter (together with Jimmy Jang, Baker, CAC, the "Borrowing Entities"), the Company, as guarantor, and the purchasers named on the Schedule of Purchasers attached thereto, the Borrowing Entities agreed to issue to the Purchasers junior secured promissory notes

("Jupiter Notes") in the aggregate principal amount of $36,180 in exchange for the release and satisfaction of the obligations of Jupiter and certain of its affiliates to pay, pursuant to an Amended and Restated Agreement and Plan of Merger dated January 11, 2019 (the "Jupiter Purchase Agreement"), the remainder of the purchase price under the Jupiter Purchase Agreement and to satisfy certain other payment obligations to the Sellers. The Jupiter Notes accrue interest at 8% per annum compounded quarterly and mature in May 2023.

On November 21, 2019, the Company announced the closing of an additional private placement of $10,200 of senior secured notes from a syndicate consisting of existing shareholders and new investors, bringing the total amount of the Financing to $35,800, up from the maximum of $35,000 announced on November 4, 2019.

As of August 1, 2020, the Company completed the relocation of its corporate headquarters from Cambridge, Massachusetts to Phoenix, Arizona.

On October 9, 2020, the Company announced that the Company had received regulatory approval to commence operations in Taunton, Massachusetts at the expanded cultivation facility of CAC, a wholly owned subsidiary of the Company. The regulatory approval added another 10,000 square feet of flower room and increased the Company's overall flower canopy by more than 50%.

On November 30, 2020, the Company completed the sale of all membership interests of Yaris Acquisition, LLC d/b/a Blackbird (the "Blackbird Sale") to Slam Dunk, a Nevada limited liability company controlled by a member of the board of directors of the Company (the "Board"), for a convertible senior secured promissory note with a principal amount of $10,000, and up to an additional $1,000 of additional funding amounts under the same note.

Prior to the Blackbird Sale in November 2020, through its Blackbird division, the Company provided end-to-end software and logistics solutions for the cannabis industry. The "My Blackbird" online portal provided a business-to-business ("B2B") logistics platform for cultivators, brands and retailers to manage the downstream movement of products through the supply chain. Additionally, the Blackbird solutions suite connected brands and retailers with end consumers through the business-to-consumer ("B2C") BlackbirdGo.com product. The Blackbird platform helped cannabis businesses build relationships with their retail customers through SMS and MMS messaging, customer loyalty programs, targeted marketing solutions, digital menus and online ordering and e-commerce. Blackbird also provided a B2C last mile solution in Nevada where it provided retail delivery services for cannabis retail businesses.

Baker is not currently a revenue-generating entity. The former Baker platform and technology was consolidated into Blackbird as a part of the integration of Blackbird into the Company following its acquisition in January 2019. Subsequent to the sale of Blackbird, the Company realigned the Baker entity to focus on the cannabis cultivation and extraction business, with the Baker business unit becoming part of the Company's cannabis division.

In December 2020, the Company completed an internal restructuring to (i) simplify the corporate organizational structure, (ii) eliminate unnecessary or inactive entities and the associated costs related thereto, (iii) organize the Company's business entities to better align with the Company's business lines and operations and (iv) ring-fence risks within each such business line. Pursuant to a contribution agreement, the Company first contributed the membership interests of Sea Hunter, SF Ohio Inc., and Defender Marketing Services LLC to the newly formed JJ Blocker Co. Finally, JJ Blocker Co. was merged into the newly formed JJ Merger Co., a direct subsidiary of Jimmy Jang, with JJ Blocker Co. being the surviving corporation.

Financings

2021

Asset-based Revolving Credit Facility

On July 21, 2021, the Company's subsidiary, Jupiter, entered into a new two-year, $10,000 asset-based revolving credit facility with Entrepreneur Growth Capital, LLC. Borrowings under the new credit facility bear interest at Prime plus 3.5% and are secured by Jupiter's inventory, accounts receivable and related property. Jupiter's existing senior and junior note creditors are subordinate in their security interests in Jupiter's

inventory, accounts receivable and related property; the existing note creditors will maintain the priority of their security interests in other Jupiter collateral. The new credit facility has a two-year initial term and will continue for successive one-year terms unless terminated by either party effective at the end of the then-current term. The loan terms provide for minimum monthly interest charges, and for borrowing base eligibility requirements, advance rates, fees, events of default and default interest rates that are common features in such facilities.

Competition

The Company's businesses face competition from companies with varying resources, access to public markets, quality of management, geographic reach and strategic focus.

The Inhalation Technology business competes primarily with distributors of CCELL® vape hardware in the U.S. and Canada including Greenlane, 3Win Corp., Cannabrand Solutions and Hamilton Devices. Additionally, the Company competes with CCELL's direct sales team in the Canadian market. The Company also competes with manufacturers of proprietary cannabis vaporization technologies such as Pax Labs and views manufacturers of tobacco vaporization technologies as potential future competitors. Product quality, innovation, pricing and availability are important differentiating factors in the vaporization hardware market. The Company believes its commitment to inhalation technology innovation, supply chain management expertise, highly focused sales team and ability to commit balance sheet resources for inventory positioning, among other factors, allows the Company to compete effectively for the wholesale B2B of the Company's vape and inhalation customers. We do not anticipate any supply disruptions directly related to the Russian invasion of Ukraine as we do not knowingly source any materials directly from either country.

The Company's Cannabis business competes with hundreds of cultivators, manufacturers, distributors and retailers in the Massachusetts, Pennsylvania, and Ohio markets. These competitors range from small family-owned operations to well-capitalized publicly traded multi-state operators. The Company's Cannabis business operates in states with regulations limiting the number of cannabis licenses that will be awarded, representing a barrier to entry for potential new market participants. The Company believes its partnerships with strong third-party brand companies seeking a presence in the state markets where it operates allows the Company's Cannabis business to compete in each market. The Company utilizes its in-house expertise on behalf of its brand partners to receive product approvals, scale up production and sell products with effective promotion, packaging, pricing, placement and inventory availability.

As cannabis remains federally illegal in the U.S., businesses seeking to enter the industry face challenges when accessing capital. At present, relatively few sources of debt or equity capital and bank lending are available to fund operations in the U.S. cannabis sector. Nevertheless, the Company is well-capitalized, and management believes that significant capital and expertise is required to replicate the Company's assets and capabilities, which are focused on providing business solutions to B2B customers building enduring brands in the highly competitive U.S. cannabis market.

Intellectual Property

The Company has developed multiple proprietary product features, technologies and processes to ensure the protection of its innovative and quality products. These proprietary technologies and processes include its cultivation and extraction techniques, product formulations and delivery and monitoring systems. While actively pursuing the patenting of these processes and materials, the Company ensures confidentiality through the use of non-disclosure and/confidentiality agreements.

Jupiter has spent considerable time and resources to establish a premium and recognizable brand amongst consumers and retailers in the cannabis industry. As of May 16, 2022, Jupiter had fourteen issued patents and thirty-seven pending U.S. and International patent applications, and six federally registered trademarks with the U.S. Patent and Trademark Office ("USPTO"). All issued patent and trademarks are further described below. Jupiter maintains an in-house legal team, as well as engages outside legal counsel, to actively monitor and identify potential infringements on its intellectual property.

Patents

As of May 16, 2022, Jupiter had fourteen issued patents and thirty-seven pending U.S. and international patent applications for its vaporizer devices and systems. The following table represents issued patents.

	Country	Patent No.	Issued Date	Duration of Patent	Title
1	U.S.	D800310	October 17, 2017	October 17, 2032	Electronic Vaporizer
2	U.S.	10398178	September 3, 2019	October 31, 2037	Electronic Vaporizer
3	U.S.	10750788	August 25, 2020	October 31, 2037	Electronic Vaporizer
4	U.S.	11044943	June 29, 2021	October 31, 2037	Electronic Vaporizer
5	U.S.	16573787	March 19, 2020	February 21, 2040	Pod Vaping System
6	U.S.	D908278	September 21, 2020	September 21, 2035	Electronic Vaporizer
7	U.S.	10689243	June 23, 2020	February 22, 2039	Metered Dispensing Device for Plant Extracts
8	U.S.	10875759	September 10, 2020	February 22, 2039	Metered Dispensing Device for Plant Extracts
9	European Union	DM/212544	February 5, 2021	November 16, 2035	Monolithic Electronic Vaporizer
10	U.S.	D942,677	February 1, 2022	February 1, 2037	Liquid Medical Device
11	European Union	DM/214262	May 19, 2021	February 9, 2036	Liquid Medical Device
12	Australia	202110730	May 14, 2021	February 12, 2031	Liquid Medical Device
13	U.S.	11131612	April 26, 2022	February 22, 2039	Metered Dispensing Device for Plant Extracts
14	U.S.	D948783	April 12, 2022	April 12, 2037	Monolithic Electronic Vaportizer

Trademarks

Additionally, as of May 16, 2022, Jupiter had six registered and two pending trademarks with the USPTO, all pertaining to use of the Jupiter brands and related goods associated with the Jupiter brands and/or names. The following table represents registered trademarks.

	Country	Registration Number / Serial Number	Registration Date	Duration of Trademark	Mark
1	U.S.	5326028	October 31, 2017	October 31, 2033	Liquid
2	U.S.	5367649	January 2, 2018	January 2, 2034	Liquid 9
3	U.S.	5218409	June 6, 2017	June 6, 2033	Tear Shape (design)
4	U.S.	5941427	December 24, 2019	December 24, 2025	Klik
5	European Union	18054132	September 5, 2019	September 5, 2029	Infinity
6	U.S.	90128914	January 4, 2022	January 4, 2028	Dose-cti

Environmental

The Company does not anticipate that environmental protection requirements will have a material financial or operational effect on its capital expenditures, earnings and competitive position in the current financial year or in future years.

Human Capital

When it comes to recruiting and retaining top talent, the Company strives to be an employer of choice. The Company's organizational culture is led by defined core values, including productivity, profitability and growth. The Company's aim is to offer a culture and careers that raise the standard of employment success, where taking care of its people and doing what's right for the business are complimentary imperatives.

Workforce

As of May 16, 2022, Company employees worked within five divisions: Corporate Headquarters, Jupiter, Cannabis Massachusetts, Cannabis Pennsylvania, and Cannabis Ohio. The Company's workforce has 377 workers in total, of which 368 workers are full-time. The combination of employees working onsite and remotely covers sixteen states, plus Toronto, Canada.

The Company's employees hold a broad range of knowledge and skill sets, with educational backgrounds ranging from associate degrees to post-doctorate degrees in their respective fields. The Company's employee onboarding and training programs uphold the Company's high-performance standards.

None of the Company's employees are covered by collective bargaining agreements. Management considers its relations with employees to be good.

Total Rewards and Wellness

The Company has sixteen organizational levels/pay grades, each with a broad band base pay range. In addition, the Company believes in aligned incentives and utilizes employee stock plans and annual bonuses for long- and short-term incentive to retain crucial talent and align the Company's eligible employees with the Company's shareholders' interests. The Company offers a comprehensive package of company-sponsored employee benefits. Eligibility depends on the employee's full-time or part-time status and location as well as other factors. The Company's employee benefits include paid leave; incentive bonuses; equity awards; medical, dental and vision plans; incentive spending accounts; disability, life and supplemental insurance; employee assistance programs; and other market competitive components.

Diversity, Equity and Inclusion

The Company has a strong, employee-centered culture built by inspiring people. The Company is committed to sustaining a business environment that is respectful, welcoming, equitable and supportive for a diverse range of people. By fostering diversity and leveraging the value of diversity with equity and inclusion, the Company drives better ideas, positive business results and improved service through a deeper connection with the Company's customers. The Company is formulating strategies and tactics to leverage diversity, equity and inclusion in the Company's workplace, workforce, customers, communities and vendors. Women and people of color (racial/ethnic minority groups) comprise 55% of the Company's workforce. People with disabilities and military veterans make up 5% and 2% of the Company's workforce, respectively.

Legal and Regulatory Matters

Regulatory Overview

In accordance with Staff Notice 51-352 Issuers with U.S. Marijuana-Related Activities (the "Staff Notice"), below is a discussion of the federal and state-level U.S. regulatory regimes in those jurisdictions where the Company is currently involved through its subsidiaries. The Company or its subsidiaries are, recently were or are expected to be directly engaged in the manufacture, possession, use, sale or distribution of cannabis

in the states of Massachusetts, Pennsylvania and Ohio. The Company is in compliance with the applicable state regulatory framework and licensing requirements for each of the states of Massachusetts, Pennsylvania and Ohio.

The Company also has ancillary involvement in the marijuana industry through the products and services it provides to customers in the following states and U.S. territories: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Indiana, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Puerto Rico, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin and West Virginia. The Company is not aware of any non-compliance by its customers with any applicable licensing requirements or regulatory framework enacted by each of these respective states.

In accordance with the Staff Notice, the Company will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented and amended to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding marijuana regulation. Any non-compliance, citations or notices of violation which may have an impact on the Company's licenses, business activities or operations will be promptly disclosed by the Company.

Regulation of Cannabis in the U.S. Federally

The U.S. federal government regulates drugs through the CSA (21 U.S.C. § 811). Pursuant to the CSA, cannabis is classified as a Schedule I controlled substance. A Schedule I controlled substance is defined as a substance that has no currently accepted medical use in the U.S., lacks safety for use under medical supervision and has a high potential for abuse. The Department of Justice ("DOJ") defines Schedule I drugs, substances or chemicals as "drugs with no currently accepted medical use and a high potential for abuse."

The FDA has not approved cannabis as a safe and effective drug for any use.

Canada has federal legislation which uniformly governs the cultivation, processing, distribution, sale and possession of both medical and recreational cannabis under the Cannabis Act, as well as various provincial and territorial regulatory frameworks that further govern the distribution, sale and consumption of recreational cannabis within the applicable province or territory. In contrast, cannabis is only permissively regulated at the state level in the U.S.

State laws in the U.S. regulating cannabis are in direct conflict with the CSA, which prohibits cannabis use and possession. Although certain states and territories of the U.S. authorize medical and/or recreational cannabis cultivation, manufacturing, production, distribution and sales by licensed or registered entities, under U.S. federal law, the cultivation, manufacture, distribution, possession, use, and transfer of cannabis and any related drug paraphernalia, unless specifically exempt, is illegal and any such acts are criminal acts under the CSA. Although the Company's activities are compliant with applicable U.S. state law, strict compliance with state laws with respect to cannabis may neither absolve the Company of liability under U.S. federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company.

The risk of federal enforcement and other risks associated with the Company's business are described in "Risk Factors."

Legal Advice in Accordance with the Staff Notice

Legal advice has been obtained by the Company regarding applicable U.S. federal and state law.

Regulation of Cannabis at State Levels

Below is a summary of the licensing and regulatory framework in the markets where, as of May 16, 2022, the Company held licenses and had direct or indirect involvement with the U.S. cannabis industry, followed by outlines of the regulatory framework in each of the relevant states.

State	License Type held Directly and Indirectly by Company	Number of Licenses Allowed by Law in State	Number of Licenses/ Applications arising out of Company Direct and Indirect Involvement
Massachusetts	Vertically Integrated Medical Marijuana Treatment Center Cultivator, Product Manufacturer, Retailer (Adult-Use)	A Person or Entity Having Direct or Indirect Control may not hold more than three licenses of the same license type	3 Medical Marijuana Treatment Centers (2 open; 1 provisional license); 4 adult-use Marijuana Establishment Final licenses with authorization to commence operations (1 cultivator license; 1 product manufacturer license; and 2 retailer licenses; all operational)
Ohio	Stand Alone Processor (Medical)	A person, entity or subsidiary thereof may only hold a financial interest in or be an owner of one processor license	1 license
Pennsylvania	Grower/Processor (Medical)	A person may only be issued one grower/processor license	1 license

Massachusetts

Massachusetts became the eighteenth state to legalize medical marijuana when voters passed a ballot measure in 2012. Adult-use (recreational) marijuana is legal in Massachusetts as of December 15, 2016, following the passage of a ballot initiative in November of that year. The CCC, a regulatory body created in 2016, oversees both the Medical Use of Marijuana Program and the Adult Use of Marijuana Program.

Under the Medical Use of Marijuana Program, a Medical Marijuana Treatment Center (“MTC”) is required to be vertically integrated, such that a single MTC license holder must cultivate, manufacture and dispense medical marijuana and marijuana products to registered, qualifying patients and personal caregivers. Pursuant to the CCC’s regulations, no Person or Entity Having Direct or Indirect Control over the MTC’s operations may be granted or hold more than three MTC Licenses.

Under the Adult Use of Marijuana Program, vertical integration is not required, and therefore multiple types of adult-use Marijuana Establishment (“ME”) licenses exist. The Marijuana Cultivator (Indoor or Outdoor), Marijuana Product Manufacturer and Marijuana Retailer licenses cover the three main operational license types (cultivation, manufacturing and retail sales). ME Licenses, subject to certain ownership requirements, are also available for Independent Testing Laboratories, Marijuana Research Facilities, Marijuana Transporters (Third-Party or Existing Licensee), Craft Marijuana Cooperatives, Marijuana Couriers, Marijuana Delivery Operators, Social Consumption Establishments (once authorized by municipalities and an application is released by the CCC) and Marijuana Microbusinesses. No Person or Entity Having Direct or Indirect Control over the ME’s operations may be granted or hold more than three licenses in a particular class of license, except as otherwise specified in the applicable regulations. In addition, any Person or Entity Having Direct or Indirect Control, or Licensee, is limited to a total of 100,000 square feet of cultivation “canopy” distributed across no more than three adult-use Marijuana Cultivator Licenses and three MTC Licenses.

The Company, through its wholly owned subsidiary CAC, holds two operational vertically integrated MTC licenses, in Brockton and Taunton and one provisional MTC license in Cambridge. CAC has also received final licenses (including authorization to commence operations) for its adult-use retailer operations in Taunton and Brockton, as well as its adult-use cultivator and product manufacturer operations in Taunton. In addition, CAC has received municipal authorization for medical cannabis sales at its retail MTC location in

Cambridge. The Company is currently seeking final licensure from the CCC to commence medical cannabis retail sales in Cambridge. The Company is in compliance with Massachusetts state law and the related licensing framework.

Ohio

On June 8, 2016, former Ohio Governor John Kasich signed HB 523 into law, sanctioning the use of marijuana for limited medical purposes and establishing a commercial marijuana regulatory regime. Qualifying conditions for access to medical marijuana under the program include, but are not limited to, chronic and severe pain, post-traumatic stress disorder and cancer. Ohio's medical cannabis program is regulated by both the Ohio Department of Commerce ("Department of Commerce") and the Ohio Board of Pharmacy ("Ohio Board"). The Department of Commerce is responsible for licensing cultivators, processors and testing laboratories, while the Ohio Board is responsible for registering patients and caregivers as well as licensing medical marijuana dispensaries. Final regulations governing the program, including applications for business licensure, the operation of commercial medical cannabis establishments, physician certifications and patient registration have been adopted.

Ohio's medical cannabis program allows businesses to be structured as for-profit entities and does not impose residency requirements for investment or ownership in a commercial cannabis license. Ohio's licensing structure permits, but does not require, vertical integration. Each license (cultivation, processor and dispensary) is issued on an individual basis for each facility type/function. There are three different types of processors — stand-alone, vertically integrated facilities and a plant-only processor, which is a cultivator who distributes plant material directly to dispensaries. Common ownership between cultivation, processing and dispensing licenses is permitted, but prohibited for cannabis testing licensees. However, no one entity or person may own, have a financial interest in or significantly influence or control the activities of more than one cultivation license, more than one processing license or more than five dispensary licenses at any given time.

In March 2021, the Company completed its acquisition of Standard Farms OH, a licensed stand-alone processor in Ohio. Standard Farms OH engages in the production, possession, use, sale and distribution of cannabis products in Ohio's medicinal cannabis marketplace. The Company is in compliance with Ohio state law and the related licensing framework.

Pennsylvania

In April of 2016, Pennsylvania's Governor Tom Wolf signed the commonwealth's first medical marijuana bill into law. The medical program created a commercial system for a limited number of businesses and permits physicians to recommend cannabis for a limited number of qualifying conditions. The Pennsylvania Department of Health ("PA DOH") regulates medical marijuana businesses in the commonwealth and issues two types of primary licenses: a medical marijuana grower/processor license and a medical marijuana dispensary license. The PA DOH also issues a third type of license called a Clinical Registrant License. The Clinical Registrant license is a combination of a grower/processor license and a dispensary license that is limited to applicants who have established a partnership with an accredited medical school in Pennsylvania. Under new legislation, the PA DOH will issue up to ten Clinical Registrant Licenses, with each such licensee eligible for only one grower/processor license and one dispensary license (one Clinical Registrant dispensary license allows up to six dispensary locations).

For licensing purposes, the PA DOH split the commonwealth into six regions. The state limits the total number of medical marijuana organizations to twenty-five grower/processor licenses and fifty dispensary licenses commonwealth-wide. Each dispensary license is permitted to have up to three dispensary sites for a total of 150 potential dispensary locations throughout Pennsylvania. For each dispensary license, the locations must be within the region where the license was awarded. For medical marijuana grower/processor licenses, the location is limited to the region where the license was awarded, but distribution is permissible across all regions. Residency is not required to operate a medical marijuana organization in Pennsylvania. Vertical integration is limited, as the PA DOH may not issue more than five grower/processor businesses dispensary permits. In addition, a single entity may not hold more than one grower/processor permit nor more than five dispensary permits.

On June 30, 2021, Governor Wolf signed legislation, HB 1024, into law expanding the ability of patients to access medical cannabis and extending certain policies that were temporarily enacted during the beginning of the COVID-19 pandemic. Under the new law, Clinical Registrant Licenses have been expanded from eight to ten. Additionally, dispensaries are allowed to offer cannabis curbside deliveries; patients can obtain a ninety day instead of the previous thirty day supply for cannabis and the five person cap on the number of patients that a caregiver can serve would also be removed indefinitely. Patients can also now consult with authorizing physicians via video conferencing. Those who act as caregivers under the law are no longer restricted to servicing five patients or fewer. The law also expands the pool of eligible conditions to include cancer remission therapy and CNS-related neuropathy as well as eliminates provisions that previously required chronic pain patients to try conventional prescription pain medications prior to using cannabis. Additionally, the law makes it easier for producers to remove contaminants such as yeast and mold from medical marijuana, to turn it into products that are topical in form, not to be inhaled or ingested. The law also expands the number of research facilities that are studying patient response to the drugs.

In Pennsylvania, the Company holds a medical marijuana grower/processor license through its wholly owned subsidiary, Standard Farms PA, which operates 33,500 square feet of greenhouse. The Company is in compliance with Pennsylvania state law and the related licensing framework.

Company Compliance Program

The Company is classified as having direct, indirect and ancillary involvement in the U.S. marijuana industry and is in material compliance with applicable licensing requirements and the regulatory framework enacted by each U.S. state in which it operates. The Company is not subject to any citations or notices of violation with applicable licensing requirements or the regulatory framework enacted by each applicable U.S. state which may have an impact on its licenses, business activities or operations.

The Company's General Counsel or any other individual appointed by them oversees, maintains, and implements the Company's compliance program and personnel. In addition to the Company's internal legal and compliance departments, the Company has state and local regulatory/compliance counsel engaged in every jurisdiction in which it operates.

The Company's General Counsel or any other individual appointed by them oversees compliance training for all employees, such training includes, but is not limited to, on the following topics:

- compliance with state and local laws;
- safe cannabis use;
- dispensing procedures;
- security and safety policies and procedures;
- inventory control;
- seed-to-sale training sessions;
- recordkeeping;
- responsible vendor training;
- quality control;
- transportation procedures; and
- extensive ingredient and product testing, often beyond that required by law to assure product safety and accuracy.

The Company's compliance program emphasizes security and inventory control to ensure strict monitoring of cannabis and inventory from delivery by a licensed distributor to sale or disposal. Only authorized and properly trained employees are allowed to access the Company's computerized seed-to-sale system.

The Company's General Counsel or anyone appointed by them monitors all compliance notifications from the regulators and inspectors in each market, timely resolving any issues identified. The Company keeps records of all compliance notifications received from the state regulators or inspectors and how and when the issue was resolved.

Further, the Company has created comprehensive standard operating procedures that include detailed descriptions and instructions for receiving shipments of inventory, inventory tracking, recordkeeping and record retention practices related to inventory, as well as procedures for handling cash, performing inventory and cash reconciliation, ensuring the accuracy of inventory tracking and recordkeeping. The Company maintains accurate records of its inventory at all licensed facilities. Adherence to the Company's standard operating procedures is mandatory and ensures that the Company's operations are compliant with the applicable state and local laws, regulations, ordinances, licenses, rules and other requirements. The Company ensures adherence to standard operating procedures by regularly conducting internal inspections and ensures that any issues identified are resolved quickly and thoroughly.

In January 2018, U.S. Attorney General, Jeff Sessions rescinded the Cole Memorandum. The rescission of the Cole Memorandum and other Obama-era prosecutorial guidance did not create a change in federal law, as the Cole Memorandum was never legally binding; however, the revocation removed the DOJ's guidance to U.S. Attorneys that state-regulated cannabis industries operating substantively in compliance with the Cole Memorandum's guidelines should not be a prosecutorial priority. As an industry best practice, despite the rescission of the Cole Memorandum, the Company continues to do the following to ensure compliance with the guidance provided by the Cole Memorandum:

- ensure the operations of its subsidiaries and business partners are compliant with all licensing requirements that are set forth with regards to cannabis operation by the applicable state, county, municipality, town, township, borough, and other political/administrative divisions. To this end, the Company retains appropriately experienced legal counsel to conduct the necessary due diligence to ensure compliance of such operations with all applicable laws and regulations;
- the activities relating to cannabis business adhere to the scope of the license obtained — for example, in the states where only medical cannabis is permitted, the products are only sold to patients who hold the necessary documentation to permit the possession of the cannabis; and in the states where cannabis is permitted for adult recreational use, the products are only sold to individuals who meet the requisite age requirements;
- the Company only works through licensed operators, which must pass a range of requirements, adhere to strict business practice standards and be subjected to strict regulatory oversight whereby sufficient checks and balances ensure that no revenue is distributed to criminal enterprises, gangs and cartels; and
- the Company conducts reviews of products, product packaging and transactions to ensure that the products comply with applicable regulations, contain necessary disclaimers about the contents of the products and provide requisite educational material to mitigate adverse public health consequences from cannabis use and prevent impaired driving.

On November 7, 2018, Jeff Sessions resigned from his position as Attorney General. The next Attorney General, William Barr, stated that he does not intend "go after" parties who are involved in the cannabis business and are compliant with state law in reliance on the Cole Memorandum. Under President Biden's administration and his appointed Attorney General, Merrick Garland, DOJ rhetoric around cannabis has largely returned to the Obama-era rhetoric even if a new prosecutorial guidance memorandum has not been re-issued. During his Senate confirmation, Merrick Garland told Senator Cory Booker (D-NJ) that, "It does not seem to me useful the use of limited resources that we have to be pursuing prosecutions in states that have legalized and are regulating the use of marijuana, either medically or otherwise." Such statements are not official declarations or policies of the DOJ and are not binding on the DOJ, on any U.S. Attorney or on the U.S. federal courts, and substantial uncertainty regarding U.S. federal enforcement remains. To date, there has been no new federal cannabis memorandums issued by the Biden Administration or any published change in federal enforcement policy. Regardless, the federal government of the U.S. has always reserved the right to enforce federal law regarding the sale and disbursement of medical or recreational marijuana, even if state law sanctioned such sale and disbursement. Although the rescission of the Cole Memorandum does not necessarily

indicate that marijuana industry prosecutions are now affirmatively a priority for the DOJ, there can be no assurance that the U.S. federal government will not enforce such laws in the future.

In the absence of a uniform federal policy, as had been established by the Cole Memorandum, numerous U.S. Attorneys with state-legal marijuana programs within their jurisdictions have announced enforcement priorities for their respective offices. For instance, Andrew Lelling, former U.S. Attorney for the District of Massachusetts through February 2021, stated that while his office would not immunize any businesses from federal prosecution, he anticipated focusing the office's marijuana enforcement efforts on: (1) overproduction; (2) targeted sales to minors; and (3) organized crime and interstate transportation of drug proceeds. Other U.S. Attorneys provided less assurance, promising to enforce federal law, including the CSA in appropriate circumstances.

The Company will continue to monitor compliance on an ongoing basis in accordance with its compliance program and standard operating procedures. While the Company's operations are in full compliance with all applicable state laws, regulations and licensing requirements, such activities remain illegal under U.S. federal law. For the reasons described above and the risks further described in the *Risk Factors* section below, there are significant risks associated with the business of the Company. Readers are strongly encouraged to carefully read all of the risk factors contained in *Risk Factors.*

Available Information

The Company's website address is *www.tiltholdings.com.* Through this website, the Company's filings with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K will be accessible (free of charge) as soon as reasonably practicable after materials are electronically filed or furnished to the SEC. The information provided on the Company's website is not part of this registration statement. The SEC also maintains a website that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The Company's filings with the SEC are available to the public on the SEC's website at www.sec.gov. Additional information related to the Company is also available on SEDAR at www.sedar.com.

ITEM 1A. RISK FACTORS

The risks and uncertainties described below could materially and adversely affect our business, financial condition and results of operations and could cause actual results to differ materially from our expectations. The risk factors described below include the considerable risks associated with the current economic environment and the related potential adverse effects on our financial condition and results of operations. You should read these risk factors in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Consolidated Financial Statements and related notes included in this registration statement on Form 10. There also may be other factors that we cannot anticipate or that are not described in this registration statement generally because we do not currently perceive them to be material. Those factors could cause results to differ materially from our expectations.

Summary of Risk Factors

Our business is subject to a number of risks and uncertainties which you should evaluate before making a decision to invest in our Common Shares. This summary does not address all of the risks related to our business. Additional discussion of the risks summaries may be found under the "*Risk Factors*" section and elsewhere in this registration statement, and should be carefully considered before making a decision to invest in our Common Shares. These risks include, among others:

- We are subject to those risks inherent in an agricultural business.
- Some of our planned business activities, while compliant with applicable U.S. state and local law, are illegal under U.S. federal law. Third parties may fail to establish or maintain business relationships with us, which could have a material adverse effect on us. Banks and other financial institutions which service the cannabis industry are at risk of violating certain financial laws, including anti-money laundering statutes, and if we do not have access to the U.S. banking system, our business and operations could be adversely affected.
- Regulatory changes may adversely affect our profitability or cause us to cease operations entirely.
- We are subject to changes in laws, regulations and guidelines which could adversely affect our future business, financial conditions and operations.
- Reclassification of cannabis in the U.S. could adversely impact our business and growth strategy.
- We may be subject to federal and state forfeiture laws which, if exercised, could have a material adverse impact our operations.
- Our operations in the U.S., and any future operations or investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada.
- State regulatory agencies may require us to post bonds or significant fees, which may be economically prohibitive.
- The success of our business strategy depends on the legality of the cannabis industry.
- Public opinion and perception may significantly influence government policy and regulation of the cannabis industry, which could have a material adverse effect on our business, results of operations and prospects.
- We face risks due to industry immaturity or limited comparable, competitive or established industry best practices.
- We face intense competition from other companies and increasing legalization of cannabis and rapid growth and consolidation in the cannabis industry may further intensify competition.
- The Rohrabacher-Farr Amendment may not be renewed, potentially resulting in DOJ enforcement activities against entities in the cannabis industry.
- We could be materially adversely impacted due to restrictions under U.S. border entry laws.
- Uncertainty in regulatory changes in relation to vaporization devices could result in an impact to our interstate commerce, registration and revenue reporting requirements, and potential excise tax liability.
- We are dependent on regulatory approvals and licenses to conduct our business, and there is no assurance that our licenses will be issued, extended or renewed by each applicable regulatory authority.
- Future research may lead to findings that vaporizers, electronic cigarettes and related products are not safe for their intended use.

- We may be required to disclose personal information of investors to government or regulatory entities or face the possibility of a license being revoked or cancelled.
- Increased prices and inflation could negatively impact our margin performance and our financial results.
- We may incur significant tax liabilities due to limitations on tax deductions and credits under the applicable sections of the Internal Revenue Code.
- We are a holding company and are dependent on the earnings and distributions by our subsidiaries.
- Our actual financial position and results of operations may differ materially from the expectations of our management.
- We have incurred substantial indebtedness and may not be able to refinance, extend or repay this indebtedness on a timely basis or at all.
- We expect to incur significant ongoing costs and obligations related to our investment in infrastructure, growth, regulatory compliance and operations.
- Our reliance on third-party suppliers and loss of these suppliers, manufacturers and contractors may have a material adverse effect on our business and operational results.
- There is no assurance that we will be able to develop our products, which could prevent us from ever becoming profitable.
- There is no assurance that we will turn a profit or generate immediate revenues.
- Our growth and development may be hindered by applicable limitations on ownership of licenses.
- The results of future clinical research may be unfavorable to cannabis which may have a material adverse effect on the demand for our products.
- If we were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to our U.S. operations, which would materially adversely affect our prospects and on the rights of our lenders and securityholders.
- We are exposed to the risk that our employees, independent contractors and consultants may engage in fraudulent or other illegal activity.
- There remains doubt and uncertainty that we will be able to legally enforce contracts we enter into.
- We have been or may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on our reputation, business, results from operations and financial condition.
- Failure to comply with applicable environmental laws, regulations and permit requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.
- We are highly dependent on certain key personnel and if we are unable to attract and retain key personnel, we may not be able to compete effectively in the cannabis market.
- The market price of our securities may be volatile and subject to wide fluctuations.
- Our probable lack of business diversification could have a material adverse effect on our business.
- Our industry is experiencing rapid growth and consolidation that may cause us to lose key relationships and intensify competition.
- We may not be able to secure adequate or reliable sources of funding required to operate our business and meet consumer demand for our products.
- Product recalls could result in a material and adverse impact on our business, financial condition and results of operations.
- Our officers and directors may be engaged in a range of business activities which could result in a conflict of interest.
- Management may not be able to successfully implement adequate internal controls over financial reporting.
- We face costs of maintaining a public listing and being a reporting company in Canada and the U.S. which could adversely affect our business, financial condition and results of operations.
- We face risks related to our insurance coverage and uninsurable risks.

- The impact of the COVID-19 pandemic on us and our operations is uncertain and may adversely affect our business and financial condition.
- Our operations and financial condition could be adversely impacted by a material downturn in global financial conditions.
- We may be subject to risks related to the protection and enforcement of our intellectual property rights, and may become subject to allegations that we are in violation of intellectual property rights of third parties.
- We will be reliant on information technology systems and may be subject to damaging cyber-attacks or security breaches.
- We may not be able to successfully identify and execute future acquisitions or disposition, or to successfully manage the impacts of such transactions on our operations.
- We may not be able to effectively manage our growth and operations, which could materially and adversely affect our business.

Risks Related to Regulation and the Cannabis Industry

The success of our business strategy depends on the legality of the cannabis industry.

The success of our business strategy depends on the legality of the cannabis industry. The political environment surrounding the cannabis industry in general can be volatile and the regulatory framework remains in flux. At the federal level, it currently does not appear that the risk of federal enforcement will be significantly altered by President Biden's administration and his newly appointed Attorney General, Merrick Garland. To our knowledge, there are to date a total of thirty-seven states and the District of Columbia, Puerto Rico, the Northern Mariana Islands, the U.S. Virgin Islands, and Guam that have legalized a form of comprehensive commercial medical or adult-use cannabis reform; however, the risk remains that a shift in the regulatory or political realm could occur and have a drastic impact on the industry as a whole, adversely impacting our business, results of operations, financial condition or prospects.

Delays in enactment of new state or federal regulations could restrict our ability to reach strategic growth targets and lower return on investor capital. Our strategic growth strategy is reliant upon certain federal and state regulations being enacted to facilitate the legalization of medical and adult-use cannabis. If such regulations are not enacted, or enacted but subsequently repealed or amended, or enacted with prolonged phase-in periods, our growth targets, and thus, the effect on the return of investor capital, could be detrimental. We are unable to predict with certainty when and how the outcome of these complex regulatory and legislative proceedings will affect our business and growth.

Further, there is no guaranty that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. If the federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, our business, results of operations, financial condition and prospects would be materially adversely affected. It is also important to note that local and city ordinances may strictly limit and/or restrict disbursement of cannabis in a manner that will make it extremely difficult or impossible to transact business that is necessary for the continued operation of the cannabis industry. Federal actions against individuals or entities engaged in the cannabis industry or a repeal of applicable cannabis-related legislation could adversely affect us and our business, results of operations, financial condition and prospects.

We are aware that multiple states are considering special taxes or fees on businesses in the cannabis industry. It is a potential yet unknown risk at this time that other states are in the process of reviewing such additional fees and taxation. This could have a material adverse effect upon our business, results of operations, financial condition or prospects.

The commercial, medical and adult-use cannabis industries are in their infancy and we anticipate such regulations will be subject to change as the jurisdictions in which we will carry on business mature. We have put in place a detailed compliance program which will we oversee, maintain and implement. In addition to our legal and compliance departments, we also have local regulatory/compliance counsel engaged in every

jurisdiction in which we operate. Our compliance program emphasizes security and inventory control to ensure strict monitoring of cannabis and inventory from delivery by a licensed distributor to sale or disposal. Additionally, we have created comprehensive standard operating procedures that include detailed descriptions and instructions for monitoring inventory at all stages of development and distribution. We will continue to monitor compliance on an ongoing basis in accordance with our compliance program, standard operating procedures and any changes to regulation in the cannabis industry.

Overall, the medical and adult-use cannabis industry is subject to significant regulatory change at both the state and federal level. Our inability to respond to the changing regulatory landscape may cause us to not be successful in capturing significant market share and could otherwise harm our business, results of operations, financial condition or prospects.

We are subject to those risks inherent in an agricultural business.

Adult-use and medical marijuana are agricultural products. There are risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although our products are usually grown indoors under climate-controlled conditions, with conditions monitored, there can be no assurance that natural elements will not have a material adverse effect on the production of our products.

Some of our planned business activities, while compliant with applicable U.S. state and local law, are illegal under U.S. federal law.

We are engaged in the manufacturing, management, packaging/labeling, advertising, sale, transportation, storage and disposal of cannabis and are subject to laws and regulations relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment. Because the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal under U.S. federal law, and any such acts are criminal acts under federal law under any and all circumstances under the CSA, an investor's contribution to and involvement in such activities may result in federal civil and/or criminal prosecution, including forfeiture of his, her or its entire investment. We may also be deemed to be aiding and abetting illegal activities through the contracts we have entered into and the products that we intend to provide. As a result, U.S. law enforcement authorities, in their attempt to regulate the illegal use of cannabis and any related drug paraphernalia, may seek to bring an action or actions against us, including, but not limited to, aiding and abetting another's criminal activities. The U.S. federal aiding and abetting statute provides that anyone who "commits an offense against the U.S. or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal." As a result of such an action, we may be forced to cease operations and be restricted from operating in the U.S., and our investors could lose their entire investment. Such an action would have a material negative effect on our business and operations.

Because the cannabis industry remains illegal under U.S. federal law, any property owned by participants in the cannabis industry which are either used in the course of conducting such business, or are the proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture. Even if the owner of the property was never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which with minimal due process, it could be subject to forfeiture.

In addition, companies providing goods and/or services to companies like us that are engaged in cannabis-related activities may, under threat of federal civil and/or criminal prosecution, suspend or withdraw their services. Any suspension of service and inability to procure goods or services from an alternative source, even on a temporary basis, that causes interruptions in our operations could have a material and adverse effect on our business, financial condition and results of operations.

Due to the classification of cannabis as a Schedule I controlled substance under the CSA, third parties may fail to establish or maintain business relationships with us, which could have a material adverse effect on us.

The parties with which we do business may perceive that they are exposed to reputational risk as a result of our cannabis business activities. While we have other banking relationships and believe that the services can be procured from other institutions, we may in the future have difficulty establishing or maintaining bank accounts or other business relationships. Failure to establish or maintain business relationships could have a material adverse effect on us.

Due to the classification of cannabis as a Schedule I controlled substance under the CSA, banks and other financial institutions which service the cannabis industry are at risk of violating certain financial laws, including anti-money laundering statutes, and if we do not have access to the U.S. banking system, our business and operations could be adversely affected.

We will be subject to a variety of laws and regulations domestically and in the U.S. that involve money laundering, financial recordkeeping and proceeds of crime, including the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime Act (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the U.S. and Canada. Since the cultivation, manufacture, distribution and sale of cannabis remains illegal under the CSA, banks and other financial institutions providing services to cannabis-related businesses risk violation of federal anti-money laundering statutes (18 U.S.C. §§ 1956 and 1957), the unlicensed money-remitter statute (18 U.S.C. § 1960) and the Bank Secrecy Act, among other applicable federal statutes. Banks or other financial institutions that provide cannabis businesses with financial services such as a checking account in violation of the Bank Secrecy Act could be criminally prosecuted for willful violations of money laundering statutes, in addition to being subject to other criminal, civil and regulatory enforcement actions. Banks often refuse to provide banking services to businesses involved in the cannabis industry due to the present state of the laws and regulations governing financial institutions in the U.S. The lack of banking and financial services presents unique and significant challenges to businesses in the cannabis industry. The potential lack of a secure place in which to deposit and store proceeds, the inability to pay creditors through the issuance of checks and the inability to secure traditional forms of operational financing, such as lines of credit, are some of the many challenges presented by the unavailability of traditional banking and financial services. These statutes can impose criminal liability for engaging in certain financial and monetary transactions with the proceeds of a "specified unlawful activity" such as distributing controlled substances which are illegal under federal law, including cannabis, and for failing to identify or report financial transactions that involve the proceeds of cannabis-related violations of the CSA. We may also be exposed to the foregoing risks.

In February 2014, FinCEN issued the FinCEN Memorandum providing instructions to banks seeking to provide services to cannabis-related businesses. The FinCEN Memorandum states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of the Bank Secrecy Act. It refers to supplementary guidance that former Deputy Attorney General James M. Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the CSA. Although the FinCEN Memorandum remains in effect today, overall, the DOJ continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act, that occur in any state, including in states that have legalized the applicable conduct and the DOJ's current enforcement priorities could change for any number of reasons. A change in the DOJ's enforcement priorities could result in the DOJ prosecuting banks and financial institutions for crimes that previously were not prosecuted. If we do not have access to the U.S. banking system, our business and operations could be adversely affected.

If our operations were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under federal statutes noted or any other applicable legislation, which could restrict or otherwise jeopardize our ability to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada, and subject us to civil and/or criminal penalties.

Potential violations of federal law resulting from cannabis-related activities include the U.S. Racketeer Influenced Corrupt Organizations Act ("RICO"). RICO is a federal statute providing criminal penalties in addition to a civil cause of action for acts performed as part of an ongoing criminal organization. Under RICO, it is unlawful for any person who has received income derived from a pattern of racketeering activity (which includes most felonious violations of the CSA), to use or invest any of that income in the acquisition of any interest, or the establishment or operation of any enterprise which is engaged in interstate commerce. RICO also authorizes private parties whose properties or businesses are harmed by such patterns of racketeering activity to initiate a civil action against the individuals involved. Although RICO suits against

the cannabis industry are rare, a few cannabis businesses have been subject to a civil RICO action. Defending such a case has proven extremely costly, and potentially fatal to a business' operations.

In the event that any of our operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the U.S. were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize our ability to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada, and subject us to civil and/or criminal penalties. Furthermore, while there are no current intentions to declare or pay dividends on the Common Shares in the foreseeable future, in the event that a determination was made that our proceeds from operations (or any future operations or investments in the U.S.) could reasonably be shown to constitute proceeds of crime, we may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time. We could likewise be required to suspend or cease operations entirely.

Reclassification of cannabis in the U.S. could adversely impact our business and growth strategy.

If marijuana is re-categorized as a Schedule II or lower controlled substance, the ability to conduct research on the medical benefits of cannabis would most likely be improved; however, if cannabis is re-categorized as a Schedule II or other controlled substance, and the resulting re-classification would result in the requirement for U.S. FDA approval if medical claims are made for our products such as medical cannabis, then as a result, such products may be subject to a significant degree of regulation by the FDA and U.S. Drug Enforcement Administration ("DEA"). In that case, we may be required to be registered (licensed) to perform these activities and have the security, control, recordkeeping, reporting and inventory mechanisms required by the DEA to prevent drug loss and diversion. Obtaining the necessary registrations may result in delay of the cultivation, manufacturing or distribution of our anticipated products. The DEA conducts periodic inspections of certain registered establishments that handle controlled substances. Failure to maintain compliance could have a material adverse effect on our business, financial condition and results of operations. The DEA may seek civil penalties, refuse to renew necessary registrations or initiate proceedings to restrict, suspend or revoke those registrations. In certain circumstances, violations could lead to criminal proceedings. Furthermore, if the FDA, DEA, or any other regulatory authority determines that our products may have potential for abuse, it may require us to generate more clinical or other data than we currently anticipate in order to establish whether or to what extent the substance has an abuse potential, which could increase the cost and/or delay the launch of that product.

If the federal government reclassifies cannabis to a Schedule II controlled substance, it is possible that FDA would seek to regulate cannabis under the Food, Drug and Cosmetics Act of 1938. Additionally, FDA may issue rules and regulations, including good manufacturing practices related to the growth, cultivation, harvesting and processing of medical cannabis. Clinical trials may be needed to verify the efficacy and safety of cannabis. It is also possible that FDA would require facilities where medical use cannabis is grown to register with FDA and comply with certain federally prescribed regulations. In the event that some or all of these regulations are imposed, the impact they would have on the cannabis industry is unknown, including the costs, requirements and possible prohibitions that may be enforced. If we are unable to comply with the potential regulations or registration requirements prescribed by FDA, it may have an adverse effect on our business, prospects, revenue, results of operation and financial condition.

It is also possible that the federal government could seek to regulate cannabis under the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives. The U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives may issue rules and regulations related to the use, transporting, sale and advertising of cannabis or cannabis products, including smokeless cannabis products.

We may be subject to federal and state forfeiture laws which, if exercised, could have a material adverse impact our operations.

Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, seizure of assets, disgorgement of profits, cessation of business activities or divestiture. As an entity that conducts business in the cannabis industry, we

will be potentially subject to federal and state forfeiture laws (criminal and civil) that permit the government to seize the proceeds of criminal activity. Civil forfeiture laws could provide an alternative for the federal government or any state or local police force that wants to discourage residents from conducting transactions with cannabis-related businesses but believes criminal liability is too difficult to prove beyond a reasonable doubt. Also, an individual can be required to forfeit property considered to be the proceeds of a crime even if the individual is not convicted of the crime, and the standard of proof in a civil forfeiture matter is lower than the standard in a criminal matter. Depending on the applicable law, whether federal or state, rather than having to establish liability beyond a reasonable doubt, the federal government or the state, as applicable, may be required to prove that the money or property at issue is proceeds of a crime only by either clear and convincing evidence or a mere preponderance of the evidence.

Members of our company located in states where cannabis remains illegal may be at risk of prosecution under federal and/or state conspiracy, aiding and abetting and money laundering statutes and be at further risk of losing their investments or proceeds under forfeiture statutes. Many states remain fully able to take action to prevent the proceeds of cannabis businesses from entering their state. Because state legalization is relatively new, it remains to be seen whether these states would take such action and whether a court would approve it. Members and prospective members of our company should be aware of these potentially relevant federal and state laws in considering whether to invest in our company.

Our operations in the U.S. and any future operations or investments may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada.

Our operations in the U.S. and any future operations or investments may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, we may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on our ability to operate or invest in the U.S. or any other jurisdiction, in addition to those described herein.

Further to the indication by CDS Clearing and Depository Services Inc. (“CDS”), Canada’s central securities depository for clearing and settling trades in the Canadian equity, fixed income and money markets, that it would refuse to settle trades for cannabis issuers that have investments in the U.S., the TMX Group, the owner and operator of CDS, subsequently issued a statement in August 2017 reaffirming that there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S., despite media reports to the contrary and that the TMX Group was working with regulators to arrive at a solution that will clarify this matter, which would be communicated at a later time. In February 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding (“MOU”) with The Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSX Venture Exchange. The MOU outlines the parties’ understanding of Canada’s regulatory framework applicable to the rules, procedures and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the U.S. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is currently no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of Common Shares to make and settle trades. In particular, we would become highly illiquid until an alternative was implemented, as investors would have no ability to affect a trade of securities through the facilities of the applicable stock exchange.

In the U.S., many clearing houses for major broker-dealer firms have refused to handle securities or settle transactions of companies engaged in cannabis-related business. This means that certain broker-dealers cannot accept for deposit or settle transactions in the securities of companies, which may inhibit the ability of investors to trade in our securities and could negatively affect the liquidity of our securities.

Any restrictions imposed by the NEO Exchange or other applicable exchange on our business of and/or the potential delisting of the Common Shares from the NEO Exchange or other applicable exchange or regulatory agency would have a material adverse effect on us and on the ability of holders of Common Shares to make trades.

Regulatory changes may adversely affect our profitability or cause us to cease operations entirely.

Our business activities will rely on newly established and/or developing laws and regulations in multiple jurisdictions. These laws and regulations are rapidly evolving and subject to change with minimal notice. Regulatory changes may adversely affect our profitability or cause us to cease operations entirely. The cannabis industry may come under the scrutiny or further scrutiny by the FDA, SEC, DOJ, the Financial Industry Regulatory Authority or other applicable federal, state or non-governmental regulatory authorities or self-regulatory organizations that supervise or regulate the production, distribution, sale or use of cannabis for medical or non-medical purposes in the U.S. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any proposals will become law. The regulatory uncertainty surrounding our industry may adversely affect our business and operations, including without limitation, the costs to remain compliant with applicable laws and the impairment of our ability to raise additional capital, create a public trading market in the U.S. for our securities or to find a suitable acquirer, which could reduce, delay or eliminate any return on investment.

State regulatory agencies may require us to post bonds or significant fees, which may be economically prohibitive.

There is a risk that a greater number of state regulatory agencies will begin requiring entities engaged in certain aspects of the cannabis business or industry of legal marijuana to post a bond or significant fees when applying, for example, for a dispensary license or renewal as a guarantee of payment of sales and franchise tax. We are not able to quantify at this time the potential scope for such bonds or fees in the states in which we currently or may in the future operate. Any bonds or fees of material amounts could have a negative impact on the ultimate success of our business. Our business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, labor disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability. Although we maintain insurance to protect against certain risks in such amounts as we consider to be reasonable, our insurance does not cover all the potential risks associated with our operations. We may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in our operations is not generally available on acceptable terms. We might also become subject to liability for pollution or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause us to incur significant costs that could have a material adverse effect upon our business, results of operations, financial condition or prospects.

Public opinion and perception may significantly influence government policy and regulation of the cannabis industry, which could have a material adverse effect on our business, results of operations and prospects.

Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in the U.S., Canada or elsewhere. Public opinion and support for medical and adult-use marijuana has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing medical and adult-use marijuana, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, legalization of medical marijuana as opposed to legalization in general). Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of marijuana in general, or associating the consumption of adult-use and medical marijuana with illness or other negative effects or events, could have a material adverse effect on our business, results of operations or prospects. There is no assurance that such adverse publicity reports or other media attention will not arise. A negative shift in the public's perception of cannabis, including vaping or other forms of cannabis administration, in the U.S., Canada or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state jurisdictions to abandon initiatives or proposals to legalize medical and/or adult-use cannabis, thereby limiting the number of new state jurisdictions into which we could expand. Also, the perception of negative health effects from the use of vaporizers to consume cannabis could result in state and local prohibitions on the sale of vaping products for an indefinite period of time. Any inability to fully implement our expansion strategy may have a material adverse effect on our business, results of operations or prospects. Among other things, such a shift could also cause states that have already legalized medical and/or adult-use cannabis to reevaluate the extent

of, and introduce new restrictions on, the permitted activities and permitted cannabis products within their jurisdictions, which may have a material adverse effect on our business, results of operations or prospects. Recent medical alerts by the Centers for Disease Control and Prevention (the "CDC") and state health agencies on vaping related illness and other issues directly related to cannabis consumption could potentially create an inability to fully implement our expansion strategy or could restrict the products which we sell at our existing operations, which may have a material adverse effect on our business, results of operations or prospects.

We face risks due to industry immaturity or limited comparable, competitive or established industry best practices.

As a relatively new industry, there are not many established operators in the medical and adult use cannabis industries whose business models we can follow or build upon. Similarly, there is no or limited information about comparable companies available for potential investors to review in making a decision about whether to invest in us.

Shareholders and investors should consider, among other factors, our prospects for success in light of the risks and uncertainties encountered by companies that, like us, are in their early stages. For example, unanticipated expenses and problems or technical difficulties may occur, which may result in material delays in the operation of our business. We may fail to successfully address these risks and uncertainties or successfully implement our operating strategies. If we fail to do so, it could materially harm our business to the point of having to cease operations and could influence investors' abilities to recover their investments.

We may face opposition from the pharmaceutical industry which could have an adverse impact on our business.

The cannabis industry (both adult-use and medical, together or individually) could face a material threat from the pharmaceutical industry, should cannabis displace other drugs or health products, or otherwise encroach upon the pharmaceutical industry's products. The pharmaceutical industry is well funded with a strong and experienced lobby that eclipses the funding of the movement in support of the adult-use and medical cannabis industries. In addition, the pharmaceutical industry may attempt to dominate the marijuana industry through the development and distribution of synthetic products which emulate the effects and treatment of organic marijuana. If they are successful, the widespread popularity of such synthetic products could change the demand, volume and profitability of the marijuana industry. This could adversely affect our ability to secure long-term profitability and success through the sustainable and profitable operation of our business. There may be unknown additional regulatory fees and taxes that may be assessed in the future. Any inroads the pharmaceutical industry could make in halting or impeding the cannabis industry could have an adverse impact on our business.

We face intense competition from other companies and increasing legalization of cannabis and rapid growth and consolidation in the cannabis industry may further intensify competition.

The cannabis industry is undergoing rapid growth and substantial change, and the legal landscape for medical and recreational cannabis is rapidly changing internationally. An increasing number of jurisdictions globally are passing legislation allowing for the production and distribution of medical and/or recreational cannabis in some form or another. Entry into the cannabis market by international competitors might lower the demand for our products.

The foregoing legalization and growth trends in the cannabis industry has resulted in an increase in competitors, consolidation and formation of strategic relationships. Such acquisitions or other consolidating transactions could harm us in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share or forcing us to expend greater resources to meet new or additional competitive threats, all of which could harm our operating results. As competitors enter the market and become increasingly sophisticated, competition in the cannabis industry may intensify and place downward pressure on retail prices for products and services, which could negatively impact profitability.

We face and expect to continue to face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources, manufacturing and marketing experience than we have. In addition, there is potential that the cannabis industry will undergo consolidation, creating larger companies with financial resources, manufacturing and marketing capabilities and product

offerings that are greater than ours. As a result of this competition, we may be unable to maintain our operations or develop them as currently proposed on terms that are considered acceptable. Increased competition by larger, better-financed competitors with geographic advantages could materially and adversely affect our business, financial condition and operations.

We may face risks associated with competitive criminal enterprises dealing in cannabis.

Our operations may be a source of competition with current criminal enterprises dealing in cannabis, including drug cartels. As a result, our operations may be an ongoing target of attacks specifically designed to impede the success of our products, and it may be exposed to various levels of criminal interference and other risks and uncertainties including terrorism, violence, hostage taking and other drug gang activities. The nature of our operations may also make us subject to greater risks of theft and greater risks as to property security. These conditions could lead to lower productivity and higher costs, which would adversely affect our results of operations and cash flow. Such conditions could also have a material impact on our investment returns.

The Rohrabacher-Farr Amendment may not be renewed, potentially resulting in DOJ enforcement activities against entities in the cannabis industry.

An appropriations rider contained in various federal appropriations and spending bills since 2014 (formerly known as the 'Rohrabacher-Farr' Amendment); now known as the Joyce Amendment (the "Amendment") provides budgetary constraints on the federal government's ability to interfere with the implementation of state-based medical cannabis laws. The Ninth Circuit Court of Appeals and other courts have interpreted the language to mean that the DOJ cannot prosecute medical cannabis operators complying strictly with state medical cannabis laws. The Amendment does not protect state-legal adult-use businesses, and the DOJ maintains that it can still prosecute violations of the federal cannabis ban and continue cases already in the courts. If the Amendment expires and is not renewed, federal prosecutors could prosecute even compliant medical cannabis operators for conduct within the five-year statute of limitations. On September 30, 2021, the Amendment was renewed through the signing of a stopgap spending bill, H.R.5305 — Extending Government Funding and Delivering Emergency Assistance Act, effective through September 30, 2022. While this current appropriations rider only applies to jurisdictions authorizing medical cannabis-related activities, supportive legislators continue their efforts to amend future appropriations bills to extend the prohibition on the use of federal enforcement funds against the implementation of state cannabis programs regulating cannabis for either medical or adult-use purposes.

Pursuant to the Amendment, through September 2022, the DOJ was prohibited from expending any funds to prevent states from implementing their own medical cannabis laws. President Biden became the first president to propose a budget with the Amendment included. On September 30, 2021 and December 3, 2021, the Amendment was renewed through a pair of stopgap spending bills, with the most recent extension effective through September 30, 2022. If the Amendment or an equivalent thereof is not successfully included in the next or any subsequent federal omnibus spending bill, the protection which has been afforded thereby to U.S. medical cannabis businesses in the past would lapse, and such businesses would be subject to a higher risk of prosecution under federal law.

Although unlikely, there is a possibility that all amendments may be banned from federal omnibus spending bills, and if this occurs and the substantive provisions of the Amendment are not included in the base federal omnibus spending bill or other law, these protections would lapse.

We could be materially adversely impacted due to restrictions under U.S. border entry laws.

In the past, U.S. Customs and Border Protection (the "U.S. CBP") was given the discretion to question Canadians entering the U.S. about their marijuana use and determine whether to use their response as a barrier to entry. Recently, the U.S. CBP has been focusing on the whole cannabis industry, including investors. Several highly publicized instances of U.S. CBP detaining and even banning Canadian investors from the U.S. have occurred in recent months. The restriction of travel to the U.S. of individuals affiliated with us, as well as our investors, would materially impair our ability to conduct business and could materially impact our results of operations.

Uncertainty in regulatory changes in relation to vaporization devices could result in an impact to our interstate commerce, registration and revenue reporting requirements, and potential excise tax liability.

On December 27, 2020, the U.S. government passed the 2021 Consolidated Appropriations Act. Part of this legislation modified the existing language of the Prevent All Cigarette Trafficking Act ("PACT Act") and expanded the definition of "cigarette" to include "electronic nicotine delivery systems." The newly added term "electronic nicotine delivery system" ("ENDS"), defined as a device intended to "deliver nicotine, flavor, or any other substance to the user inhaling from a device," has extended the requirements of tobacco and tobacco products to electronic vaping devices that contain neither nicotine nor tobacco.

Under the amended PACT Act, ENDS are subject to the same federal and state registration mandates, monthly reporting requirements, and delivery restrictions as traditional cigarettes, including the prohibition on the use of the U.S. Postal Service ("USPS") to deliver products directly to consumers.

The USPS has historically maintained an exception to this ban for tobacco products "mailed only … for business purposes between legally operating businesses that have all applicable State and Federal Government licenses or permits and are engaged in tobacco product manufacturing, distribution, wholesale, export, import, testing, investigation, or research …" (the "B2B Exception") See 18 U.S.C. § 1716E(b)(3)(A)(i). In a proposed rule published on February 19, 2021, the USPS stated its intention to maintain this "business purposes exception" for ENDS. In advance of the final rule, on April 19, 2021, the USPS published guidance detailing the information required in an application for exception from the non-mailability provisions of the PACT Act for ENDS products. On October 21, 2021, the USPS released its Final Rule confirming the applicability of the B2B Exception for the mailing of ENDS between eligible businesses.

The effect of this change to the PACT Act could prevent the USPS from handling any package that contains ENDS shipped directly to a consumer. This could lead to a loss of carrier coverage and impact our inventory, the execution of our in-house brands and our overall revenue. While we retain both B2B and B2C relationships in this industry, it is undetermined what impact, if any, we will experience as individual states and merchants implement the registration, reporting, and shipping restrictions to comply with the PACT Act. Furthermore, although we continue to determine state-level applicability of the PACT Act, the jurisdictions in which we may be subject to excise tax in remains undetermined at this time.

We may be required to disclose personal information of investors to government or regulatory entities or face the possibility of a license being revoked or cancelled.

We may own, manage or provide services to various U.S. state-licensed cannabis operations. Acquiring even a minimal and/or indirect interest in a U.S. state-licensed cannabis business can trigger requirements to disclose investors' personal information. While these requirements vary by jurisdiction, some require interest holders to apply for regulatory approval and to provide tax returns, compensation agreements, fingerprints for background checks, criminal history records and other documents and information. Some states require disclosures of directors, officers and holders of more than a certain percentage of equity of the applicant. While certain states include exceptions for investments in publicly traded entities, not all states do so, and some such exceptions are confined to companies traded on a U.S. securities exchange. If these regulations were to extend to us, investors would be required to comply with such regulations, or we could face the possibility that the relevant cannabis license could be revoked or cancelled by the applicable state licensing authority.

We are subject to changes in laws, regulations and guidelines which could adversely affect our future business, financial condition and operations.

Our operations will be subject to various state and federal laws, regulations and guidelines relating to the manufacturing, managing, packaging/labeling, advertising, selling, transporting, storing and disposing of cannabis, including laws and regulations relating to controlled substances, health and safety, the conduct of business operations and the protection of the environment. Achievement of our business objectives will be contingent, in part, upon compliance with applicable regulatory requirements and obtaining all requisite regulatory approvals. Changes to such laws, regulations and guidelines due to matters beyond our control may cause adverse effects to us.

We endeavor to comply with all relevant laws, regulations and guidelines. However, changes to such laws, regulations and guidelines due to matters beyond our control may cause adverse effects to our operations and there is no assurance that we will be able to comply or continue to comply with applicable regulations. To the best of our knowledge, we are in compliance or in the process of being assessed for compliance with all such state laws, regulations and guidelines as described elsewhere in this registration statement.

Any failure on our part to comply with applicable regulations could prevent us from being able to carry on our business.

Our business activities in all jurisdictions in which we operate are heavily regulated. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over our business activities, including the power to limit or restrict business activities as well as impose additional requirements on our products and services. Our activities are routinely assessed for compliance with applicable regulatory requirements. Any failure of us to comply with applicable regulatory requirements could result in us becoming involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits and other contingencies could harm our reputation, require us to take, or refrain from taking, actions that could harm our operations or require us to pay substantial amounts of money, harming our financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on our business, financial condition, results or operations or prospects.

Adverse legal, regulatory or political changes could have a material adverse effect on our current and planned operations.

Achievement of our business objectives is contingent, in part, upon complying with other regulatory requirements enacted by governmental authorities and obtaining other required regulatory approvals. We will incur ongoing costs and obligations related to regulatory compliance. The regulatory regime which oversees cannabis is undergoing significant proposed changes and we cannot predict the impact of those changes on our business. Similarly, we cannot predict a timeline for securing the appropriate regulatory approvals and licenses for our products, or the extent of testing and documentation that may be required by government authorities. Any delays or failures in obtaining required regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on our business operations and finances. Failure to adapt and comply with regulations may result in additional costs for us through corrective measures, penalties and increased restrictions on our operations. In addition, changes to regulations, heightened enforcement thereof and other unanticipated events could have a material adverse effect on our operations and finances by requiring extensive changes to our operations, increasing compliance costs, generating material liabilities and effecting other aspects of our business that are currently unknown.

Products in certain of the segments in which we operate were recently developed and therefore the long-term health effects of their use have not been determined by the scientific community. If the scientific community were to determine conclusively that use of any or all of these products poses long-term health risks, market demand for these products and their use could materially decline. Such a determination could have a material adverse effect on our business, results of operations and financial condition.

We may be subject to constraints on and differences in marketing our products under varying state laws.

There may be restrictions on sales and marketing activities imposed by government regulatory bodies that could hinder the development of our business and operating results. Restrictions may include regulations that specify what, where and to whom product information and descriptions may appear and/or be advertised. Marketing, advertising, packaging and labeling regulations also vary from state to state, potentially limiting the consistency and scale of our consumer branding communications and product education efforts. The regulatory environment in the U.S. limits our ability to compete for market share in a manner similar to other industries. Expansion of our business into new markets with different rules and regulations or distant from then-existing operations, may not succeed. Any such expansion may expose us to new operational, regulatory and/or legal risks. In addition, expanding into new localities may subject us to unfamiliar or uncertain local rules and regulations that may adversely affect our operations. For example, different localities may impose

different rules on how cannabis may be cultivated, manufactured, processed, distributed and/or transported. Newly entered localities may also have competitive conditions, consumer preferences and spending patterns that are more difficult to predict or satisfy than the existing markets. If we are unable to effectively market our products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for our products, our sales and operating results could be adversely affected.

Future research may lead to findings that vaporizers, electronic cigarettes and related products are not safe for their intended use.

Vaporizers, electronic cigarettes and related products were recently developed and therefore the scientific or medical communities have had a limited period of time to study the long-term health effects of their use. Currently, there is limited scientific or medical data on the safety of such products for their intended use and the medical community is still studying the health effects of the use of such products, including the long-term health effects. If the scientific or medical community were to determine conclusively that use of any or all of these products pose long-term health risks, market demand for these products and their use could materially decline. Such a determination could also lead to litigation, reputational harm and significant regulation. Loss of demand for our product, product liability claims and increased regulation stemming from unfavorable scientific studies on cannabis vaporizer products could have a material adverse effect on our business, results of operations and financial condition.

Risks Related to our Business and Operations

We are a holding company and are dependent on the earnings and distributions by our subsidiaries.

We are a holding company as all of our assets are the capital stock of our subsidiaries in each of the markets that we operate in and/or hold or recently held licenses in the adult-use and/or medicinal cannabis marketplace in Massachusetts, Ohio and Pennsylvania; and have no material assets other than: (i) cash on hand; and (ii) ownership of our subsidiaries and minority interests in certain operating companies. As a result, our investors are subject to the risks attributable to our subsidiaries. As a holding company, we conduct substantially all of our business through our subsidiaries, which generate substantially all of our revenues. Consequently, our cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of our subsidiaries and the distribution of those earnings to us. To the extent that we require funds, and our subsidiaries and such other entities are restricted from making such distributions by applicable law, regulation or contract, or are otherwise unable to provide such funds, it could materially adversely affect our liquidity and financial condition, as well as our ability to make distributions to our shareholders. In the event of a bankruptcy, liquidation or reorganization of any of our material subsidiaries, holders of indebtedness and trade creditors may be entitled to payment of their claims from the assets of those subsidiaries before us. We have no earnings or dividend record and the ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt. Dividends paid by us would be subject to tax and potentially withholdings. We do not anticipate paying any dividends in the foreseeable future.

Our business is dependent on suppliers and skilled labor.

Our ability to compete and grow will be dependent on our access, at a reasonable cost and in a timely manner, to skilled labor, equipment, parts and components. No assurances can be given that we will be successful in maintaining our required supply of skilled labor, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by our capital expenditure plans may be significantly greater than anticipated by our management and may be greater than funds available to us, in which circumstance we may curtail or extend the timeframes for completing our capital expenditure plans. This could have an adverse effect on our business, financial condition, results of operations or prospects.

Our reliance on third-party suppliers and loss of these suppliers, manufacturers and contractors may have a material adverse effect on our business and operational results.

We will be reliant on third-party suppliers and vendors sourced from the open market to support our business and develop and manufacture our products. Due to the uncertain regulatory landscape for regulating cannabis in the U.S., these third-party suppliers, manufacturers and contractors may elect, at any time, to decline or withdraw services necessary for our operations due to the perceived risk of a business relationship with an entity whose regulatory status under federal or state law is subject to change. Loss of these suppliers, manufacturers and contractors may have a material adverse effect on our business and operational results, including due to increased costs resulting from a lower supply of available third-party suppliers, manufacturers and contractors on the open market.

Our actual financial position and results of operations may differ materially from the expectations of our management.

Our finances and operations may differ materially from management's expectations. The process for estimating our revenue, net income and cash flow requires subjective judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. However, these assumptions may not prove to be accurate and other factors may affect our financial condition and operations.

We have incurred substantial indebtedness and may not be able to refinance, extend or repay this indebtedness on a timely basis or at all.

We have a substantial amount of existing indebtedness. As of May 16, 2022, we had a total indebtedness of $89,214. If we are unable to raise sufficient capital to repay these obligations at maturity and are otherwise unable to extend the maturity dates or refinance these obligations, we would be in default. We cannot provide any assurances that we will be able to raise the necessary amount of capital to repay these obligations, that any obligations that are convertible will be converted into equity or that we will be able to extend the maturity dates or otherwise refinance these obligations. Upon a default, the lenders under such debt would have the right to exercise their rights and remedies to collect, which would include the ability to foreclose on our assets. Accordingly, a default by us would have a material adverse effect on our business, capital, financial condition and prospects and we would likely be forced to seek bankruptcy protection.

We expect to incur significant ongoing costs and obligations related to our investment in infrastructure, growth, regulatory compliance and operations.

We expect to incur significant ongoing costs and obligations related to our investment in growth and regulatory compliance, which could have a material adverse effect on our operations, financial condition and cash flow. In addition, changes in regulations, heightened enforcement thereof or other unanticipated events could require extensive changes to our operations, increase compliance costs or generate material liabilities. Any of these occurrences could have a material adverse effect on our operations and financial condition. Our efforts to grow may prove to be more costly than expected, and we may not be able to increase our revenue sufficiently to offset higher operating expenses. We may incur significant losses in the future for a number of reasons, including other risks described herein, unforeseen expenses, compliance or operating difficulties, complications and delays, and other events presently unknown to us.

We are dependent on regulatory approvals and licenses to conduct our business, and there is no assurance that our licenses will be issued, extended or renewed by each applicable regulatory authority.

Our ability to grow, store and sell cannabis in the U.S. is dependent on our ability to obtain licenses in the relevant state and local jurisdictions to do so. We will be required to obtain or renew further government permits and licenses for our contemplated operations. Obtaining, amending or renewing the necessary governmental permits and licenses can be a time-consuming process potentially involving numerous regulatory agencies, involving public hearings and costly undertakings on our part. The duration and success of our efforts to obtain, amend and renew permits and licenses will be contingent upon many variables not within our control, including the interpretation of applicable requirements implemented by the relevant permitting or licensing authority. We may not be able to obtain, amend or renew permits or licenses that are necessary to

our operations. Any unexpected delays or costs associated with the permitting and licensing process could impede our ongoing or proposed operations. To the extent permits or licenses are not obtained, amended or renewed, or are subsequently suspended or revoked, we may be curtailed or prohibited from proceeding with our ongoing operations or planned development and commercialization activities. Such curtailment or prohibition may result in a material adverse effect on our business, financial condition, results of operations or prospects.

There is no assurance that our licenses will be issued, extended or renewed by each applicable regulatory authority, or, if issued, extended or renewed on terms that are favorable to us. There is also no assurance that our licenses will be renewed by each applicable regulatory authority in the future in a timely manner. Any unexpected delays or costs associated with the licensing renewal process for any of the licenses held by us could impede our ongoing or planned operations and have a material adverse effect on our business, financial condition, results of operations or prospects.

There is no assurance that we will be able to develop our products, which could prevent us from ever becoming profitable.

If we cannot successfully develop, manufacture and distribute our products, or if we experience difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, we may not be able to develop market ready commercial products at acceptable costs, which would adversely affect our ability to effectively enter the market. A failure by us to achieve a low cost structure through economies of scale or improvements in cultivation and manufacturing processes would have a material adverse effect on our commercialization plans and our business, prospects, results of operations and financial condition.

There is no assurance that we will turn a profit or generate immediate revenues.

There is no assurance that we will be profitable, earn revenues or pay dividends. We have incurred and anticipate that we will continue to incur substantial expenses relating to the development and operations of our business.

The payment and amount of any future dividends will depend upon, among other things, the results of our operations, cash flow, financial condition and variable and capital requirements. There is no assurance that future dividends will be paid and if dividends are paid, there is no assurance as to the amount of any such dividends.

Our growth and development may be hindered by applicable limitations on ownership of licenses.

In certain states, the cannabis laws and regulations limit not only the number of cannabis licenses issued, but also the number of cannabis licenses that one person may own. For example, in Massachusetts, no person or entity having “direct or indirect control,” which includes a direct or indirect ownership interest of 10% or greater, may hold more than three licenses in a particular class, except as specified in the regulations. We believe that, where such types of restrictions apply, it may still capture significant share of revenue in the market through wholesale sales, exclusive marketing relations, provision of support services or other manners of arrangement with other industry participants. Nevertheless, such limitations on the acquisition or ownership of additional licenses within certain states or enforcement by regulators in certain states against such services arrangements may limit our ability to grow organically or to increase our market share in such states.

The results of future clinical research may be unfavorable to cannabis which may have a material adverse effect on the demand for our products.

Research regarding the medical and/or therapeutic benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC). Although we believe that various articles, reports and studies support our beliefs regarding the medical and/or therapeutic benefits, viability, safety, efficacy and dosing of cannabis, future research and clinical trials may prove such statements to be incorrect or could raise concerns regarding cannabis. Further, the cannabis industry is highly

dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception can be significantly influenced by scientific research or findings regarding the consumption of cannabis products. There can be no assurance that future scientific research or findings will be favorable to the cannabis market or any particular product, or consistent with earlier research or findings. Future research studies and clinical trials may draw opposing conclusions to those stated in current research or reach negative conclusions regarding the medical and/or therapeutic benefits, viability, safety, efficacy, dosing or other facts related to cannabis, which could have a material adverse effect on the demand for our products, and therefore on our business, prospects, revenue, results of operation and financial condition.

We may incur significant tax liabilities due to limitations on tax deductions and credits under the applicable sections of the Internal Revenue Code.

Section 280E of the Internal Revenue Code, as amended (the "Code"), prohibits businesses from deducting certain expenses associated with trafficking controlled substances (within the meaning of Schedule I and II of the CSA). Section 280E drastically increases federal taxes for cannabis businesses operating under state-sanctioned regulatory programs because they are generally not permitted to deduct their operating expenses and are barred from taking standard deductions available to most other businesses. As a result, an otherwise profitable business may in fact operate at a loss after taking into account its income tax expenses. The IRS has invoked Section 280E in tax audits against various cannabis businesses in the U.S. that are permitted under applicable state laws. Although the IRS issued a clarification allowing the deduction of certain expenses, the scope of such items is interpreted very narrowly and the bulk of operating costs and general administrative costs are not permitted to be deducted. We will be precluded from claiming certain deductions otherwise available to non-marijuana businesses and may incur significant tax liabilities due to the application of Section 280E of the Code. While there are currently several pending cases before various administrative and federal courts challenging these restrictions, there is no guarantee that these courts will issue an interpretation of Section 280E favorable to cannabis businesses. Consequently, there is no certainty that we will not be subject to Section 280E in the future, and accordingly, there is no certainty that the impact that Section 280E has on our margins will ever be reduced.

We, as a Canadian corporation existing under the laws of the Province of British Columbia, generally would be classified as a non-U.S. Corporation under general rules of U.S. federal income taxation. Section 7874 of the Code, however, contains rules that can cause a non-U.S. Corporation to be taxed as a U.S. corporation ("U.S. Corporation") for U.S. federal income tax purposes. Under section 7874 of the Code, a corporation created or organized outside the U.S. (i.e., a non-U.S. Corporation) will nevertheless be treated as a U.S. Corporation for U.S. federal income tax purposes (such treatment is referred to as an "Inversion") if each of the following three conditions are met: (i) the non-U.S. Corporation acquires, directly or indirectly, or is treated as acquiring under applicable U.S. Treasury Regulations, substantially all of the assets held, directly or indirectly, by a U.S. Corporation, (ii) after the acquisition, the former stockholders of the acquired U.S. Corporation hold at least 80% (by vote or value) of the shares of the non-U.S. Corporation by reason of holding shares of the acquired U.S. Corporation (taking into account the receipt of the non-U.S. Corporation's shares in exchange for the U.S. Corporation's shares), and (iii) after the acquisition, the non-U.S. Corporation's expanded affiliated group does not have substantial business activities in the non-U.S. Corporation's country of organization or incorporation when compared to the expanded affiliated group's total business activities. For this purpose, "expanded affiliated group" means a group of corporations where (i) the non-U.S. corporation owns stock representing more than 50% of the vote and value of at least one member of the expanded affiliated group, and (ii) stock representing more than 50% of the vote and value of each member is owned by other members of the group. The definition of an "expanded affiliated group" includes partnerships where one or more members of the expanded affiliated group own more than 50% (by vote and value) of the interests of the partnership. We intend to be treated as a U.S. Corporation for U.S. federal income tax purposes under section 7874 of the Code and expect to be subject to U.S. federal income tax on our worldwide income. However, for Canadian tax purposes, we are expected, regardless of any application of section 7874 of the Code, to be treated as a Canadian resident company (as defined in the Income Tax Act) for Canadian income tax purposes. As a result, we will be subject to taxation both in Canada and the U.S., which could have a material adverse effect on our financial condition and results of operations.

FDA regulation of medical cannabis may cause novel regulatory compliance and registration requirements.

FDA regulation of medical cannabis and the possible registration of facilities where medical cannabis is grown could negatively affect the medical cannabis industry, which would directly affect our financial

condition. Should the federal government legalize cannabis for medical use, it is possible that FDA would seek to regulate it under the *Food, Drug and Cosmetics Act of 1938*. Additionally, FDA may issue rules and regulations including certified good manufacturing practices, related to the growth, cultivation, harvesting and processing of medical cannabis. Clinical trials may be needed to verify efficacy and safety. It is also possible that FDA would require that facilities where medical cannabis is grown register with FDA and comply with certain federally prescribed regulations. In the event that some or all of these regulations are imposed, it is unknown what the impact would be on the medical cannabis industry, including what costs, requirements and possible prohibitions may be enforced. If we are unable to comply with the regulations or registration as prescribed by FDA it may have an adverse effect on our business, operating results and financial condition.

If we were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to our U.S. operations, which would materially adversely affect our prospects and on the rights of our lenders and securityholders.

Because the use of cannabis is illegal under federal law, many courts have denied cannabis businesses bankruptcy protections, thus making it very difficult for lenders to recoup their investments in the cannabis industry in the event of a bankruptcy. If we were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to our U.S. operations, which would have a material adverse effect on us, our lenders and other stakeholders.

Additionally, there is no guarantee that we will be able to effectively enforce any interests that we may have in our other subsidiaries and investments. A bankruptcy or other similar event related to an entity in which we hold an interest that precludes such entity from performing its obligations under an agreement may have a material adverse effect on our business, financial condition or results of operations. Further, should an entity in which we hold an interest have insufficient assets to pay its liabilities, it is possible that other liabilities will be satisfied prior to the liabilities or equity owed to us. In addition, bankruptcy or other similar proceedings are often a complex and lengthy process, the outcome of which may be uncertain and could result in a material adverse effect on our business, financial condition or results of operations.

We are exposed to the risk that our employees, independent contractors and consultants may engage in fraudulent or other illegal activity.

We and our affiliates will be exposed to the risk that any of our employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities that violate, (i) government regulations, (ii) manufacturing standards, (iii) federal and provincial healthcare fraud and abuse laws and regulations, or (iv) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for us to identify and deter misconduct by our and our affiliates' employees and other third parties and the precautions taken by us to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. We cannot provide assurance that our internal controls and compliance systems will protect us from acts committed by our or our affiliates' employees, agents or business partners in violation of U.S. federal or state or local laws. If any such actions are instituted against us and we are not successful in defending or asserting our rights, those actions could have a material impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could have a material adverse effect on our business, financial condition or results of operations.

There remains doubt and uncertainty that we will be able to legally enforce contracts we enter into.

Due to the nature of our intended business and the fact that our contracts will involve cannabis and other activities that are not legal under U.S. federal law and in some jurisdictions, we may face difficulties in enforcing our contracts in federal and certain state courts. The inability to enforce any of our contracts could have a material adverse effect on our business, operating results, financial condition or prospects.

We have been or may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on our reputation, business, results from operations and financial condition.

We may be named as a defendant in a lawsuit or regulatory action and may also incur uninsured losses for liabilities which arise in the ordinary course of business, or which are unforeseen, including, but not limited to, employment liability, business loss claims, and litigation, including class action lawsuits, such as those regarding the Telephone Consumer Protection Act. Any such losses could have a material adverse effect on our business, operations, sales, cash flow and financial condition.

Additionally, as a manufacturer, processor and distributor of products designed to be ingested by humans, we face an inherent risk of exposure to product liability claims, regulatory action and litigation if our products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of our products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of our products alone or in combination with other medications or substances could occur. Although we will have quality control procedures in place, we may be subject to various product liability claims, including, among others, that the products produced by us, or the products that will be purchased by us from third-party licensed producers, caused injury, illness or death, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against us could result in increased costs, could adversely affect our reputation with our customers and consumers generally and could have a material adverse effect on our business, results of operations and financial condition. There can be no assurances that we will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of our potential products.

Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. Adverse outcomes in some or all of these actions may result in significant monetary damages or injunctive relief that could result in material liability or adversely affect our ability to conduct our business. Litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. Litigation, complaints, and actions involving either us and/or our subsidiaries, regardless of the outcome, could consume considerable amounts of financial and other corporate resources, adversely impact our reputation and have a material adverse effect on the market price of our Common Shares and our future cash flows, earnings, results of operations and financial condition.

Failure to comply with applicable environmental laws, regulations and permit requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

We are subject to environmental regulations that mandate, among other things, the maintenance of air and water quality standards and land reclamation. The regulations also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect our operations.

Government environmental approvals and permits are currently, and may in the future be required in connection with our operations. To the extent such approvals are required and not obtained, we may be curtailed or prohibited from our proposed business activities or from proceeding with the development of our operations as currently proposed.

Failure to comply with applicable environmental laws, regulations and permit requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional

equipment or remedial actions. We may be required to compensate those suffering loss or damage due to our operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

We may encounter unknown environmental risks.

There can be no assurance that we will not encounter hazardous conditions, such as asbestos or lead, at the sites of the real estate used to operate our businesses, which may delay the development of our businesses. Upon encountering a hazardous condition, work at our facilities may be suspended. If we receive notice of a hazardous condition, we may be required to correct the condition prior to continuing construction. If additional hazardous conditions were present, it would likely delay construction and may require significant expenditure of our resources to correct the conditions. Such conditions could have a material impact on our investment returns.

We are highly dependent on certain key personnel and if we are unable to attract and retain key personnel, we may not be able to compete effectively in the cannabis market.

Our success has depended and continues to depend upon our ability to attract and retain key management, including the chief executive officer ("CEO"), technical experts and sales personnel. We will attempt to enhance our management and technical expertise by recruiting qualified individuals who possess desired skills and experience in targeted areas. Our inability to attract and retain employees or engineering and technical support resources could have a material adverse effect on our business, operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect our financial condition, operations of the business and could limit our ability to develop and market our cannabis-related products. The loss of any of our senior management or key employees could materially adversely affect our ability to execute our business plan and strategy, and we may not be able to find adequate replacements on a timely basis, or at all. We do not maintain key person life insurance policies on any of our employees.

The market price of our securities may be volatile and subject to wide fluctuations.

The market price for our Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control, including the following: (i) actual or anticipated fluctuations in our quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of companies in the industry in which we operate; (iv) addition or departure of our executive officers and other key personnel; (v) release or expiration of lock-up or other transfer restrictions on outstanding Common Shares; (vi) sales or perceived sales of additional Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; (viii) fluctuations to the costs of vital production materials and services; (ix) changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility; (x) operating and share price performance of other companies that investors deem comparable to us or from a lack of market comparable companies; (xi) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in our industry or target markets; and (xii) regulatory changes in the industry.

Financial markets have at times historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of our Common Shares may decline even if our operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, our operations could be adversely affected and the trading price of our Common Shares might be materially adversely affected.

Since our securities are currently listed on the OTCQX, our shareholders may face significant restrictions on the re-sale of our securities due to state "Blue Sky" laws.

Each state has its own securities laws, often called "Blue Sky" laws, which (i) limit sales of securities to a state's residents unless the securities are registered in that state or qualify for an exemption from registration,

and (ii) govern the reporting requirements for broker-dealers doing business directly or indirectly in the state. Before a security is sold in a state, there must be a registration in place to cover the transaction, or the transaction must be exempt from registration. The applicable broker must also be registered in that state. We do not know whether our Common Shares will be exempt from registration under the laws of any state. Since our Common Shares are currently quoted on the OTCQX, a determination regarding registration will be made by those broker-dealers, if any, who agree to serve as the market-makers for the Common Shares. There may be significant state Blue Sky law restrictions on the ability of investors to sell, and on purchasers to buy, the Common Shares. Investors should therefore consider the resale market for our Common Shares to be limited.

We may not be able to accurately forecast our operating results and plan our operations due to uncertainties in the cannabis industry.

We have a limited operating history and a history of net losses that make it difficult to make accurate predictions and forecasts about our business, operations and financial conditions. This difficulty is only compounded by the fact that the cannabis industry is continuously evolving. As a result of recent and ongoing regulatory and policy changes in the medical and adult-use marijuana industry, the market data available is limited and unreliable. Federal and state laws prevent widespread participation and hinder market research. Therefore, we must rely largely on our own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry. Market research and our projections of estimated total retail sales, demographics, demand, and similar consumer research are based on assumptions from limited and unreliable market data, and generally represent the personal opinions of our management team. A failure in the demand for our products to materialize as a result of competition, technological change or other factors could have a material adverse effect on our business, results of operations, financial condition or prospects.

Our probable lack of business diversification could have a material adverse effect on our business.

Because we are initially focused solely on developing our cannabis business, the prospects for our success will depend upon the future performance and market acceptance of our intended facilities, products, processes and services. Unlike certain entities that have the resources to develop and explore numerous product lines, operating in multiple industries or multiple areas of a single industry, we do not anticipate the ability to immediately diversify or benefit from the possible spreading of risks or offsetting of losses.

Our industry is experiencing rapid growth and consolidation that may cause us to lose key relationships and intensify competition.

The cannabis industry is undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm us in several ways, including the loss of strategic partners if they are acquired by or enter into relationships with a competitor, the loss of customers, revenue and market share, or us being forced to expend greater resources to meet new or additional competitive threats, all of which could harm our operations. As competitors enter the market and become increasingly sophisticated, competition in our industry may intensify and place downward pressure on prices for our products, which could negatively impact our profitability.

We may not be able to secure adequate or reliable sources of funding required to operate our business and meet consumer demand for our products.

There is no guarantee that we will be able to achieve our business objectives. Our continued development may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of our current business objectives. There can be no assurance that additional capital or other types of financing will be available or that, if available, the terms of such financing will be favorable to us. In addition, from time to time, we may enter into transactions to acquire assets or shares of other corporations. These transactions may be financed wholly or partially with debt, which may increase our debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for us

to obtain additional capital and pursue business opportunities, including potential acquisitions. Debt financings may also contain provisions which, if breached, may entitle lenders or their agents to accelerate repayment of loans and/or realize security over our assets. There is no assurance that we would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing.

Product recalls could result in a material and adverse impact on our business, financial condition and results of operations.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. Although we have detailed procedures in place for testing our products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. If any of our products are recalled due to an alleged product defect or for any other reason, we could be required to incur the unexpected expense of the recall and any legal proceedings that might arise thereto. We may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Additionally, if one of our significant brands were subject to recall, the image of that brand and we could be harmed. Moreover, product recalls can lead to increased scrutiny of operations by applicable regulatory agencies, requiring further management attention and potential legal fees and other expenses. A recall for any reason could lead to decreased demand for our products and could have a material adverse effect on our operations and financial condition.

We are reliant on key inputs, and any interruption of these services could have a material adverse effect on our finances and operational results.

Our business is dependent on several key inputs related to our growing operations as a vertically integrated U.S. based consumer packaged goods and pharmaceutical manufacturer in the cannabis industry including raw materials and supplies. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact our business, financial condition and operations. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on our business, financial condition and operations.

Our ability to compete and grow will also be dependent on having access, at a reasonable cost and in a timely manner, to equipment, parts and components. No assurances can be given that we will be successful in maintaining our required supply of equipment, parts and components. This could have an adverse effect on our financial results.

Our officers and directors may be engaged in a range of business activities which could result in a conflict of interest.

We may be subject to various potential conflicts of interest because some of our officers and directors may be engaged in a range of business activities. In addition, our executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to us. In some cases, our executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to our business and affairs and that could adversely affect our operations. These business interests could require significant time and attention of our executive officers and directors.

In addition, we may also become involved in other transactions which conflict with the interests of our directors and the officers who may from time to time deal with persons, firms, institutions or companies with which we may be dealing, or which may be seeking investments like those desired by us. The interests of these persons could conflict with our interests. In addition, from time to time, these persons may be competing with us for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of our directors, a director who has such a conflict will abstain from voting for or against the approval of such

participation or such terms. In accordance with applicable laws, our directors are required to act honestly, in good faith and in our best interests.

Management may not be able to successfully implement adequate internal controls over financial reporting.

We are or will be subject to various reporting and other regulatory requirements in Canada and the U.S. We have incurred and will continue to incur expenses and, to a lesser extent, diversion of our management's time in our efforts to comply with Section 404 of the Sarbanes-Oxley Act and requirements in Canada regarding internal controls over financial reporting. Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing we conduct in connection with Section 404 of the Sarbanes-Oxley Act, or the subsequent testing by our independent registered public accounting firm when required, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retrospective changes to our consolidated financial statements or identify other areas for further attention or improvement. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of the Common Shares.

We face costs of maintaining a public listing and being a reporting company in Canada and the U.S. which could adversely affect our business, financial condition and results of operations.

As a public company with securities listed on the NEO Exchange, there are costs associated with legal, accounting and other expenses related to regulatory compliance. Securities legislation and the rules and policies of the NEO Exchange require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. We may also elect to devote greater resources than we otherwise would have on communication and other activities typically considered important by publicly traded companies.

In addition, we are subject or will become subject to the reporting requirements, rules and regulations under applicable Canadian and U.S. securities laws. The requirements of existing and potential future rules and regulations will increase our legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may place undue strain on our personnel, systems and resources, which could adversely affect our business, financial condition and results of operations.

Our emerging growth company status and our smaller reporting company status allows us certain exemptions from various reporting requirements.

We are an "emerging growth company" as defined in the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other exemptions from requirements that are otherwise applicable to public companies that are not emerging growth companies. We have elected to use this exemption from new or revised accounting standards and, therefore, we will not be subject to the same new or revised accounting standards as other public companies.

For as long as we continue to be an emerging growth company, we intend to take advantage of certain other exemptions from various reporting requirements that are applicable to other public companies including, but not limited to, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We will remain an emerging growth company until the earliest of (i) the last day of the year in which we have total annual gross revenue of $1.07 billion or more; (ii) the last day of the year following the fifth anniversary of the first sale of the common equity securities pursuant to an effective registration under the Securities Act of 1933, as amended (the "Securities Act"); (iii) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

We are also currently a "smaller reporting company," meaning that we are not an investment company, an asset-backed issuer, or a majority-owned subsidiary of a parent company that is not a smaller reporting company, and we have (a) a public float of less than $250 million or (b) annual revenues of less than $100 million during the most recently completed fiscal year for which audited financial statements are available and (i) no public float or (ii) a public float of less than $700 million.

In the event that we are still considered a smaller reporting company at such time as we cease being an emerging growth company, the disclosure we will be required to provide in our SEC filings will increase, but it will still be less than it would be if we were not considered either an emerging growth company or a smaller reporting company. Specifically, similar to emerging growth companies, smaller reporting companies are able to provide simplified executive compensation disclosures in their filings; are exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that independent registered public accounting firms provide an attestation report on the effectiveness of internal control over financial reporting; and have certain other decreased disclosure obligations in their SEC filings, including, among other things, only being required to provide two years of audited financial statements in annual reports.

We cannot predict if investors will find our Common Shares less attractive because we will rely on the exemptions available to emerging growth companies and smaller reporting companies. If some investors find our Common Shares less attractive as a result, then there may be a less active trading market for our Common Shares and our stock price may be more volatile.

Our business may be impacted by consumer perception of the cannabis industry, which we cannot control or predict.

We believe the cannabis industry is highly dependent upon consumer perception regarding the benefits, safety, efficacy and quality of the cannabis distributed for medical purposes to such consumers. Consumer perception of our products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, political statements, media attention and other publicity (if accurate or with merit) regarding the consumption of cannabis products for medical purposes, including unexpected safety or efficacy concerns arising with respect to our products or the products of our competitors. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any product or consistent with earlier publicity.

Future research, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for our products, operations and financial condition. Our dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity (if accurate or with merit), could have an adverse effect on any demand for our products which could have a material adverse effect on our business, financial condition and operations. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis for medical purposes in general or our products specifically or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

We may not be able to develop and maintain lasting relationships with consumers.

Our success depends on our ability to attract and retain customers. There are many factors which could impact our ability to attract and retain customers, including but not limited to brand awareness, our ability to continually produce desirable and effective cannabis products, the successful implementation of the our consumer-acquisition plan and the continued growth in the aggregate number of consumers purchasing cannabis products. Our failure to acquire and retain consumers could have a material adverse effect on our business, financial condition and operations.

We face risks related to our insurance coverage and uninsurable risks.

Our business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, labor disputes, destruction from civil unrest and changes in the regulatory environment.

Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Although we intend to continue to maintain insurance to protect against certain risks in such amounts as we consider to be reasonable, our insurance will not cover all the potential risks associated with our operations. We may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in our operations is not generally available on acceptable terms. We might also become subject to liability for pollution or other hazards which we may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause us to incur significant costs that could have a material adverse effect upon our financial performance and results of operations.

Our web presence's visibility is not limited by geography.

Internet websites are visible by people everywhere, not just in jurisdictions where the activities described therein are considered legal. As a result, to the extent we sell services or products via web-based links targeting only jurisdictions in which such sales or services are compliant with state law, we may face legal action in other jurisdictions which are not the intended object of any of our marketing efforts for engaging in any web-based activity that results in sales into such jurisdictions deemed illegal under applicable laws.

We may have increased labor costs based on union activity.

Labor unions are working to organize workforces in the cannabis industry in general. Currently, there is no labor organization that has been recognized as a representative of our employees. However, it is possible that certain retail and/or manufacturing locations will be organized in the future, which could lead to work stoppages or increased labor costs and adversely affect our business, profitability and our ability to reinvest into the growth of our business. We cannot predict how stable our relationships with U.S. labor organizations would be or whether we would be able to meet any unions' requirements without impacting our financial condition. Labor unions may also limit our flexibility in dealing with our workforce. Work stoppages and instability in our union relationships could delay the production and sale of our products, which could strain relationships with customers and cause a loss of revenues which would adversely affect our operations.

Risks Related to COVID-19 Pandemic and Macro-Economic Conditions

The impact of the COVID-19 pandemic on us and our operations is uncertain and may adversely affect our business and financial condition.

We may be impacted by business interruptions resulting from pandemics and public health emergencies, including those related to the COVID-19 pandemic. An outbreak of infectious disease, a pandemic, or a similar public health threat, such as the ongoing COVID-19 pandemic, or a fear of any of the foregoing, could adversely impact our operations by causing operating, manufacturing, supply chain, and project development delays and disruptions, labor shortages, travel and shipping disruptions and shutdowns (including as a result of government regulation and prevention measures). It is unknown whether and how we may be affected if such a pandemic persists for an extended period of time, including as a result of the waiver of regulatory requirements or the implementation of emergency regulations to which we are subject. Although we have been deemed essential and/or have been permitted to continue operating our facilities in the states in which we cultivate, process, manufacture and sell cannabis during the pendency of the COVID-19 pandemic, there is no assurance that our operations will continue to be deemed essential and/or will continue to be permitted to operate. We may incur expenses or delays relating to such events outside of our control, which could have a material adverse impact on our business, operating results, financial condition and the trading price of the Common Shares.

To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the U.S., Europe and China. The reduction in people's ability and willingness to go into public to purchase cannabis at brick-and-mortar retail stores, travel to and work for us and our subsidiaries and provide other necessary services for the operation of our business as a result of the COVID-19 pandemic may have a material adverse effect on our business, results of operations and financial

condition. The COVID-19 pandemic has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, we cannot estimate whether or to what extent this COVID-19 pandemic and the potential financial impact may extend to countries outside of those currently impacted. We are actively assessing and responding where possible to the potential impact of the COVID-19 pandemic. Such public health crises can result in volatility and disruptions in global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to us of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, increased labor and fuel costs, regulatory changes or backlog, political or economic instabilities or civil unrest. At this point, the extent to which the COVID-19 pandemic will or may impact us is uncertain and these factors are beyond our control; however, it is possible that COVID-19 pandemic may have a material adverse effect on our business, results of operations and financial condition.

Our operations and financial condition could be adversely impacted by a material downturn in global financial conditions.

Global financial conditions have historically experienced extreme volatility. Economic shocks may be precipitated by a number of causes, including a rise in the price of oil, geopolitical instability and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact our ability to obtain equity or debt financing in the future on terms favorable to us. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Further, in such an event, our operations and financial condition could be adversely impacted.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the cannabis industry, supply and demand for commodities, political developments, legislative or regulatory changes, social or labor unrest and stock market trends will affect our operating environment and our operating costs and profit margins and the price of our securities. Any negative events in the global economy could have a material adverse effect on our business, financial condition, results of operations or prospects.

Increased prices and inflation could negatively impact our margin performance and our financial results.

Increased inflation, including rising prices for raw materials and components, labor and energy increases the costs to manufacture and distribute our products and we may be unable to pass these costs on to our customers. Additionally, we are exposed to fluctuations in other costs such as labor and energy prices. If inflation in these costs increases beyond our ability to control for them through measures such as implementing operating efficiencies, we may not be able to increase prices to sufficiently offset the effect of various cost increases without negatively impacting customer demand, thereby negatively impacting our margin performance and results of operations.

We may be adversely affected by boycotts, civil unrest and other geo-political disruptions.

We may be adversely affected by boycotts, civil unrest and other geo-political disruptions. These events may damage our properties, deny us access to an adequate workforce, increase the cost of energy and other raw materials, temporarily or permanently close our facilities, disrupt the production, supply and distribution of our products and potentially disrupt information systems.

If significant tariffs or other restrictions are placed on goods imported into the U.S. from China or any related counter-measures are taken by China, our revenue and results of operations may be materially harmed. Currently, the average tariffs on the majority of goods imported from China is 19.3%, which is significantly higher than before additional duties were imposed in 2018. These tariffs apply primarily to our vaporizer and vaporizer accessory products, and as a result, the cost of our products may increase. In addition, any such additional tariffs may also make our products more expensive for consumers, which may reduce consumer demand. We may need to offset the financial impact by, among other things, moving our product

manufacturing to other locations where feasible, modifying other business practices or raising prices. If we are not successful in offsetting the impact of any such tariffs, our revenue, gross margins and operating results may be adversely affected.

In addition to tariffs, the COVID-19 pandemic has impacted, and may continue to impact, negatively the ability of suppliers in China to produce cannabis accessory products, including vaporizer and vaporizer accessories, and transport such products to our production facilities in a timely and cost-effective manner. Additionally, shipping disruptions have impacted, and may continue to impact, negatively our ability to deliver cannabis accessory products from our production facilities to our customers in a timely and cost-effective manner. Alternative sources of supply and transport have not been and may not continue to be available or financially feasible, which could impact product availability, increase the cost of our products, make products more expensive for consumers, and result in reduced consumer demand.

In late February 2022, Russia initiated significant military action against Ukraine. In response, the U.S. and certain other countries imposed significant sanctions and trade actions against Russia, and the U.S. and certain other countries could impose further sanctions, trade restrictions and other retaliatory actions should the conflict continue or worsen. It is not possible to predict the broader consequences of the conflict, including related geopolitical tensions, and the measures and retaliatory actions taken by the U.S. and other countries in respect thereof, as well as any counter measures or retaliatory actions by Russia in response, have caused and are likely to continue to cause regional instability and geopolitical shifts. Further, such conflict has materially adversely affected and is likely to continue to materially adversely affect global trade, currency exchange rates, regional economies and the global economy. In particular, while it is difficult to anticipate the impact of any of the foregoing on us, the conflict and actions taken in response to the conflict could increase our costs, disrupt our supply chain, reduce our sales and earnings, impair our ability to raise additional capital when needed on acceptable terms, if at all, or otherwise adversely affect our business, financial condition and results of operations.

Risks Related to our Intellectual Property and Information Technology

We may be subject to risks related to the protection and enforcement of our intellectual property rights and may become subject to allegations that we are in violation of intellectual property rights of third parties.

As long as cannabis remains illegal under U.S. federal law, the benefit of certain federal laws and protections which may be available to most businesses, such as federal trademark and patent protection regarding the intellectual property of a business, may not be available us. As a result, our intellectual property may never be adequately or sufficiently protected against the use or misappropriation by third parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, we can provide no assurance that we will ever obtain any protection of our intellectual property, whether on a federal, state or local level.

Ownership and protection of intellectual property rights is a significant aspect of our future success. Currently we rely on trade secrets, technical know-how and proprietary information that are not protected by patents to maintain our competitive position. We try to protect such intellectual property by entering into confidentiality agreements with parties that have access to it, such as business partners, collaborators, employees and consultants. If any of these parties breach these agreements, we may not have adequate remedies available. Additionally, our trade secrets and technical know-how, which are not protected by patents, may otherwise become known to or be independently developed by competitors, in which case our business, financial condition and operations could be materially adversely affected.

Unauthorized parties may attempt to replicate or otherwise obtain and use our products, trade secrets, technical know-how and proprietary information. Policing the unauthorized use of our current or future intellectual property rights and enforcing those rights could be difficult, expensive, time-consuming and unpredictable. Identifying unauthorized use of intellectual property rights is difficult and we may be unable to effectively monitor and evaluate the products being distributed by our competitors and the processes used to produce such products. Additionally, some or all of our current or future trademarks, patents, proprietary know-how, arrangements, agreements or other intellectual property rights seeking to protect us, may be found invalid, not infringed, unenforceable or anti-competitive in an infringement proceeding. An adverse result in any litigation or defense proceedings could put one or more of our current or future trademarks, patents or

other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued. Any or all of these events could materially and adversely affect our business, financial condition and results of operations.

Other parties may claim that our products infringe on their proprietary and other protected rights. Such claims, if meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages. We may also need to obtain licenses from third parties who allege that we have infringed on their lawful rights. As such, we may not be able to obtain or utilize such rights or licenses at all or on terms that are favorable to us.

We may be forced to litigate to defend our intellectual property rights, or to defend against claims by third parties against us relating to intellectual property rights.

We may be forced into litigation to enforce or defend our intellectual property rights, protect our trade secrets or determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract our management from focusing on operations. The existence and/or outcome of any such litigation could harm our business. Because the content of much of our intellectual property concerns cannabis and other activities that are not legal in some jurisdictions, we may face additional difficulties in defending our intellectual property rights. For instance, the USPTO does not allow trademarks directly related to cannabis and cannabis products to be registered due to the illegal nature of the business and products under federal law.

We will be reliant on information technology systems and may be subject to damaging cyber-attacks or security breaches.

We have and will continue to enter into agreements with third parties for hardware, software, telecommunications and other information technology ("IT") services regarding our operations. Our operations depend, in part, on how well we and our suppliers protect networks, equipment, IT systems and software against damage from many threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. Our operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact our reputation and results of operations.

We have not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that we will not incur such losses in the future. Our risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Given the nature of our products and our lack of legal availability outside of channels approved by applicable governmental and regulatory authorities, as well as the concentration of inventory in our facilities, there remains a risk of security as well as theft. If there was a breach in security systems and we become a victim of robbery or theft, the loss of cannabis plants, cannabis oils, cannabis flowers and cultivation and processing equipment, or if there was a failure of information systems or a component of information systems, could, depending on the nature of any such breach or failure, adversely impact our reputation, business continuity and results of operations. A security breach at one of our facilities could expose us to additional liability and to potentially costly litigation, increased expenses relating to the resolution and future prevention of such breaches and may deter potential consumers from choosing our products.

We are subject to laws, rules and regulations in the U.S. (such as the California Consumer Privacy Act ("CCPA")) and other jurisdictions relating to the collection, processing, storage, transfer and use of personal data. Our ability to execute transactions and to possess and use personal information and data in conducting

our business subjects us to legislative and regulatory burdens that may require us to notify regulators and customers, employees and other individuals of a data security breach. Evolving compliance and operational requirements under the CCPA and the privacy laws, rules and regulations of other jurisdictions in which we operate impose significant costs that are likely to increase over time. In addition, non-compliance could result in proceedings against us by governmental entities and/or significant fines, could negatively impact our reputation and may otherwise adversely impact our business, financial condition and operating results.

Risks Related to our Acquisitions and Growth Strategy

We may not be able to successfully identify and execute future acquisitions or dispositions, or to successfully manage the impacts of such transactions on our operations.

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruptions of our ongoing business; (ii) distractions of management; (iii) we may become more financially leveraged; (iv) the anticipated benefits and cost savings may not be realized fully, or at all, and may take longer than expected; (v) an increase in the scope and complexity of our operations; and (vi) a loss or reduction of control over certain of our assets.

The presence of one or more material liabilities of an acquired company that are unknown to us at the time of acquisition could have a material adverse effect on our results of operations, business prospects and financial condition. A strategic transaction may result in a significant change to our business, operations and strategy. In addition, we may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into our operations.

We may complete additional acquisitions, enter into new lines of business and expand into new geographic markets and businesses, each of which may result in upfront costs and additional risks and uncertainties in our businesses.

We intend, if market conditions warrant, to grow our businesses by acquiring additional businesses, expanding existing products lines, entering into new product lines and entering new geographic markets. Attempts to expand our businesses involve a number of special risks, including some or all of the following:

- the required investment of capital and other resources;
- the diversion of management's attention from our existing businesses;
- the assumption of liabilities in any acquired business;
- the disruption of our ongoing businesses;
- entry into markets or lines of business in which we may have limited or no experience;
- compliance with or applicability to our businesses of regulations and laws, including, in particular, regulations and laws in new states and localities, and a lack of experience in interacting with the regulatory authorities responsible for enforcing these regulations and laws; and
- increasing demands on our operational and management systems and controls.

Because we have not yet identified these potential new acquisitions, product line expansions, and expansions into new geographic markets or lines of business, we cannot identify all of the specific risks we may face and the potential adverse consequences on us and any investments that may result from any attempted acquisition or expansion.

Our ability to complete strategic alliances or partnerships will be dependent on and may be limited by the availability of suitable candidates and capital.

We currently have, and may in the future enter, into partnerships or strategic alliances with third parties that we believe will complement or augment our existing business. Such partnerships or strategic alliances could present unforeseen integration obstacles or costs, may not enhance our business and may involve risks that could adversely affect us, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances or partnerships could result in the incurrence of additional debt, costs and contingent

liabilities and there can be no assurance that future strategic alliances or partnerships will achieve, or that our existing strategic alliances or partnerships will continue to achieve, the expected benefits to our business or that we will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to effectively manage our growth and operations, which could materially and adversely affect our business.

If we implement our business plan as intended, we may in the future experience rapid growth and development in a relatively short period of time. The management of this growth will require, among other things, continued development of our financial and management controls and information systems, stringent control of costs, the ability to attract and retain qualified management personnel and the training of new personnel. We intend to outsource resources and hire additional personnel to manage our expected growth and expansion. Failure to successfully manage our possible growth and development could have a material adverse effect on our business and the value of our equity.

ITEM 2. FINANCIAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management's discussion and analysis ("MD&A") of the financial condition and results of operations is for the three months ended March 31, 2022 and 2021 and the years ended December 31, 2021 and 2020.

It is supplemental to and should be read in conjunction with, the consolidated financial statements of the Company for the three months ended March 31, 2022 and 2021 and the years ended December 31, 2021 and 2020 and the accompanying notes for each respective period. The Company's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Financial information presented in this MD&A is presented in thousands of U.S. dollars ("USD", "$" or "US$"), except per share amounts, unless otherwise indicated.

This MD&A contains certain "forward-looking statements" and certain "forward-looking information" as defined under applicable securities laws. Please refer to the discussion of forward-looking statements and information set out under the heading "Disclosure Regarding Forward-Looking Statements" identified in this registration statement. As a result of many factors, the Company's actual results may differ materially from those anticipated in these forward-looking statements and information.

Overview of the Company

TILT Holdings Inc. was incorporated under the laws of Nevada pursuant to NRS Chapter 78 on June 22, 2018. The Company was continued under the BCBCA pursuant to a Certificate of Continuance dated November 14, 2018. The Company's head office is located in Phoenix, Arizona and its registered office is located in Vancouver, British Columbia.

The Company operates through two business divisions: Inhalation Technology and Cannabis. Inhalation Technology encompasses the Jupiter business, through which the Company sells vape and accessory products and services across thirty-seven states in the U.S., as well as Canada, Israel, South America and the European Union. The Cannabis division includes operations in Massachusetts at CAC, in Pennsylvania at Standard Farms PA and in Ohio at Standard Farms OH.

Through the Company's CAC operations, the Company operates a vertically integrated marijuana facility in Taunton, Massachusetts, dually licensed for both medical and adult-use cultivation, manufacturing and retail sales and a dispensary, also dually licensed for both medical and adult-use retail sales, in Brockton, Massachusetts. CAC has another dispensary built out, but not yet operating, in Cambridge, Massachusetts. Through these facilities the Company produces, packages, and sells a variety of cannabis flower, vape cartridge, concentrate, edible and topical products via wholesale and retail to Massachusetts customers.

Through the Company's Standard Farms PA operations in White Haven, Pennsylvania, the Company produces medical cannabis products including vape cartridges, flower, capsules, oil syringes and tinctures, which are sold via wholesale to Pennsylvania customers.

Through the Company's Standard Farms OH facility outside Cleveland, Ohio, the Company produces high-quality medical cannabis products from cannabis biomass including tinctures, vape cartridges, syringes, topicals, concentrates and edibles, which are then sold and distributed throughout Ohio via wholesale to other licensed cannabis businesses.

Results of Operations

The Company reports the results of operations of its affiliates and subsidiaries from the date that control commences, either through the purchase of the business or control through a management agreement. The following selected financial information includes only the results of operations after the Company established control of affiliates and subsidiaries. Accordingly, the information included below may not be representative of the results of operations of such affiliates or subsidiaries had their results of operations included for the entire reporting period.

Selected Financial Information

($ in thousands)	Three Months Ended		Years Ended	
	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021	Dec 31, 2020
Revenue	42,352	46,817	202,705	158,409
Cost of goods sold	(32,999)	(33,272)	(152,502)	(112,270)
Gross profit	9,353	13,545	50,203	46,139
Loss from operations	(7,482)	(324)	(39,793)	(36,294)
Total other income (expense)	(5,484)	(16,755)	(9,236)	(21,938)
Net loss from continuing operations before income taxes	(12,966)	(17,079)	(49,029)	(58,232)
Net loss from discontinued operations, net of taxes	—	—	—	(56,490)
Net loss	(11,634)	(17,057)	(35,126)	(116,418)

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

Revenue

Revenue represents the amount the Company expects to receive for goods and services in its contracts with customers, net of discounts and sales taxes. The Company's revenue is derived from the following:

Sale of Goods — Vaporization and Inhalation Devices:

Revenue from the wholesale sales of accessories is recognized when the Company transfers control and satisfies its performance obligations on wholesale sales of accessories. Revenue is recognized from product sales at a point in time following the transfer of control of such products to the customer, which typically occurs upon shipment or delivery, depending on the terms of sale with the customer.

Sale of Goods — Cannabis:

Revenue from the direct sale of goods to customers for a fixed price is recognized when the Company transfers control of the good to the customer. The Company transfers control and satisfies its performance obligations on retail sales upon delivery and acceptance from the customer. For dispensary sales, this occurs at the point of sale at the dispensary. The Company satisfies its performance obligation on wholesale sales when goods are delivered to the customer.

Revenue for the three months ended March 31, 2022 was $42,352, down from $46,817 for the three months ended March 31, 2021, reflecting a year-over-year decrease of $4,465 or 10%. The decrease was primarily attributable to decreased year-over-year sales volume at Jupiter which decreased revenue by $3,990 or 11%, primarily due to the timing of purchases by certain larger customers. Additionally, revenue in cannabis operations for the three months ended March 31, 2022 decreased by $475 or 4% year-over-year, primarily in the Company's Pennsylvania operations driven by a decrease in sales volume as a result of increased competition in the wholesale market. However, the Company continues its strategy of introducing partner brands to the Pennsylvania market which has partially attenuated the impact of the increased competition on revenue at Standard Farms PA.

Cost of Goods Sold, Gross Profit and Gross Margin

Gross profit reflects revenue less production costs primarily consisting of labor, materials, rent and facilities, supplies, overhead, amortization on production equipment, shipping, packaging and other expenses required to grow and manufacture cannabis products. Gross margin represents gross profit as a percentage of revenue.

Cost of goods sold for the three months ended March 31, 2022 was $32,999, down from $33,272 for the three months ended March 31, 2021 reflecting a year-over-year decrease of $273 or 1%, driven by decreased year-over-year sales volume.

The Company's gross profit for the three months ended March 31, 2022 was $9,353, down from $13,545 for the three months ended March 31, 2021, which reflects a year-over-year decrease of $4,192 or 31%. Gross margin was 22%and 29% in the three months ended March 31, 2022 and 2021, respectively. The decrease in gross profit was due to decreased sales volume year-over-year while the contraction in gross margin was primarily due to a difference in customer mix at Jupiter as well as pricing changes at Standard Farms PA to adjust to increased competition in the wholesale Pennsylvania market.

Total Operating Expenses

Total operating expenses primarily consists of costs incurred at the Company's corporate offices, share- based compensation, personnel costs including wages and employee benefits, professional service costs including accounting and legal expenses, rental costs associated with certain of the Company's offices and facilities, insurance expenses, costs associated with advertising and marketing TILT products and other general and administrative expenses which support TILT's business.

The following is a summary of the Company's operating expenses derived from the consolidated financial statements of the Company for the three months ended March 31, 2022 and 2021:

	Three Months Ended	
($ in thousands)	**Mar 31, 2022**	**Mar 31, 2021**
Wages and benefits	$ 5,168	$ 4,083
General and administrative	4,779	4,317
Sales and marketing	407	155
Share-based compensation expense	1,226	882
Depreciation and amortization	4,558	4,432
Impairment loss	697	0
Total Operating Expenses	$16,835	$13,869

Total operating expenses for the three months ended March 31, 2022 was $16,835, an increase of $2,966 or 21% year-over-year from $13,869. The increase was primarily due to a $1,085 increase in wages and benefits driven by increased headcount, mainly related to the expansion of retail operations in Massachusetts. Additionally, impairment loss had increased by $697 related to property, plant and equipment assets at CAC, and sales and marketing expense increased by $252 mainly due to increased marketing expenses in Massachusetts related to the Company's activation of two adult-use dispensary licenses and one medical dispensary license in the fourth quarter of 2021.

Total Other Income (Expense)

Other expense for the three months ended March 31, 2022 was ($5,484), a decrease of $11,271 from the prior year primarily driven by the $11,753 decrease in non-cash expense due to the change in fair value of warrant liabilities. The decrease is driven by the revaluation at each reporting date of the fair value of the Company's warrant liabilities, which is primarily based on changes to the share price input to the Black-Scholes option pricing model. Additionally, unrealized loss on investment decreased by $660 mainly related to the loss on the Company's Big Toe Ventures, LLC investment in the first quarter of 2021. These decreases in other expense were partially offset by the $585 decrease in interest income, driven by the settlement of the Blackbird note receivable in the second quarter of 2021, and the $517 year-over-year increase in loan losses driven by the Company's current expected credit losses ("CECL") analysis of loans receivable.

Net Income (Loss)

The Company recorded net loss of ($11,634) for the three months ended March 31, 2022 compared to a net loss of ($17,057) for the prior year, for a reduction in net loss of $5,423 or 32% as a result of the factors noted above.

Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

Revenue for the year ended December 31, 2021 was $202,705 up from $158,409 for the year ended December 31, 2020, reflecting a year-over-year increase of $44,296 or 28%. The increase was primarily attributable to year-over-year sales volume growth at Jupiter which increased revenue by $40,329 or 33%. Additionally, revenue in cannabis operations for 2021 increased $4,022 or 11% year-over-year, primarily in the Company's wholesale and retail cannabis operations in Massachusetts related to increased cultivation capacity, a broader product portfolio including partner brands and improved market conditions compared to the year ended December 31, 2020, in which sales volume was materially affected by the COVID-19 pandemic. Partially offsetting this growth in cannabis operations, cannabis revenue in the Pennsylvania market declined year-over-year related to decreased wholesale sales volume driven by increased marketplace competition in 2021.

Cost of Goods Sold, Gross Profit and Gross Margin

Cost of goods sold for the year ended December 31, 2021 was $152,502, up from $112,270 for the year ended December 31, 2020 reflecting a year-over-year increase of $40,232 or 36%, driven by increased year-over-year sales volume.

The Company's gross profit for year ended December 31, 2021, was $50,203, up from $46,139 for the year ended December 31, 2020, which reflects a year-over-year increase of $4,064 or 9%. Gross margin was 25% and 29% in the years ended December 31, 2021 and 2020, respectively. The improvement in gross profit was due to increased sales volume year-over-year while the contraction in gross margin was primarily due to a difference in customer and product mix.

Total Operating Expenses

Total operating expenses for the year ended December 31, 2021 was $89,996, an increase of $7,563 or 9% from $82,433 for the prior year. The increase was primarily due to an increase in non-cash impairment loss, an increase in wages and benefits driven by the 2021 rollout of a company-wide bonus program and increased headcount related to the expansion of retail operations. Partially offsetting these increases to total operating expenses, general and administrative expense decreased year-over-year primarily related to decreased bad debt.

The following is a summary of the Company's operating expenses derived from the consolidated financial statements of the Company for the years ended December 31, 2021 and 2020:

	Years Ended	
($ in thousands)	**Dec 31, 2021**	**Dec 31, 2020**
Wages and benefits	$17,407	$12,927
General and administrative	19,073	22,170
Sales and marketing	1,457	839
Share-based compensation expense	3,804	4,200
Depreciation and amortization	17,857	18,356
Impairment loss	30,398	23,941
Total Operating Expense	**$89,996**	**$82,433**

Impairment Losses

The Company incurred impairment losses in the years ended December 31, 2021 and 2020 of $30,398 and $23,941, respectively. For the year ended December 31, 2020, impairment losses consisted of $10,099 of the property, plant, and equipment ("PP&E") impairment; $9,151 of goodwill impairment; and $4,691 of intangible assets impairment. The PP&E impairment expense is mainly due to management's expectations of limited economic benefits from the continuing use of the following assets: SVT's PP&E within the construction-in-progress category ($4,981); and unoccupied modular units at its Massachusetts facility within the greenhouse-agricultural structure category of the PP&E assets ($4,302, see Note 6 to the audited consolidated financial statements).

The goodwill impairment is related to annual impairment test results and the triggering event of the sale of Blackbird. Based on the test results for Jupiter, the carrying amount of the reporting unit exceeded its estimated recoverable amount by $5,399. Consequently, an impairment loss was recorded against goodwill at Jupiter.

Additionally, in connection with the sale of Blackbird, the Company re-evaluated Baker's non-core assets. Accordingly, the Company performed an assessment based on the recoverability of the assets. Based on the test results, the carrying amount of Baker's intangible assets exceeded the fair value of zero at December 31, 2020. Therefore, the Company recorded an impairment of $2,231 of intangible assets, and an impairment loss of $3,752 for the Baker reporting unit related to goodwill. The Company also incurred an impairment loss of $2,460 for management agreements in the year ended December 31, 2020 in connection with the assignment of the Ermont loan receivable (see Note 8 and Note 9 to the audited consolidated financial statements).

In the course of annual impairment testing for goodwill for the year ended December 31, 2021, Standard Farms PA's carrying amount exceeded the recoverable amount by $4,488; consequently, an impairment loss was recorded as goodwill at Standard Farms PA. Additionally, based on Jupiter's test results, the reporting unit's carrying amount exceeded its estimated recoverable amount by $25,040, as a consequence, impairment loss was recorded against goodwill at Jupiter. For further detail regarding impairment of intangible assets and goodwill, see Note 8 and Note 9 of the audited consolidated financial statements.

Total Other Income (Expense)

Other expense for the year ended December 31, 2021 was ($9,236), a decrease of $12,702 from the prior year primarily due to a year-over-year decrease in loan losses as well as the change in fair value of warrant liabilities related to the change in the functional currency of the Company from the Canadian dollar to the U.S. dollar, effective January 1, 2021.

For the years ended December 31, 2021 and 2020, the Company recorded loan losses of $4,562 and $16,416, respectively, as a result of the analysis of current expected credit loss ("CECL"). CECL are measured by the Company on a probability-weighted basis based on historical experience, current conditions and reasonable and supportable forecasts. In the year ended December 31, 2020, the loan losses was primarily driven by the assignment of the Ermont loan receivable to Teneo Funds SPVi LLC (see Note 10 to the audited consolidated financial statements).

Net Income (Loss)

The Company recorded a net loss from continuing operations of ($35,126) for the year ended December 31, 2021 compared to a net loss from continuing operations of ($59,928) for the prior year, for a reduction in net loss from continuing operations of $24,802 or 41% as a result of the factors noted above.

TILT HOLDINGS INC.
Consolidated Statements of Operations and Comprehensive Income (Loss)
Three Months Ended March 31, 2022 and 2021; and Years Ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of United States Dollars, Except for Gram, Unit, Share and Per Share Amounts)

	March 31, 2022	March 31, 2021	December 31, 2021	December 31, 2020
Revenues, net	**$ 42,352**	**$ 46,817**	**$ 202,705**	**$ 158,409**
Cost of goods sold	(32,999)	(33,272)	(152,502)	(112,270)
Gross profit	**9,353**	**13,545**	**50,203**	**46,139**
Operating expenses:				
Wages and benefits	5,168	4,083	17,407	12,927
General and administrative	4,779	4,317	19,073	22,170
Sales and marketing	407	155	1,457	839
Share-based compensation	1,226	882	3,804	4,200
Depreciation and amortization	4,558	4,432	17,857	18,356
Impairment loss	697	—	30,398	23,941
Total operating expenses	**16,835**	**13,869**	**89,996**	**82,433**
Loss from operations	**(7,482)**	**(324)**	**(39,793)**	**(36,294)**
Other income (expense):				
Interest income	18	603	593	3,835
Other income	3	44	74	1,053
Change in fair value of warrant liability	(2,163)	(13,916)	6,001	—
Gain (loss) on sale of assets	1	(67)	163	(70)
Unrealized loss on investment	(45)	(705)	(891)	(337)
Loan receivable losses	(517)	—	(4,562)	(16,416)
Loss on termination of lease	—	(259)	(261)	(613)
Interest expense, net	(2,781)	(2,455)	(10,367)	(9,390)
Gain on foreign currency exchange	—	—	14	—
Other income (expense)	**(5,484)**	**(16,755)**	**(9,236)**	**(21,938)**
Loss from continuing operations before income tax and non-controlling interest	**(12,966)**	**(17,079)**	**(49,029)**	**(58,232)**
Income taxes				
Income tax benefit (expense)	1,332	22	13,903	(1,696)
Net loss from continuing operations, net of tax and before non-controlling interest	**(11,634)**	**(17,057)**	**(35,126)**	**(59,928)**
Loss from discontinued operations before income taxes	—	—	—	(58,257)
Income tax benefit from discontinued operations	—	—	—	1,767
Net loss from discontinued operations, net of tax and before non-controlling interest	**—**	**—**	**—**	**(56,490)**
Net loss before non-controlling interest	**(11,634)**	**(17,057)**	**(35,126)**	**(116,418)**
Less: Net loss attributable to non-controlling interest	5	—	—	—

	March 31, 2022	March 31, 2021	December 31, 2021	December 31, 2020
Net loss attributable to TILT Holdings, Inc.	**$ (11,629)**	**$ (17,057)**	**$ (35,126)**	**$ (116,418)**
Other comprehensive (loss) income				
Net loss	$ (11,634)	$ (17,057)	$ (35,126)	$ (116,418)
Foreign currency translation differences	1	(2)	(15)	496
Comprehensive loss before non-controlling interest	**$ (11,633)**	**$ (17,059)**	**$ (35,141)**	**$ (115,922)**
Less: Net loss attributable to non-controlling interest	5	—	—	—
Comprehensive loss attributable to TILT Holdings, Inc.	**$ (11,628)**	**$ (17,059)**	**$ (35,141)**	**$ (115,922)**
Weighted average number of shares outstanding:				
Basic and diluted	**371,738,863**	**365,809,870**	**370,002,378**	**364,562,929**
Net Loss per common share				
Basic and diluted	**$ (0.03)**	**$ (0.05)**	**$ (0.09)**	**$ (0.32)**
Basic and diluted, from continuing operations	**$ (0.03)**	**$ (0.05)**	**$ (0.09)**	**$ (0.16)**
Basic and diluted, from discontinued operations	**$ —**	**$ —**	**$ —**	**$ (0.15)**

Liquidity and Capital Resources

The Company closely monitors and manages its capital resources to assess the liquidity required to fund fixed asset capital expenditures and operations.

As of March 31, 2022 and December 31, 2021, the Company had total current assets of $93,622 and $100,886, respectively, which represents a decrease of $7,264. The decrease in total current assets is primarily due to a decrease in inventory and in trade receivables and others, partially offset by an increase in cash and cash equivalents.

Additionally, as of March 31, 2022 and December 31, 2021, the Company had total current liabilities of $98,573 and $99,497, respectively, which represents a decrease of $924. The decrease in total current liabilities is primarily related to the decrease in in accounts payable and accrued liabilities as well as the decrease in deferred revenue. This was partially offset by increases in warrant liability and the current portion of notes payable.

Liquidity

The Company has experienced operating losses since its inception and expects to continue to incur losses in the development of its business. The Company incurred a comprehensive loss of $11,628 during the three months ended March 31, 2022 and has an accumulated deficit as of March 31, 2022, of $867,877. As of March 31, 2022, the Company had negative working capital of $4,951 (compared to positive working capital of $1,389 as of December 31, 2021). The Company's liquidity will depend, in large part, on its ability to raise adequate financing or refinance the debt maturities occurring in November 2022; generate expected positive cash flow; and minimize the anticipated net loss during the 12 months from the date of this filing, all of which are uncertain and outside the control of the Company.

Based on the Company's operating plans for the next 12 months which include (i) revenue growth from the sale of existing products and the introduction of new products across all operating segments, (ii) reduced production costs as a result of maturing efficiencies in cannabis operations, (iii) reduced supply chain costs, (iv) increased cash inflows from the fourth quarter 2021 activation of two adult-use retail dispensary licenses and the 2022 activation of a further medical dispensary license, (v) cash inflows from the monetization of

certain assets, (vi) line of credit and other financings with major banks and (vii) the refinancing of debt obligations and extension of maturities with banking partners and note holders, the Company believes that it has adequate resources to fund the operations during the next 12 months from the date of filing of this registration statement. Refer to Note 22 — Subsequent Events for further detail regarding recent financing developments. If the Company is unable to complete these actions, it may be unable to meet its operating cash flow needs and its obligations beyond the next 12 months.

Cash Flows

The following table presents the Company's net cash inflows and outflows from the consolidated financial statements of the Company for the three months ended March 31, 2022 and 2021and for the year ended December 31, 2021 and 2020:

	Three Months Ended		Years Ended	
($ in thousands)	**Mar 31, 2022**	**Mar 31, 2021**	**Dec 31, 2021**	**Dec 31, 2020**
Net cash provided by (used in) operating activities	$ 4,203	$ 2,742	$(8,599)	$10,660
Net cash provided by (used in) investing activities	(775)	(329)	186	(2,520)
Net cash provided by (used in) financing activities	(1,149)	(882)	6,514	(3,909)
Effect of foreign exchange on cash and cash equivalents	1	(3)	(8)	616
Net changes in cash and cash equivalents	**$ 2,280**	**$1,528**	**$(1,907)**	**$ 4,847**

For the three months ended March 31, 2022, cash was provided by (used in):

- Operating activities: $4,203. The cash provided by operating activities for the three months ended March 31, 2022, includes a cash loss from operations of ($787), which excludes non-cash items from net loss such as share-based compensation expense, depreciation and amortization expense, loan losses and impairment loss. This loss was offset by a $4,990 change in cash provided by working capital items during the period, primarily driven by conversion of Jupiter inventory and timing of accounts receivable collections.
- Investing activities: ($775). The cash used in investing activities for the three months ended March 31, 2022, primarily consisted of cash used in the purchase of property, plant and equipment, mainly in the Company's cannabis operations as CAC and Standard Farms OH continue to scale retail operations and production, respectively.
- Financing activities: ($1,149). The cash used in financing activities for the three months ended March 31, 2022 primarily consisted of principal payments on notes payable, partially offset by proceeds from notes payable related to Jupiter's asset-based revolving credit facility entered into in July 2021.

For the three months ended March 31, 2022, the net increase (decrease) in cash was $2,280.

For the year ended December 31, 2021, cash was provided by (used in):

- Operating activities: ($8,599). The cash used in operating activities for the year ended December 31, 2021, includes a cash gain from operations of $14,572, which excludes non-cash items from net loss such as share-based compensation expense, depreciation and amortization expense, loan losses and impairment loss. This gain was offset by a ($23,171) change in cash used in working capital items during the period, primarily driven by an increase in inventory purchases in the Inhalation Technology division which was undertaken to ensure adequate supply for our customers and mitigate bottlenecks in our supply chain.
- Investing activities: $186. The cash provided by investing activities for the year ended December 31, 2021, primarily consisted of the repayment of loan receivable and proceeds from the sale of property, partially offset by cash used in the purchase of PP&E, mainly at the Company's Massachusetts cannabis operations as CAC continues to scale production and retail.
- Financing activities: $6,514. The cash provided by financing activities for the year ended December 31, 2021 primarily consisted of proceeds from loans, partially offset by cash used in the repayment of loans and cash used in payments on lease liabilities.

For the year ended December 31, 2021, the net increase (decrease) in cash was ($1,907).

Working Capital

As of March 31, 2022, the Company had working capital of ($4,951) compared to working capital of $1,389 as of December 31, 2021.

($ in thousands)	Mar 31, 2022	Dec 31, 2021	$ Change	% Change
Working capital	$(4,951)	$1,389	$(6,340)	-456%

Operating Segments

As of 2021, the Company operates in four reportable segments: (1) cannabis segment (Sea Hunter, SVH, Standard Farms PA, Standard Farm;xs OH and Baker), (2) accessories (Jupiter), (3) corporate and (4) other (White Haven, SFNY and CGSF). The cannabis segment includes production, cultivation, extraction and sale of cannabis products and accessories includes the manufacturing and distribution of electronic, non-nicotine (i.e., cannabis) devices and systems.

The following tables presents the results of the Company's operating segments for the three months ended March 31, 2022 and 2021:

For the three months ended March 31, 2022

($ in thousands)	Technology/ Distribution	Cannabis	Accessories	Corporate	Other	Total
Revenue	$ —	$11,259	$ 31,624	$ —	$ —	$42,883
Inter-segment revenue	—	—	(531)	—	—	(531)
Net revenue	$ —	$11,259	$ 31,093	$ —	$ —	$42,352

For the three months ended March 31, 2021

($ in thousands)	Technology/ Distribution	Cannabis	Accessories	Corporate	Other	Total
Revenue	$ —	$11,734	$ 35,301	$ —	$ —	$47,035
Inter-segment revenue	—	—	(218)	—	—	(218)
Net revenue	$ —	$11,734	$ 35,083	$ —	$ —	$46,817

The following tables presents the results of the Company's operating segments for the years ended December 31, 2021 and 2020:

For the year ended December 31, 2021

($ in thousands)	Technology/ Distribution	Cannabis	Accessories	Corporate	Other	Total
Revenue	$ —	$41,923	$ 161,662	$ —	$ —	$203,585
Inter-segment revenue	—	—	(880)	—	—	(880)
Net revenue	$ —	$41,923	$ 160,782	$ —	$ —	$202,705

For the year ended December 31, 2020

($ in thousands)	Technology/ Distribution	Cannabis	Accessories	Corporate	Other	Total
Revenue	$ 54	$37,901	$ 122,042	$ —	$ —	$159,997
Inter-segment revenue	—	—	(1,588)	—	—	(1,588)
Net revenue	$ 54	$37,901	$ 120,454	$ —	$ —	$158,409

Financial Instruments and Risk Management

The Company examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include market risk, interest rate risk, liquidity risk, currency risk and credit risk. Where significant, these risks are reviewed and monitored by the Board.

The Board has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due (refer to Liquidity and Capital Resources section for risk mitigation plan).

The following are the remaining contractual maturities of financial liabilities for the three monthsended March 31, 2022 and year ended December 31, 2021:

		Contractual cash flows			
March 31, 2022	**Carrying amount**	**Total**	**< 6 months**	**6 – 12 months**	**1 – 5 years**
Accounts payable and accrued liabilities	$ 45,980	$ (45,980)	$ (36,711)	$ (184)	$ (9,085)
Notes payable	87,970	(86,373)	(11,604)	(37,927)	(36,842)
Total	**$133,950**	**$(132,353)**	**$ (48,315)**	**$ (38,111)**	**$(45,927)**

		Contractual cash flows			
December 31, 2021	**Carrying amount**	**Total**	**< 6 months**	**6 – 12 months**	**1 – 5 years**
Accounts payable and accrued liabilities	$ 49,482	$ (49,482)	$ (40,208)	$ (189)	$ (9,085)
Notes payable	86,613	(87,105)	(10,704)	(38,629)	(37,772)
Total	**$136,095**	**$(136,587)**	**$ (50,912)**	**$ (38,818)**	**$(46,857)**

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As interest on the cash held with financial institutions is negligible and the Company does not have any variable interest rate instruments, the Company considers interest rate risk to be immaterial.

Currency Risk

The operating results and financial position of the Company are reported in U.S. dollars. Some of the Company's financial transactions are denominated in currencies other than the U.S. dollar. The results of the Company's operations are subject to currency transaction and translation risks. The Company's exposure to currency risk is minimal.

For the three months ended March 31, 2022 and 2021 and for the years ended December 31, 2021 and 2020, the Company had no hedging agreements in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables, advances for acquisition targets and loans receivable. The carrying amounts for these financial assets represent their maximum credit exposure to the Company.

- *Trade Receivables*

  The Company provides credit to its customers in the normal course of business and has established credit evaluation and monitoring processes to mitigate credit risk. Accounts receivable related to online sales are held in reputable merchant accounts and are typically received within a short period of time between 45-60 days. Additionally, the Company assesses the risk that accounts may not be collectible and has an allowance for doubtful accounts that reflects our assessment of the current expected credit loss as of the reporting date.

  As of the three months ended March 31, 2022 and 2021 and the years ended December 31, 2021 and 2020, the Company was not materially exposed to any significant credit risk related to counterparty performance of outstanding trade receivables.

- *Loans Receivable*

  The Company manages its exposure to credit risk arising from loans receivable by obtaining collateral in the form of guarantees and security interest in the underlying assets of the counterparty, including intangible assets such as cannabis licenses, which would allow the Company to foreclose on the loans or force a sale of the assets in the event of default by the counterparty.

  At each reporting date, the Company assesses whether loans receivables are credit impaired by applying the guidance in ASC 326. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit impairment is based on observable data such as significant financial difficulty of the debtor and a breach of contract such as a default or being past due.

  Current expected credit losses (CECLs) are measured by the Company on a probability-weighted basis based on historical experience with losses and forward-looking information, which includes considerations of ongoing legal and regulatory developments in the industry. Loss given default parameters utilized by the Company in estimating CECL generally reflect the assumed recovery rate from underlying collateral, with adjustments for time value of money and estimated costs for obtaining and selling the collateral. Given the repayment profile and underlying terms of such loans, CECLs are generally estimated over the contractual term of the loan.

Cash and Cash Equivalents

Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company maintains its cash accounts at various financial institutions in the United States and Canada. Federal Deposit Insurance Corporation provides insurance of up to $250 for cash accounts held in the banks in the United States. Canadian Deposit Insurance Corporation provides insurance of up to C$100 for cash accounts held in the banks in Canada. From time to time, the Company's balances may exceed this limit. The Company has not experienced any losses on its cash deposits. Credit risk exposure is limited through maintaining cash with high-credit quality financial institutions and management considers this risk to be minimal for all cash assets based on changes that are reasonably possible at each reporting period.

Capital Management

The Company's objectives when managing capital are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funding to support its ongoing operations and development such that it can continue to provide returns to shareholders and benefits for other shareholders.

The capital structure of the Company consists of items included in shareholders' equity and debt. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. The Company plans to use existing funds, as well as funds from the future sale of products, to fund operations and expansion activities. As of March 31, 2022 and December 31, 2021, the Company is not subject to externally imposed capital requirements.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Financial assets and financial liabilities are recognized in the consolidated statements of financial position at the time the Company becomes a party to the contractual provisions of the financial instrument.

As of March 31, 2022 and December 31, 2021, our financial instruments consist of cash, trade receivables, loans receivable, equity investments, accounts payable and accrued liabilities, warrant liability and notes payable. The Company has no speculative financial instruments, derivatives, forward contracts or hedges.

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs used to make the measurements. The hierarchy is summarized as follows:

- Level 1 — Quoted prices (unadjusted) that are in active markets for identical assets or liabilities;
- Level 2 — Inputs that are observable for the asset or liability, either directly (prices) for similar assets or liabilities in active markets or indirectly (derived from prices) for identical assets or liabilities in markets with insufficient volume or infrequent transactions;
- Level 3 — Inputs for assets or liabilities that are not based upon observable market data.

	As of March 31, 2022		
	Fair value hierarchy		
Fair value of assets	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 9,232	$ —	$ —
Trade receivables and others	28,854	—	—
Other loans receivable	3,899	—	—
Investments	57	—	6,596
Accounts payable and accrued liabilities	45,980	—	—
Warrant liability	—	—	4,557
Notes payable	87,970	—	—
Total	**$175,992**	**$ —**	**$11,153**

	As of December 31, 2021		
	Fair value hierarchy		
Fair value of assets	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 6,952	$ —	$ —
Trade receivables and others	32,393	—	—
Other loans receivable	4,125	—	—
Investments	102	—	6,596
Accounts payable and accrued liabilities	49,482	—	—
Warrant liability	—	—	2,394
Notes payable	86,613	—	—
Total	**$179,667**	**$ —**	**$8,990**

Significant Accounting Judgements and Estimates

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision

and future periods if the review affects both current and future periods. Significant judgments and estimates that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

Classification and Measurement of Jimmy Jang, L.P. Units

Significant judgment is applied in connection with the classification and measurement of LP Units, as discussed within the significant accounting policy for equity.

Estimated Useful Lives and Depreciation of Property, Plant and Equipment

Depreciation of property, plant and equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Business Combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows.

The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied.

Certain fair values of the acquired assets and assumed liabilities may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods within the measurement period when it reflects new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date.

Measurement of Share-Based Payments

The Company uses the Black-Scholes option-pricing model to determine the fair value of equity-settled share-based payments. In estimating fair value, management is required to make certain assumptions and estimates such as the expected life of units, volatility of the Company's future share price, risk free rates, future dividend yields and estimated forfeitures at the initial grant date. Changes in assumptions used to estimate fair value could result in materially different results.

Impairment of Goodwill

In accordance with the provisions of FASB ASC Topic 350, Goodwill and Other, goodwill is tested for impairment annually and whenever events and circumstances indicate that the carrying amount of goodwill has been impaired. In order to determine the value of goodwill that may have been impaired, the Company performs a qualitative assessment to determine that it was more likely than not if the reporting unit's carrying value is less than the fair value, indicating the potential for goodwill impairment. Several factors, including historical results, business plan, forecasts and market data are used to determine the fair value of the reporting unit. Changes in the conditions for these judgements and estimates can significantly affect the assessed value of goodwill.

Impairment of Other Long-Lived Assets

The Company evaluates the recoverability of other long-lived assets, including property, plant and equipment and certain identifiable intangible assets, whenever events or changes in circumstances indicate that the carrying value of an asset or asset group may not be recoverable. The Company performs impairment tests of indefinite-lived intangible assets on an annual basis or more frequently in certain circumstances. Factors which could trigger an impairment review include significant underperformance relative to historical

or projected future operating results, significant changes in the manner of use of the assets or the strategy for the overall business, a significant decrease in the market value of the assets or significant negative industry or economic trends.

When the Company determines that the carrying value of long-lived assets may not be recoverable based upon the existence of one or more of the indicators, the assets are assessed for impairment based on the estimated future undiscounted cash flows expected to result from the use of the asset and its eventual disposition. If the carrying value of an asset exceeds its estimated future undiscounted cash flows, an impairment loss is recorded for the excess of the asset's carrying value over its fair value.

Deferred Tax Assets

Deferred tax assets, including those arising from tax loss carry-forwards, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows.

In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the deferred tax assets recorded at the reporting date could be impacted.

Leases

The Company applies ASU 2016-02, *Leases* ("Topic 842"). Topic 842 requires lessees to recognize Right of Use ("ROU") Assets and lease liabilities on the balance sheet. The Company evaluates whether arrangements entered into contain leases for accounting purposes. See Note 12 — Leases for additional information.

Financial Instruments and Fair Value Measurement

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities that are required to be recorded at fair value, the Company considers all related factors of the asset by market participants in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions and credit risk.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Off-Balance Sheet Arrangements

As of March 31, 2022, and December 31, 2021 the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

ITEM 3. PROPERTIES

The following table sets forth the Company's principal properties as of May 16, 2022:

Location	Square Feet	Purpose	Segment(s)	Leased/Owned
Phoenix, AZ	13,115	Administrative	Corporate, Accessories	Leased
Cambridge, MA	9,882	Distribution	Cannabis	Leased
Taunton, MA	539,273	Cultivation and Distribution	Cannabis	Leased
Taunton, MA	N/M	Administrative	Cannabis	Leased
Taunton, MA	20,000	Distribution	Cannabis	Leased
Brockton, MA	6,000	Distribution	Cannabis	Leased
Cleveland, OH	20,725	Distribution and manufacturing	Cannabis	Leased
Elyria, OH	6,180	Distribution	Cannabis	Owned
White Haven Borough, PA	478,724	Cultivation and manufacturing	Cannabis	Owned
Total Square Footage	1,093,899			

N/M = not meaningful.

All properties are subject to liens by creditors as described in Note 12 to the audited consolidated financial statements for the fiscal year ended December 31, 2021.

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the beneficial ownership of the Common Shares as of May 16, 2022 for (i) each member of the Board, (ii) each named executive officer, (iii) each person known to the Company to be the beneficial owner of more than 5% of the Company's voting securities and (iv) the members of the Board and the Company's executive officers as a group. Beneficial ownership is determined according to the rules of the SEC. Generally, a person has beneficial ownership of a security if the person possesses sole or shared voting or investment power of that security, including any securities that a person has the right to acquire beneficial ownership within 60 days. Except as indicated, all Common Shares will be owned directly, and the person or entity listed as the beneficial owner has sole voting and investment power. The percentage ownership in the below table is based on 331,531,888 Common Shares outstanding as of May 16, 2022.

To the Company's knowledge, except as noted below, no person or entity is the beneficial owner of more than 5% of the Common Shares. The address for each director and executive officer is c/o TILT Holdings Inc., 2801 E. Camelback Road #180, Phoenix, Arizona 85016.

	Common Shares	
Name and Position of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Mark Scatterday, Director and Former Chief Executive Officer	33,062,957[(1)]	9.1%
Tim Conder, Director	1,393,000[(2)]	*
Jane Batzofin, Director	1,452,819[(3)]	*
Mark J. Coleman, Director	702,819[(4)]	*
John Barravecchia, Director	587,757[(5)]	*
D'Angela Simms, Director	541,484[(6)]	*
Gary F. Santo, Jr., Chief Executive Officer	807,982[(7)]	*
Brad Hoch, Chief Financial Officer	441,509[(8)]	*
Dana Arvidson, Chief Operating Officer	50,000[(9)]	*
Marshall Horowitz, Former General Counsel	1,000,000[(10)]	*
All current directors and executive officers as a group (9 persons)	40,040,327	11.0%

Notes:

* Less than one percent.

(1) Mr. Scatterday, through Mak One LLP, holds 27,182,540 LP Units and Rights 27,182,540 with each one LP Unit and one Right being convertible together, at the request of the holder, into one Common Share. The LP Units do not hold any voting power at meetings of shareholders of the Company. Mr, Scatterday also holds 1,250,000 Common Shares, 1,666,667 vested Options, 2,913,750 warrants and 50,000 RSUs that will vest within 60 days of May 16, 2022.

(2) Mr. Conder holds 1,393,000 Common Shares.

(3) Ms. Batzofin holds 631,452 Common Shares, 750,000 warrants and 71,367 RSUs that will vest within 60 days of May 16, 2022.

(4) Mr. Coleman holds 631,452 Common Shares and 50,000 RSUs that will vest within 60 days of May 16, 2022.

(5) Mr. Barravecchia holds 516,390 Common Shares and RSUs that will vest within 60 days of May 16, 2022.

(6) Ms. Simms holds 470,117 Common Shares and RSUs that will vest within 60 days of May 16, 2022.

(7) Mr. Santo holds 207,982 Common Shares and 550,000 vested Options. Mr. Santo also holds 50,000 Options that will vest within 60 days of May 16, 2022.

(8) Mr. Hoch holds 41,509 Common Shares and 366,667 vested Options. Mr. Hoch also holds 33,333 Options that will vest within 60 days of May 16, 2022.

(9) Mr. Arvidson holds 50,000 Common Shares.

(10) Mr. Horowitz holds 1,000,000 vested Options.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

The articles of the Company (the "Articles") provide that the Board, subject to certain circumstances, is set at the greater of three and the number of directors set by ordinary resolutions. Each director shall hold office until the close of the next annual general meeting, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated. The Board currently consists of six directors.

The following table sets forth the directors and executive officers and their respective positions:

Name	Age	Position
Mark Scatterday	53	Chairman of the Board
Tim Conder	39	Director
Jane Batzofin	47	Director
Mark J. Coleman	63	Director
John Barravecchia	67	Director
D'Angela Simms	46	Director
Gary F. Santo, Jr.	55	Chief Executive Officer
Dana Arvidson	47	Chief Operating Officer
Brad Hoch	52	Chief Financial Officer

Director and Executive Officer Biographies

Directors

Mark Scatterday. Mr. Scatterday has served as the Chairman of the Board since June 2019. From May 2019 through May 2021, Mr. Scatterday served as the CEO of the Company. Since 2015, Mr. Scatterday has served as the President and Chief Executive Officer of Jupiter, a vapor cartridge and power supplies provider.

The Company believes that Mr. Scatterday's industry experience as well as extensive knowledge and experience at the Company qualifies him to serve on the Board.

Tim Conder. Mr. Conder has served as a member of the Board since October 2019. Mr. Conder served as the Chief Operating Officer ("COO") of the Company from July 2019 to November 2020, the Senior Vice President of Software and Services for the Company from January 2019 to July 2019 and the President of the Company from February 2020 to October 2020. Since January 2015, Mr. Conder has served as Founder and Chief Executive Officer of Blackbird Logistics Company, a technology and logistics provider in the cannabis space. Since December 2021, Mr. Conder has served as the Chief Technology Officer of HERBL, Inc., a distributor and supply chain provider for cannabis. Mr. Conder previously co-founded Bootleg Courier Company, a bike messenger business in Reno, Nevada.

The Company believes that Mr. Condor's industry experience as well as extensive knowledge and experience at the Company qualifies him to serve on the Board.

Jane Batzofin. Ms. Batzofin has served as a member of the Board since November 2019. Ms. Batzofin has served as President of Corner Growth Acquisition Corporation, a special purpose acquisition company, since December 2020 and President of Corner Growth Acquisition Corporation 2, a special purpose acquisition company, since June 2021. Ms. Batzofin is currently a Partner and President of Corner Capital Management, LLC, a multi-strategy technology investment firm she helped build over the last decade that includes a venture arm, digital platform and ESG strategy. Prior to launching Corner, Ms. Batzofin was a structured finance attorney in New York at DLA Piper representing various parties in the securitization market.

The Company believes that Ms. Batzofin's background in a variety of types of business qualifies her to serve on the Board.

Mark J. Coleman. Mr. Coleman has served as a member of the Board since November 2019. Since October 2021, Mr. Coleman has served as Executive Vice President and General Counsel of Trine II Acquisition Corp., a special purpose acquisition company. Before that, from February 2019 until December 2020, Mr. Coleman served as Executive Vice President and General Counsel of Trine Acquisition Corp., the first-in-the-series SPACs. Since December, 2005, Mr. Coleman has also served as Executive Vice President and General Counsel of InterMedia Advisors, LLC, an investment advisor to the seventh InterMedia private equity fund, specializing in disruptive media and communications investing. Mr. Coleman also serves as General Counsel to JPK Capital Management, Inc., a private family office. Mr. Coleman served as Executive Vice President and General Counsel of The YES Network, the regional sports network home of the New York Yankees, which he co-founded in June 2001. Prior to YES, Mr. Coleman was Executive Vice President and General Counsel at GlobalCenter Inc., a Silicon Valley-based internet services and webhosting company, from January 2000 to October 2000. From June 1998 to December 1999, Mr. Coleman was a Partner at Orrick, Herrington & Sutcliffe LLP, prior to which he was a Partner at Pillsbury Madison & Sutro LLP, which he joined in 1984. From September 2015 until July 2021, Mr. Coleman served as Trustee and then the Chair of the Board of Trustees of the Queens Museum, an art museum and educational center located in Flushing Meadows — Corona Park in the Borough of Queens in New York City. Mr. Coleman earned his B.A. from Pomona College and his J.D. from the University of California, Berkeley. Mr. Coleman clerked for the Hon. Samuel P. King. Chief U.S. District Court Judge for the District of Hawaii from September 1983 to September 1984.

The Company believes that Mr. Coleman's extensive business experience in a variety of industries and his familiarity in working with management of a variety of companies qualifies him to serve on the Board.

John Barravecchia. Mr. Barravecchia has served as a member of the Board since April 2020. Since February 2022, Mr. Barravecchia has served as the Chief Financial Officer of TruLite Health Inc., an Arizona based healthcare company. Mr. Barravecchia was retired from 2016 to February 2022. Mr. Barravecchia served as the Chief Financial Officer of Stat Health Services Inc., an e-health service provider, from 2011 through the sale of the company in 2016. Mr. Barravecchia served as Chief Financial Officer, Treasurer and Chief Investment Officer for General Electric — Franchise Finance, a General Electric financing subsidiary, from 2001 to 2008. Prior to General Electric, Mr. Barravecchia served as the Chief Financial Officer and Treasurer of Franchise Finance Corporation of America, a REIT that specifically focused on restaurant franchise sale-leasebacks, from 1984 to 2001. From 1980 to 1984, Mr. Barravecchia was associated with the public accounting firm Arthur Andersen & Co.

The Company believes that Mr. Barravecchia's financial experience and his familiarity in working with management of a variety of companies qualifies him to serve on the Board.

D'Angela Simms. Ms. Simms has served as a member of the Board since July 2020. Since August 2020, Ms. Simms has served as the Chief Executive Officer of Lobos 1707, an independent spirits producer. From May 2017 to June 2019, Ms. Simms served as the President of Combs Enterprises, a privately owned spirits and wines producer.

The Company believes that Ms. Simms' experience serving in a management capacity at various companies qualifies her to serve as a member of the Board.

Executive Officers

Gary F. Santo, Jr. Mr. Santo has served as the CEO of the Company since June 2021. Mr. Santo served as the President of the Company from October 2020 to May 2021 and as Senior Vice President and Head of Capital Markets and Investor Relations from July 2020 to October 2020. Mr. Santo has more than 25 years of experience leading lean, high-performance teams in Consumer Credit, Financial Services, Gaming and Technology, Higher Education and Specialty Pharma. Mr. Santo has held a variety of senior-level positions, including as Vice President of Investor Relations at Columbia Care Inc., a leading multi-state operator in the cannabis industry from 2019 to 2020, as Head of Capital Markets & Investor Relations at The First Marblehead Corporation, a company that provides outsourcing services for private education lending in the U.S., from 1996 to 2013. Mr. Santo also served as a Managing Director of Structured Finance at Fitch Ratings, an American credit rating agency, from 2007 to 2008, as Senior Director and Head of Corporate Finance & Debt Investor Relations at International Game Technology (NYSE: IGT), a multinational gambling company,

from 2014 to 2016, and as Head of Capital Markets, Investor
Relations & Corporate Communications at Lantheus Medical Imaging (Nasdaq: LNTH), a company that develops, manufactures and commercializes essential diagnostic imaging agents and products, from 2016 to 2018. Mr. Santo holds an Investor Relations Charter® certification from the National Investor Relations Institute as well as a degree in Political Science from Boston University.

Dana Arvidson. Mr. Arvidson has served as the COO of the Company since July 2021. Prior to serving as COO of the Company, Mr. Arvidson served as Vice President of Corporate Development at PhyNet Dermatology LLC, a physician network of dermatologists and dermatopathologists, from March 2019 to July 2021. Prior to PhyNet, Mr. Arvidson served as Director of Corporate Development at American Dental Partners Inc., a dental practice management company, from March 2017 to March 2019. Mr. Arvidson has over 20 years of experience in a broad array of roles focused on achieving growth objectives and enhancing operating results within Healthcare and Financial Services.

Brad Hoch. Mr. Hoch has served as a Chief Financial Officer ("CFO") of the Company since October 2020 and served as the interim CFO from June 2020 to October 2020. Mr. Hoch served as the Division Controller of Verra Mobility, a technology company focused on fleet management, from October 2011 to February 2019. Mr. Hoch has over 20 years of experience in senior finance and accounting positions in a number of high growth technology and business solutions enterprises including having served as Director of Finance at TPI Composites Inc. from September 2009 to October 2011 and having held numerous positions at Gateway Inc. from January 1996 to September 2009.

Board Committees

The Company currently has an Audit Committee, Compensation Committee and a Nominating and Governance Committee. A brief description of each committee is set out below.

Audit Committee

Mandate of the Audit Committee

The audit committee of the Board (the "Audit Committee") established for the purpose of overseeing the accounting and financial reporting processes of the Company and annual external audits of the consolidated financial statements. The Audit Committee has formally set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Company's internal accounting standards and practices, financial information, accounting systems and procedures in the Company's Audit Committee Charter.

Composition of the Audit Committee

The Audit Committee currently consists of John Barravecchia, Mark J. Coleman and Jane Batzofin. Mr. Barravecchia is the Chair of the Audit Committee. Mr. Barravecchia, Mr. Coleman and Ms. Batzofin have been determined to be independent, as such term is defined in section 1.4 of National Instrument (NI) 52-110. All members are considered to be financially literate as such term is defined in section 1.6 of NI 52-110. Mr. Barravecchia, Mr. Coleman and Ms. Batzofin also have been determined to be independent pursuant to Rule 5605(c)(2)(A) of the Nasdaq Rules applicable to Audit Committee members.

Pre-Approval Policies and Procedures

The Audit Committee will review and pre-approve any engagements for non-audit services to be provided by the external auditor, together with estimated fees.

Compensation Committee

Mandate of the Compensation Committee

The compensation committee of the Board (the "Compensation Committee") assists the Board in fulfilling its responsibilities with respect to evaluating human resources policies, performing annual

performance reviews and evaluating executive compensation arrangements. The Compensation Committee makes recommendations to the Board with respect to proposals regarding designing and administering the Company's executive compensation program. The Compensation Committee's responsibilities are set forth in the Mandate of the Compensation Committee.

Composition of the Compensation Committee

The current members of the Compensation Committee include the following directors: John Barravecchia, Mark Coleman and D'Angela Simms. Ms. Simms is the chair of the Compensation Committee. Mr. Barravecchia, Mr. Coleman and Ms. Simms have been determined to be independent pursuant to Rule 5605(d)(2) of the Nasdaq Rules applicable to Compensation Committee members and each is a "non-employee director" under Rule 16b-3 under the Exchange Act.

For additional details on the Compensation Committee, see Item 6 Executive Compensation — "Compensation Committee."

Nominating and Corporate Governance Committee

Mandate of the Nominating and Corporate Governance Committee

The nominating and corporate governance committe of the Board (the "Nominating and Corporate Governance Committee") was established for the purpose of assisting the Board in fulfilling its corporate governance responsibilities under applicable law and is responsible for reviewing and assessing the effectiveness of the Board, evaluating the Board and its directors and making policy recommendations aimed at enhancing Board effectiveness.

Composition of the Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee currently consists of Jane Batzofin, Mark Scatterday and John Barravecchia. Mr. Scatterday is the Chair of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is a committee established for the purpose of developing the Company's approach to corporate governance matters and reviewing and recommending the size and composition of the Board. The Nominating and Corporate Governance Committee's responsibilities are set forth in the Mandate of the Nominating and Corporate Governance Committee.

ITEM 6. EXECUTIVE COMPENSATION

In accordance with reduced disclosure rules applicable to emerging growth companies and smaller reporting companies as set forth in Item 402 of Regulation S-K, this section explains how the Company's compensation program is structured for the named executive officers, as defined below.

The below section is designed to provide shareholders with an understanding of the Company's executive compensation philosophy and objectives, as well as the analysis that the Board or the Compensation Committee, as the case may be, performs in setting executive compensation. In doing so, it describes the material elements of compensation that is awarded to named executive officers of the Company, as defined below.

Compensation Committee

The Board as a whole determines the level of compensation in respect of the senior executives. The Compensation Committee is appointed by and reports to the Board. The Compensation Committee, on behalf of the Board, establishes policies with respect to the compensation of the CEO and CFO and other senior executive officers. The Compensation Committee assists the Board in discharging the Board's oversight responsibilities relating to the attraction, compensation, evaluation and retention of key senior management employees, and in particular the CEO, with the skills and expertise needed to enable the Company to achieve the Company's goals and strategies at fair and competitive compensation and appropriate performance incentives.

The Compensation Committee is responsible to review and approve corporate goals and objectives relevant to the CEO and other senior executive officers' compensation, evaluate the performance of the CEO and each senior executive officer's performance in light of those goals and objectives, and recommend to the Board for approval the compensation level each senior executive officer based on this evaluation. The Compensation Committee is also responsible for the review of the compensation systems in order to ensure the fairness and appropriateness of the compensation of senior executive officers that may participate, including incentive compensation plans and equity-based plans.

Named Executive Officers

A named executive officer ("NEO") of the Company means each of the following individuals:

- the principal executive officer of the Company;
- the Company's next two most highly compensated executive officers as of the end of the most recently completed fiscal year, based on total compensation; and
- up to two additional individuals for whom disclosure would have been provided under the above but for the fact that the individual was not serving as an executive officer at the end of the last completed fiscal year.

For the fiscal year ended December 31, 2021, the Company's NEOs included: (i) Gary F. Santo, Jr., CEO; (ii) Dana Arvidson, COO; (iii) Brad Hoch, CFO; (iv) Mark Scatterday, Former CEO, who served as CEO until May 31, 2021 and continues to serve as Chairman of the Board and (v) Marshall Horowitz, Former General Counsel, whose final date of employment was October 1, 2021.

Elements of NEO Compensation

As part of the executive compensation, NEOs receive both fixed base compensation and performance-based variable compensation comprising of short-term and long-term incentives. The Compensation Committee makes recommendations to the Board with respect to proposals regarding designing and administering the Company's executive compensation program. The Compensation Committee will not allocate compensation value to the different compensation elements on the basis of a formula, but rather on the basis of market practices and realities and a discretionary assessment of an NEO's past contribution and ability to contribute to future short and long-term business results of the Company.

Analysis of NEO Compensation Elements

Base Compensation

Base compensation is designed to provide income certainty and attract and retain executives. Base compensation for NEOs is reviewed annually by the Compensation Committee. Base compensation is based on individual performance, the scope of the NEO's role within the Company and retention considerations.

Short-Term Incentives (Annual Incentive Bonuses)

Annual incentive bonuses are a short-term incentive that are intended to reward NEOs for their yearly individual contribution and performance of personal objectives in the context of overall annual corporate performance. The amount is not pre-established and is at the discretion of the Compensation Committee. The Compensation Committee may still recommend bonus payments absent attainment of the relevant performance goal. Assessment of NEO performance objectives is based on a number of qualitative and quantitative factors including execution of on-going activities, individual and corporate operational and financial performance and progress on key initiatives connected to the Company's strategy with respect to that particular fiscal year, using targeted guidance of 0-100% of annualized salary. Employment of the NEOs by the Company at the time of payment of incentive bonuses with respect to a particular fiscal year is required in order to earn and be eligible to receive an incentive bonus for that year.

Long-term Incentives (Awards)

Long-term incentive compensation include the grant of Awards (as defined below) pursuant to the Company's 2018 Equity Incentive Plan, as amended and restated on June 24, 2020 (the "Plan"). The incentive arrangement is designed to motivate NEOs to achieve longer-term sustainable business results, align their interests with those of the shareholders and attract and retain executives without requiring the Company to use cash from its treasury. The Plan permits the grant of: (i) stock options ("Options"); (ii) restricted stock awards; (iii) restricted stock units ("RSUs"); (iv) stock appreciation rights; (v) performance-based compensation awards ("PSUs"); (vi) dividend equivalents ("Dividend Equivalents"); and (vii) other stock based awards (collectively, the "Awards"). Any of the Company's employees, officers, directors, consultants or any affiliate or person to whom an offer of employment or engagement with the Company or an affiliate of the Company is extended, is eligible to participate in the Plan if selected by the Compensation Committee, the Board or such other committee designated by the Board to administer the Plan.

The basis of participation of an individual under the Plan, and the type and amount of any Award that an individual (a "Participant") is entitled to receive under the Plan is determined by the Compensation Committee, the Board or such other committee designated by the Board to administer the Plan and is based on their judgment of the best interests of the Company and the shareholders at the time of grant. When considering new grants of any Award, previous grants will be taken into account. The Compensation Committee, the Board or such other committee as may be designated by the Board, may at their discretion, amend, suspend, discontinue or terminate the Plan or amend or alter any outstanding Award.

The number of securities that may be issued under the Plan is the number of securities as determined by the Board from time to time. The total number of Common Shares which may be issued or issuable to any one person under the Plan and all other security based compensation arrangements within any one-year period shall not exceed 5% of the Common Shares and of the total number of Common Shares and any convertible securities that are convertible into Common Shares at no additional expense to the holder ("Common Share Equivalents"), from time to time, outstanding. Any Common Shares subject to an Award under the Plan that are not purchased, forfeited, reacquired by the Company (including any withheld to satisfy tax withholding obligations on Awards or securities that are settled in cash), or cancelled, will again be available to be awarded under the Plan.

The Plan was originally approved by shareholders on November 15, 2018. Amendments were made to the Plan to, among other things, ensure that Options granted under the Plan complied with the requirements of the Internal Revenue Code of 1986. The amendment and restatement of the Plan was approved by shareholders on June 24, 2020. There are no requirements under applicable securities laws or the policies of

the NEO Exchange to have the Plan approved by shareholders on a periodic basis. Pursuant to section 7(a) of the Plan, prior approval of the shareholders is required for any material amendment to the Plan.

Other Compensation

NEOs may occasionally receive other benefits that are reasonable and consistent with the Company's overall executive compensation program. These benefits, which are based on competitive market practices, support the attraction and retention of executive officers. The NEOs are also entitled to participate in all employee pension and welfare benefit plans and programs, and fringe benefit plans and programs, made available by the Company to the Company's employees generally, in accordance with the eligibility and participation provisions of such plans and as such plans or programs may be in effect from time to time.

Summary Compensation Table

The following table is a summary of annual compensation paid to the NEOs for our two most recently completed fiscal years. All amounts are expressed in USD:

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock awards ($)[1]	Option awards ($)[2]	Non-equity incentive plan compensation ($)[3]	All other Compensation ($)[4]	Total Compensation ($)
Gary F. Santo, Jr.	2021	381,884	—	2,786,127	—	385,200	—	3,553,211
Chief Executive Officer and Former President [5]	2020	131,707	—	—	182,460	129,082	—	443,249
Dana Arvidson	2021	158,750	—	243,090	—	155,500	—	557,340
Chief Operating Officer[6]								
Brad Hoch	2021	305,769	—	—	—	300,000	—	605,769
Chief Financial Officer[7]	2020	135,192	—	24,780	121,640	145,068	—	426,680
Mark Scatterday,	2021	164,615	—	303,000[10]	—	—	707,000[11]	1,174,615
Former Chief Executive Officer[8]	2020	415,962	—	—	—	400,000	—	815,962
Marshall Horowitz	2021	307,692	—	—	—	—	542,474	850,166
Former General Counsel [9]	2020	412,000	—	—	233,440	200,000	—	845,440

Notes:

(1) The amounts reported in the Stock Awards column reflect the aggregate grant date fair value computed in accordance with ASC Topic 718 — Stock Compensation. These amounts reflect our calculation of the value of these awards at the grant date and do not necessarily correspond to the actual value that may ultimately be realized by the NEO. Assumptions used in the calculation of these amounts are included in Note 15 to our audited consolidated financial statements for the fiscal year ended December 31, 2021, which are included elsewhere in this registration statement. The 2021 Stock Awards reported for Mr. Santo relate to awards of 831,928 RSUs and 7,487,351 PSUs granted to Mr. Santo on June 18, 2021. The 2021 Stock Awards reported for Mr. Arvidson relate to awards for 200,000 RSUs and 800,000 PSUs granted to Mr. Arvidson on September 30, 2021. The RSU awards awarded to Mr. Santo and Mr. Arvidson vest ratably over four years beginning with the first vesting date of December 31, 2021. The PSU awards awarded to Mr. Santo and Mr. Arvidson vest depending on the satisfaction of both an employment service condition and the achievement of stock price hurdles during the performance period of July 1, 2021 to December 31, 2024. The 2020 Stock Awards reported for Mr. Hoch relate to an award of 62,751 Common Shares granted to Mr. Hoch on June 26, 2020. Details surrounding these awards and assumptions are included within Notes 2 and 15 to our audited consolidated financial statements for the year ended December 31, 2021, which are included elsewhere in this registration statement. The values provided in this column are calculated based on the closing price of our Common Shares on the NEO Exchange on the date of grant. For the grants on June 18, 2021, a share price of CAD$0.6821 converted to USD using the exchange rate provided by Thomson Reuters on the grant date of USD$1.00 =

CAD$1.2437. For the grants on September 30, 2021, a share price of CAD$0.4957 converted to USD using the exchange rate provided by Thomson Reuters on the grant date of USD$1.00 = CAD$1.2664. For the grant on June 26, 2020, a share price of CAD$0.5400 converted to USD using the exchange rate provided by Thomson Reuters on the grant date of USD$1.00 = CAD$1.3676.

(2) The amounts reported in the Option Awards column reflect the aggregate grant date fair value computed in accordance with ASC Topic 718 — Stock Compensation. These amounts reflect our calculation of the value of these awards at the grant date and do not necessarily correspond to the actual value that may ultimately be realized by the named executive officer. Assumptions used in the calculation of these amounts are included in Note 15 to our audited consolidated financial statements for the fiscal year ended December 31, 2021, which are included elsewhere in this registration statement. The Option Awards reported for Mr. Santo relate to 600,000 Options granted to Mr. Santo on June 26, 2020. The Option Awards reported for Mr. Hoch relate to 400,000 Options granted to Mr. Hoch on June 26, 2020. The Option Awards reported for Mr. Horowitz relate to 800,000 Options granted to Mr. Horowitz on August 27, 2020. Details surrounding these awards and assumptions are included within Notes 2 and 15 to our audited consolidated financial statements for the year ended December 31, 2021, which are included elsewhere in this registration statement. The values provided in this column are calculated based on the closing price of our Common Shares on the NEO Exchange on the date of grant. For the grants on June 26, 2020, a share price of CAD$0.4159 converted to USD using the exchange rate provided by Thomson Reuters on the grant date of USD$1.00 = CAD$1.3676. For the grant on August 27, 2020, a share price of CAD$0.3831 converted to USD using the exchange rate provided by Thomson Reuters on the grant date of USD$1.00 = CAD$1.3129.

(3) In accordance with the SEC's rules, the amount disclosed in this column reflect bonus compensation under an employee's compensation agreement awarded with respect to such fiscal year and paid in the subsequent fiscal year.

(4) Included in the All Other Compensation column are amounts of any other compensation paid to an executive employee outside of salaried wages and benefits, bonus, and equity-based compensation. The All Other Compensation paid to Mr. Horowitz reflect payments made to Mr. Horowitz in connection with his severance which included two lump sum payments of $250,000 and accrued wages and paid time off amounting to approximately $42,000.

(5) From July 2020 to October 28, 2020, Mr. Santo served as the Vice President and Head of Capital Markets and Investor Relations. Effective October 28, 2020, Mr. Santo was appointed to the position of President of the Company. The row related to compensation paid in 2020 discloses the compensation paid to Mr. Santo in his capacity as the Head of Capital Markets and Investor Relations and as President of the Company. Effective June 1, 2021, Mr. Santo ceased to be the President of the Company and transitioned to the CEO position. As such, the row related to compensation paid in 2021 includes compensation paid to Mr. Santo in his capacity as President and CEO.

(6) Mr. Arvidson was appointed to the position of COO effective July 21, 2021.

(7) Mr. Hoch assumed the position of interim CFO and Corporate Controller on June 12, 2020.

(8) Mr. Scatterday resigned as CEO of the Company effective May 31, 2021. He continues to serve as Chairman of the Board, a position held since June 2019.

(9) Mr. Horowitz resigned from the position of General Counsel effective October 1, 2021.

(10) Mr. Scatterday was granted 600,000 RSUs for his duties as the Chairman of the Board on June 18, 2021. The amounts reported for Mr. Scatterday in this column reflect the aggregate grant date fair value of the RSUs computed in accordance with ASC Topic 718 — Stock Compensation. The value provided in this column is calculated based on the closing price of our Common Shares on the NEO Exchange on the date of grant. On the date of grant of June 18, 2021, a share price of CAD$0.6281 converted to USD using the exchange rate provided by Thomson Reuters on the grant date of USD$1.00 = CAD$1.2437.

(11) Mr. Scatterday was granted 1,400,000 PSUs for his consulting services to the Company. The PSUs vest based on two performance-based milestones related to the development of IP and a successful commercialization of the related patent. The amounts reported for Mr. Scatterday in this column reflect the aggregate grant date fair value of the PSUs computed in accordance with ASC Topic 718 — Stock Compensation. The value provided in this column is calculated based on the closing price of our Common

Shares on the NEO Exchange on the date of grant. On the date of grant of June 18, 2021, a share price of CAD$0.6281 converted to USD using the exchange rate provided by Thomson Reuters on the grant date of USD$1.00 = CAD$1.2437.

Narrative Discussion

For a summary of the significant terms of each NEO's employment agreement or arrangement, please see below under the heading "Agreements with NEOs".

Outstanding Equity Awards at Fiscal Year-End Table

The following table sets forth outstanding equity awards for the NEOs at December 31, 2021. All amounts are expressed in USD:

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Option (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested[1]**	**Market Value of Shares of Units of Stock That Have Not Vested ($)[2]**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)[3]**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
Gary F. Santo Jr., *Chief Executive Officer*	450,000	150,000	—	0.4753	6/25/2030	623,946	315,093	7,487,351	1,684,654
Dana Arvidson, *Chief Operating Officer*	—	—	—	—	—	150,000	58,718	800,000	180,000
Brad Hoch, *Chief Financial Officer*	300,002	99,998	—	0.4753	6/25/2030	—	—	—	—
Mark Scatterday, *Former Chief Executive Officer*	1,666,667	—	—	0.4135	11/21/2029	250,000[4]	126,250	1,400,000	315,000
Marshall Horowitz, *Former General Counsel*	600,000	—	—	0.3732	12/31/2022	—	—	—	—
	400,000	—	—	0.4135	12/31/2022	—	—	—	—

Notes:

(1) Mr. Santo's outstanding 623,946 RSUs and Mr. Arvidson's outstanding 150,000 RSUs vest ratably over the next three years on December 31, 2022, December 31, 2023 and December 31, 2024.

(2) The values provided in this column are calculated based on the closing price of our Common Shares on the NEO Exchange on the date of grant. On the date of grant of June 18, 2021, a share price of CAD$0.6281 converted to USD using the exchange rate provided by Thomson Reuters on the grant date of USD$1.00 = CAD$1.2437. For the grants on September 30, 2021, a share price of CAD$0.4957 converted to USD using the exchange rate provided by Thomson Reuters on the grant date of USD$1.00 = CAD$1.2664.

(3) This column includes PSU awards awarded to Mr. Santo and Mr. Arvidson that vest depending on the satisfaction of both an employment service condition and the achievement of stock price hurdles during the performance period of July 1, 2021 to December 31, 2024. The 1,400,000 PSUs awarded to Mr. Scatterday for his consulting services vest based on two performance-based milestones related to the development of IP and a successful acquisition of a related patent. The market values of these awards are based upon the closing price on the date of grant. The fair value of the awards containing market

conditions was determined using a Monte Carlo simulation model based upon the terms of the conditions, the expected volatility of the underlying security and other relevant factors. Assumptions used in the calculation of these amounts are included in Note 15 to our audited consolidated financial statements for the fiscal year ended December 31, 2021, which are included elsewhere in this registration statement. On the date of grant of September 30, 2021, a share price of CAD$0.4957 converted to USD using the exchange rate provided by Thomson Reuters on the grant date of USD$1.00 = CAD$1.2664. On the date of grant of June 18, 2021, a share price of CAD$0.6281 converted to USD using the exchange rate provided by Thomson Reuters on the grant date of USD$1.00 = CAD$1.2437.

(4) Mr. Scatterday was granted 600,000 RSUs for his duties as the Chairman of the Board on June 18, 2021. The market values of these awards are based grant date fair value of CAD$0.6281 on June 18, 2021. On the date of grant of June 18, 2021, a share price of CAD$0.6281 converted to USD using the exchange rate provided by Thomson Reuters on the grant date of USD$1.00 = CAD$1.2437. Mr. Scatterday's outstanding 250,000 RSUs vest ratably over the first five months of 2022, on the last day of each respective month.

Agreements with NEOs

Summary of Employment and Transition Agreements

The Company has entered into employment agreements with each of the NEOs setting forth the agreement or arrangement under which compensation was provided to each NEO. The material terms of these employment agreements are set forth below.

Gary F. Santo, Jr.

On October 28, 2020, the Company entered into an employment agreement with Gary F. Santo, Jr. pursuant to which Mr. Santo served as the Company's President (the "President Agreement"). The President Agreement set forth the principal terms and conditions of his employment, including an employment term until July 12, 2022 and an annualized base salary of $360,000. The President Agreement provides that he is entitled to receive an incentive bonus for each fiscal year that he is employed by the Company, the amount of which is to be determined by the Board, in its sole discretion.

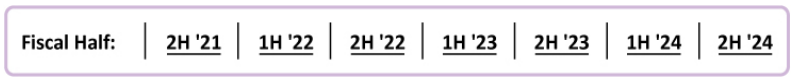
On May 13, 2021, the Company entered into a new employment agreement with Gary F. Santo, Jr., to be effective June 1, 2021, pursuant to which Mr. Santo serves as the CEO of the Company (the "CEO Agreement"), superseding the President Agreement. The CEO Agreement sets forth the principal terms and conditions of his employment, including an employment term of 43 months commencing on June 1, 2021 and an annualized base salary of $385,259. Mr. Santo's CEO Agreement provides that he is entitled to receive an incentive bonus for each fiscal year that he is employed by the Company, the amount of which is to be determined by the Board, in its sole discretion. Mr. Santo's CEO Agreement also provides that he is entitled to receive a long term incentive compensation, the details of which include 8,319,279 units, composed of 10% RSUs which are "time based" and vest over 43 months, subject to certain vesting provisions, up to a maximum of 831,928 units, and 90% PSUs which are "performance based" and vest over 43 months, up to a maximum award of 7,487,351 units, as described below. During the term of his employment, Mr. Santo is entitled to participate in all group welfare benefit and retirement plans and programs and other fringe benefit plans and programs.

The vesting of the PSUs will depend on whether the Company's 6-month average closing price ("6-month ACP") of Common Shares on the NEO Exchange or such other recognized exchange in Canada on which the Common Shares are listed and trading achieves certain "target common share prices". Ten percent of the PSUs shall vest upon the 6-month ACP achieving each of the following "target common share prices":

Tier:	A	B	C	D	E	F	G	H	I	J
Share Price:	$1.00	$1.33	$1.66	$2.00	$2.33	$2.66	$2.99	$3.32	$3.66	$4.00

The Common Share price targets outlined above in each tier level are in USD.

The 6-month ACP shall be calculated after the completion of the first half of the fiscal year (1/1 – 6/30) and the second half of the fiscal year (7/1 – 12/31) annually for each of the four years, representing seven distinct opportunities to achieve some or all of the common share price targets (first test in 2nd half of 2021).



The vesting of PSUs (if any) shall occur on December 31, 2021, December 31, 2022, December 31, 2023 and December 31, 2024 (each, a "Vesting Date"). Notwithstanding the foregoing, the maximum number of PSUs that can be vested as of each Vesting Date is as follows:

Vesting Date	Number of PSUs
December 31, 2021	1,871,837
December 31, 2022	3,743,674
December 31, 2023	5,615,511
December 31, 2024	7,487,351

In the event where the number of PSUs to be vested on a Vesting Date exceeds the maximum number of PSUs permitted to be vested (the "Spill-over PSUs"), the Spill-over PSUs shall vest on the next Vesting Date, subject again to the limits established above.

Pursuant to the terms of the employment agreement, in the event that Mr. Santo is terminated for cause by the Company or resigns without good reason, Mr. Santo would be entitled to receive any accrued but unpaid base salary, reimbursement of unreimbursed business expenses, and executive benefits including any unpaid incentive bonus earned as well as equity compensation, if vested. Under the terms of the employment agreement, in the event that Mr. Santo is terminated without cause by the Company or were to resign for good reason, Mr. Santo would be entitled to receive any accrued amounts (including any accrued unpaid base salary, reimbursement for unreimbursed business expenses, and executive benefits, including any unpaid incentive bonus earned or equity compensation, if vested), subject to the execution by Mr. Santo of a release of claims in favor of the Company. In addition, Mr. Santo would be entitled to receive a severance payment equal to a flat twelve months of Mr. Santo's annual base salary. For all outstanding equity awards granted to Mr. Santo for long term incentives the following will occur: the time vesting schedule for PSUs, for which the stock price conditions have been met, will be accelerated to the date of termination, and for RSUs Mr. Santo shall receive 12 months service credit for every year of service for all outstanding unvested restricted stock units granted. Additionally, if Mr. Santo timely and properly elected continuing health coverage under Consolidated Omnibus Budget Reconciliation Act ("COBRA"), he would receive partial reimbursement for the monthly health care insurance premiums increase paid by Mr. Santo for himself and his dependents.

Pursuant to the terms of his employment agreement, upon the occurrence of a change of control event, Mr. Santo would receive any accrued amounts, and a lump sum severance payment equal to a flat eighteen months (or 1.5x) Mr. Santo's annual base salary, plus his full incentive bonus for that fiscal year, subject to Mr. Santo's execution of a general release in favor of the Company. In addition, all target Common Share prices from Mr. Santo's equity award would be deemed to have been met. If Mr. Santo's equity award is equitably assumed by the ongoing corporation based on its value at the change in control, vesting will occur in accordance with the original time vesting schedule. If Mr. Santo's employment is terminated without cause after the change of control event, any unvested portion of Mr. Santo's equity award will vest upon the termination date. Notwithstanding the forgoing, if the ongoing corporation were not to equitably assume Mr. Santo's equity award, vesting would accelerate to the change of control date. Additionally, if Mr. Santo timely and properly elected continuing health coverage under COBRA, Mr. Santo would receive partial reimbursement for the monthly health care insurance premiums increase paid by Mr. Santo for himself and his dependents.

Dana R. Arvidson

On June 23, 2021, the Company entered into an employment agreement with Dana R. Arvidson, which was effective July 12, 2021, pursuant to which Mr. Arvidson serves as the COO of the Company.

Mr. Arvidson's employment agreement sets forth the principal terms and conditions of his employment including an employment term of 41 months commencing on July 12, 2021, and including an annualized base salary of $325,000. Mr. Arvidson's employment agreement provides that he is eligible to receive an incentive bonus during fiscal years of his employment, in an amount to be determined by the Board, in its sole discretion. This incentive bonus must be paid to Mr. Arvidson by the end of April of the following fiscal year and shall be based on performance objectives and targets set at the start of the fiscal year. Mr. Arvidson's anticipated incentive bonus shall have a 60% payout target and consist of two components: 80% of the incentive bonus shall be based upon Company financial performance and 20% of the incentive bonus shall be comprised on individual performance goals. Pursuant to the terms of his employment agreement, Mr. Arvidson is also eligible to receive an equity grant, as determined by the Board, pursuant to the Plan in the amount of 1,000,000 stock units, which is to consist of two components: 80% shall be PSUs and 20% shall be RSUs, subject to vesting provisions. This equity grant is time-based and is to be awarded if Mr. Arvidson meets his tenure requirement. Throughout the course of his employment, Mr. Arvidson is entitled to participate in in all group welfare benefit and retirement plans and programs and other fringe benefit plans and program.

Pursuant to the employment agreement, in the event of termination for cause by the Company or resignation without good reason by Mr. Arvidson, Mr. Arvidson is entitled to receive accrued amounts (including accrued but unpaid base salary and any accrued but unused time off, reimbursement for unreimbursed expenses and any such executive benefits including any unpaid incentive bonus earned as well as equity compensation). In the event of termination without cause or resignation with good reason, Mr. Arvidson is entitled to receive accrued amounts and a severance payment equal to a flat twelve months of Mr. Arvidson's annual base salary, subject to Mr. Arvidson's execution of a release of claims in favor of the Company. For all outstanding equity awards granted to Mr. Arvidson, the time vesting schedule for PSUs, for which the stock price vesting conditions have been met, will be accelerated to the date of termination and for RSUs Mr. Arvidson shall receive 12 months service credit for each year of service. In addition, if Mr. Arvidson timely and properly elects health continuation coverage under COBRA, the Company shall provide a partial reimbursement for monthly health care insurance premiums increase paid by Mr. Arvidson for himself and his dependents.

Upon the occurrence of a change of control event, Mr. Arvidson would receive any accrued amounts and a lump sum severance payment equal to a flat eighteen months (or 1.5x) of Mr. Arvidson's annual base salary, plus his full incentive bonus for that fiscal year, subject to Mr. Arvidson's execution of a general release in favor of the Company. In addition, all target common share prices from Mr. Arvidson's equity award will be deemed to have been met. If Mr. Arvidson's equity award is equitably assumed by the ongoing corporation based on its value at the change in control event, vesting will occur in accordance with the original time vesting schedule. If Mr. Arvidson's employment is terminated without cause after the change of control event, any unvested portion of Mr. Arvidson's equity award will vest upon the termination date. Notwithstanding the forgoing, if the ongoing corporation does not equitably assume Mr. Arvidson's equity award, vesting will accelerate to the change of control date. Additionally, if Mr. Arvidson timely and properly elected continuing health coverage under COBRA, Mr. Arvidson will receive partial reimbursement for the monthly health care insurance premiums increase paid by Mr. Arvidson for himself and his dependents.

Brad Hoch

On October 27, 2020, the Company entered into an employment agreement with Brad Hoch pursuant to which Mr. Hoch serves as the CFO of the Company. Mr. Hoch's employment agreement sets forth the principal terms and conditions of his employment including a period of employment ending on June 14, 2022 and including an annualized base salary of $300,000. Mr. Hoch's employment agreement provides that he is entitled to an incentive bonus, in an amount to be determined by the Board in its sole discretion, for each fiscal year that occurs during the term of his employment. Under the terms of his employment agreement, Mr. Hoch received a grant 400,000 Options. Further, pursuant to the terms of his employment agreement, Mr. Hoch is entitled to participate in all employee pension programs and welfare programs and fringe benefit plans and programs. Pursuant to the terms of the employment agreement, in the event that Mr. Hoch is terminated for any reason, Mr. Hoch is entitled to receive any accrued obligations (including any base salary that has accrued and any reimbursement due to Mr. Hoch for reasonable expenses). In the event that Mr. Hoch is terminated by the Company without cause or resigns for good reason, Mr. Hoch is entitled to payment or reimbursement by the Company for all the Mr. Hoch-paid portion of the premiums charged to continue medical coverage as

well as accrued obligations. Additionally, on the 60th day following separation, Mr. Hoch would also be entitled to a payment by the Company in the amount of base salary equal to one week at the rate of pay upon separation per every one month that Mr. Hoch was active and continuously employed by the Company for up to twelve months, subject to the execution of a general release in favor of the Company. Upon termination of his employment, any stock option or other equity-based award granted by the Company to Mr. Hoch that is then outstanding and unvested on the severance date is to be terminated.

Mark Scatterday

In August 2019, we entered into an employment agreement (the "Scatterday Employment Agreement") with Mark Scatterday pursuant to which Mr. Scatterday was to serve as the CEO of the Company on an interim basis. The Scatterday Employment Agreement set forth the principal terms and conditions of his employment, including a period of employment for two years commencing on May 10, 2019 (the "Commencement Date") and including an annualized base salary of $400,000. Pursuant to the Scatterday Employment Agreement, Mr. Scatterday was entitled to receive an incentive bonus for each fiscal year of employment, subject to the Board's discretion. Further, the Scatterday Employment Agreement provided that he was entitled to receive, subject to the approval of the Board, a grant of 1,666,667 Options. The Options were granted under and subject to the Plan, subject to certain vesting provisions. Pursuant to the Scatterday Employment Agreement, Mr. Scatterday was entitled to participate in any employee pension and welfare plans and programs and fringe benefit plans and programs.

Pursuant to the Scatterday Employment Agreement, in the event that Mr. Scatterday was terminated for any reason, Mr. Scatterday was entitled to receive any accrued obligations, including any base salary that accrued, any reimbursement due to Mr. Scatterday for reasonable expenses, and any accrued, vested and unpaid employee benefits. Further, pursuant to the Scatterday Employment Agreement, in the event of termination without cause or resignation for good reason, Mr. Scatterday would be entitled to receive severance benefits in an amount equal to the sum of Mr. Scatterday's base salary at the annualized rate in effect on the severance date, plus a pro-rated portion of Mr. Scatterday's target incentive bonus with respect to the fiscal year in which the severance date occur. These severance benefits would be paid to Mr. Scatterday in equal monthly installments over a period of twelve consecutive month. Additionally, Mr. Scatterday would be entitled to receive to the extent unpaid any incentive bonus that would have otherwise been paid and to vest any outstanding Options and other equity based award grant based solely on Mr. Scatterday's continued service that is outstanding and unvested immediately prior to the severance date. In addition, the Company would pay or reimburse Mr. Scatterday for his premiums charged to continue medical coverage pursuant to COBRA as in effect immediately prior to the severance date which will commence for the month following the month in which Mr. Scatterday's separation occurs and cease for the twelfth month following Mr. Scatterday's separation or if earlier the date Mr. Scatterday becomes eligible for coverage under a future employer or the date the Company ceases to offer group medical coverage or is otherwise under no obligation to offer COBRA continuation coverage.

Mr. Scatterday served as the CEO from May 10, 2019 to May 31, 2021. On May 13, 2021, the Company entered into a certain compensation agreement (the "Compensation Agreement") between the Company and Mr. Scatterday, in connection with Mr. Scatterday's transition from the position of CEO to a non-employee. This Compensation Agreement superseded the Scatterday Employment Agreement. Pursuant to the Compensation Agreement, Mr. Scatterday's resigned from the position of CEO on May 31, 2021 but remains a member of the Board and retains the title of Chairman of the Board.

Pursuant to the Compensation Agreement, Mr. Scatterday may, at the discretion of the Board, be eligible for a prorated incentive bonus for the period of time during which Mr. Scatterday served as CEO. Pursuant to the Compensation Agreement, as compensation for his services as Chairman, Mr. Scatterday was granted 600,000 RSUs, which were granted (the "Initial Grant") pursuant to the Plan, subject to Mr. Scatterday's continued service as a member of the Board. The Initial Grant was scheduled to vest in equal monthly installments of 50,000 RSUs per month, such that the Initial Grant is to become fully vested on May 31, 2022. Notwithstanding anything in the Plan or any RSU Award Agreement to the contrary, any unvested RSUs subject to the Initial Grant shall fully vest upon the first to occur of: (i) the termination of the Compensation Agreement by the Company for any reason (other than cause) prior to May 31, 2022; (ii) the closing of a transaction that results in a "Change in Control", as such phrase is defined in the 2019 Award Agreement (as

defined below), (iii) Mr. Scatterday's death; or (iv) Mr. Scatterday's disability as such term is defined in the Plan. Additionally, if during the term of the Compensation Agreement, the Company or any affiliate of the Company files a non-provisional patent application that is based on Work Product that Mr. Scatterday discovered, invented or originated on his own or with multiple inventors or originators, and which work product is not based upon any intellectual property owned by the Company or the Company's affiliates as of May 31, 2021, other than the work product set forth in Exhibit B of the Compensation Agreement, then, within 60-days the Company will issue to Mr. Scatterday 700,000 fully vested common shares. If, during the Term, or during the 36 month period following the Termination Date of the Compensation Agreement (the "Termination Date"), the Company or any affiliate complete a commercial sale using the intellectual property described in the Non-Provisional Patent Application (as defined in the Compensation Agreement) or any other non-provisional patent application that is based on work product that Mr. Scatterday discovered, invented or originated on his own or with multiple inventors or originators, and which work product is not based upon any intellectual property owned by the Company or the Company's affiliates as of May 31, 2021, other than the work product set forth in Exhibit B of the Compensation Agreement, then the Company will, within 60 days, issue to Mr. Scatterday an additional 700,000 fully vested common shares.

Further, the Compensation Agreement acknowledges that, notwithstanding anything to the contrary in the Compensation Agreement or the Plan or the Notice of Stock Option Grant and Stock Option Agreement between the Company and Mr. Scatterday, which evidences the grant on November 22, 2019 of 1,666,667 Options (the "Outstanding Options") to purchase common shares (the "2019 Award Agreement"), the Company and Mr. Scatterday acknowledge and agree that all shares subject to the Outstanding Options are already fully vested and that the vested Outstanding Options shall remain outstanding and exercisable by Mr. Scatterday after May 31, 2021. The Company and Mr. Scatterday entered into an amended and restated 2019 Award Agreement (the "Amended and Restated Award Agreement") with respect to the Outstanding Options such that the expiry date of the Outstanding Options shall be the earlier of November 21, 2029 and the date three months after the termination of Mr. Scatterday's services to the Company under the Compensation Agreement for any reason.

In connection with the Compensation Agreement, the Company pays or reimburses Mr. Scatterday for his premiums charged to continue medical coverage pursuant to the COBRA, at the same or reasonably equivalent medical coverage for Mr. Scatterday (and, if applicable, Mr. Scatterday's eligible dependents) as in effect immediately prior to May 31, 2021. COBRA coverage shall commence with Mr. Scatterday's separation from service and shall cease on the twelfth month following Mr. Scatterday's separation from service. This Compensation Agreement terminates on May 31, 2022 unless otherwise mutually agreed in writing.

The Compensation Agreement also includes protective covenants obligating Mr. Scatterday to an obligation of confidentiality, such that he shall not disclose or use at any time, either during the Term or thereafter, any confidential Information (as defined therein) of which Mr. Scatterday is or becomes aware, whether or not such information is developed by him, except to the extent that such disclosure or use is directly related to and required by Mr. Scatterday's performance in good faith of duties for the Company. Further, pursuant to the Compensation Agreement, Mr. Scatterday may not directly or indirectly engage in, enter the employ of, render any services to, have any ownership interest in, nor participate in the financing, operation, management or control of, any competing business, which includes Person (as defined therein) anywhere in the continental U.S., anywhere in Canada, and elsewhere in the world where the Company and its affiliates engage in business, or reasonably anticipate in engaging in business, on the Termination Date and that at any time during the Term has competed, or any time during the twelve (12) month period following the Termination Date competes, with any business engaged in by the Company or any of its affiliates. Further, the Compensation Agreement obligates Mr. Scatterday to certain non-disparagement obligations following the Termination Date.

Marshall Horowitz

On August 5, 2020, the Company entered into an employment agreement with Marshall Horowitz, to be effective July 29, 2020, pursuant to which Mr. Horowitz served as the General Counsel of the Company. Mr. Horowitz's employment agreement set forth the terms of Mr. Horowitz's employment, including a period of employment for two years and including an annualized base salary of $400,000. Mr. Horowitz's employment agreement provided that he was entitled to receive an incentive bonus between 50-100% of his base salary for

the applicable fiscal year, with the actual incentive bonus to be determined by the Board, in its sole discretion. Mr. Horowitz employment agreement also provided that he was eligible to receive, subject to approval of the Board, a grant of 800,000 Options, which was granted to him and was subject to certain vesting provisions. Pursuant to the terms of his employment agreement, Mr. Horowitz was entitled to participate in employment pension and welfare plans and programs and fringe benefit plans and programs.

Pursuant to a certain transition agreement dated April 19, 2021, as last amended by that certain Amendment No. 5 dated September 10, 2021 (together, the "Transition Agreement"), between the Company and Mr. Horowitz, Mr. Horowitz's final date of employment with us was October 1, 2021. Pursuant to the terms of this Transition Agreement, Mr. Horowitz was provided a lump sum payment of $250,000, which amount was paid on May 28, 2021, a second lump sum payment of $250,000, which payment was made on July 30, 2021 in exchange for his ongoing assistance to the Company for a period of three months following the end of his employment. The Transition Agreement further provided for accelerated vesting of 400,000 unvested Options, and further set forth that the Company will provide Mr. Horowitz with technical assistance in the exercise of any Options. Under the terms of the Transition Agreement, Mr. Horowitz has until December 31, 2022 to exercise any and all of his vested Options.

On January 1, 2022, Mr. Horowitz entered into a consulting services agreement with the Company pursuant to which Mr. Horowitz would provide support to the legal department of the Company. Mr. Horowitz's consulting services agreement set forth the terms of Mr. Horowitz's consulting services, including an initial consulting term of six months and a standard monthly service fee of $15,000.

Other Terms and Benefits

Non-Complete, Non-Solicitation, Confidentiality

The NEO employment agreements contain standard non-compete, non-solicitation and confidentiality provisions which remain binding for a period of twelve months following the termination of the employment agreements with the Company. If a NEO breaches his obligations under the non-compete, non-solicitation or confidentiality provisions of his employment agreement, the Company will no longer be obligated to pay any remaining unpaid portion of any severance benefits that the NEO is entitled to, nor is the Company obligated to pay any remaining unpaid amount from the NEO's incentive bonus or to any continued Company-paid or reimbursed coverage.

Pension Plan Benefits

Unless otherwise determined by ordinary resolution, the Compensation Committee, in consultation with the Board and on behalf of the Company, may pay a gratuity or pension or allowance on retirement to any NEO who has held any salaried office or place of profit with the Company or to his or her spouse or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

Director Compensation

All independent directors receive compensation in the form of an annual retainer and stock awards. Each independent director is paid an annual retainer of $40,000. Each independent director who serves on a second committee of the Board is paid an additional $5,000 annual retainer. The chairs of each committee is paid an additional $10,000 annual retainer. All independent directors receive annual stock awards valued at $63,943. Directors are reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Board, committees of the Board or meetings of the shareholders.

The following table sets forth all compensation paid to or earned by each director during the fiscal year ended December 31, 2021. All amounts are expressed in USD.

Name	Fees earned or paid in cash ($)	Stock Awards ($)[1]	Option Awards ($)	Non-equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Mark Scatterday	See Footnote 2	See Footnote 2	See Footnote 2	See Footnote 2	See Footnote 2	See Footnote 2
Tim Conder	—	—	—	—	—	—
Jane Batzofin	45,000	63,943[3]	—	—	—	108,943
Mark J. Coleman	45,000	63,943[4]	—	—	—	108,943
John Barravecchia	60,000	63,943[5]	—	—	—	123,943
D'Angela Simms	50,000	63,943[6]	—	—	—	113,943

Notes:

(1) The amounts reported in the Stock Awards column reflect the aggregate grant date fair value computed in accordance with ASC Topic 718 — Stock Compensation. The values provided in this column are calculated based on the closing price of our Common Shares on the NEO Exchange on the date of grant. On the grant date of December 17, 2021, a share price of CAD$0.2947 converted to USD using the exchange rate provided by Thomson Reuters on the grant date of USD$1.00 = CAD$1.2889.

(2) Please see tables entitled "*Summary Compensation Table*" and "*Outstanding Equity Awards at Fiscal Year-End Table*" for information regarding the cash and equity compensation paid to Mark Scatterday in 2021.

(3) Jane Batzofin was granted 214,101 RSUs for her duties on the Board on December 17, 2021, with the following vesting dates: December 31, 2021, March 31, 2022 and the business day immediately preceding the date of the next annual general meeting of shareholders. As of December 31, 2021, Ms. Batzofin had an aggregate of 142,744 RSUs outstanding.

(4) Mark Coleman was granted 214,101 RSUs for his duties on the Board on December 17, 2021, with the following vesting dates: December 31, 2021, March 31, 2022 and the business day immediately preceding the date of the next annual general meeting of shareholders. As of December 31, 2021, Mr. Coleman had an aggregate of 142,744 RSUs outstanding.

(5) John Barravecchia was granted 214,101 RSUs for his duties on the Board on December 17, 2021, with the following vesting dates: December 31, 2021, March 31, 2022 and the business day immediately preceding the date of the next annual general meeting of shareholders. As of December 31, 2021, Mr. Barravecchia had an aggregate of 142,744 RSUs outstanding.

(6) D'Angela Simms was granted 214,101 RSUs for her duties on the Board on December 17, 2021, with the following vesting dates: December 31, 2021, March 31, 2022 and the business day immediately preceding the date of the next annual general meeting of shareholders. As of December 31, 2021, Ms. Simms had an aggregate of 142,744 RSUs outstanding.

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, DIRECTOR INDEPENDENCE

Transactions with Related Persons

The following includes a summary of transactions during the fiscal years ended December 31, 2021 and 2020 to which the Company has been a party, including transactions in which the amount involved in the transaction exceeds the lesser of $120,000 or 1% of the average of the total assets at year-end for the last two completed fiscal years and in which any of the directors, executive officers or, to the Company's knowledge, beneficial owners of more than 5% of the Company's capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described elsewhere in this registration statement. The Company is not otherwise a party to a current related party transaction and no transaction is currently proposed, in which the amount of the transaction exceeds the lesser of $120,000 or 1% of the average of the total assets at year-end for the last two completed fiscal years and in which a related person had or will have a direct or indirect material interest.

The Company has a payable of $25,158,553 and $23,377,799 as of December 31, 2021 and 2020, respectively, to the Company's former CEO and current Board member, Mark Scatterday, for his portion of the amounts payable in connection with the Jupiter Acquisition. As of December 31, 2021 and 2020, $23,964,718 and $22,321,065 respectively, of the total amount was included within notes payable (see Note 12 to the audited consolidated financial statements) and the remaining within accounts payable and accrued liabilities, on the consolidated balance sheets.

The Company has payable of $1,669,848 and $1,654,787 to the Company's former CEO and current Board member, Mr. Scatterday, as of December 31, 2021 and 2020, respectively. Additionally, as of December 31, 2021 and 2020, the Company had $1,031,726 and $1,022,420 respectively, payable to Corner Health, LLC, an entity partially owned and managed by a current Board member, Jane Batzofin, related to their portion of the amounts payable in connection with the senior notes (see Note 12 to the audited consolidated financial statements).

The Company had a note receivable of $7,127,980 from Slam Dunk, LLC, and a Nevada limited liability corporation controlled by a Board member, Tim Conder, related to the Company's sale of all membership interests of Blackbird. Subsequent to Slam Dunk's sale of the assets and liabilities pertaining to Blackbird, the Company's Blackbird Note was settled on June 11, 2021. (see Note 10 to the audited consolidated financial statements).

Related Person Transaction Policy

The Company has adopted a written related person transactions policy that provides that executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of any class of the Company's voting securities, and any members of the immediate family of the foregoing persons, are not permitted to enter into a material related person transaction with us without the review and approval of the Company's Audit Committee.

Director Independence

NEO Exchange Independence

Under the NEO Exchange listing manual, an "independent director" means a director who is independent in accordance with section 1.4 of NI 52-110 Audit Committees or its successor provision. A listed issuer on the NEO Exchange must have a board of directors that consists of (i) at least two independent directors or, (ii) where the board consists of six or more members, at least one-third independent directors. The Board is composed of four "independent directors" as defined under the NEO Exchange Listing Manual.

Under such definition, Mark J. Coleman, Jane Batzofin, John Barravecchia and D'Angela Simms are each an independent director.

Nasdaq Independence

Although the Common Shares are not listed on any U.S. national securities exchange, the Company also determines independence using the definition of "independent director" under the rules of the Nasdaq Stock Market ("Nasdaq Rules"). The Board is composed of four "independent directors" as defined under the Nasdaq Rules. In particular, Nasdaq Rule 5605(a)(2) provides that an "independent director" is a person other than an officer or employee of the Company or any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Nasdaq Rules provide that a director cannot be considered independent if:

- the director is, or at any time during the past three (3) years was, an employee of the company;
- the director or a family member of the director accepted any compensation from the company in excess of $120,000 during any period of twelve (12) consecutive months within the three (3) years preceding the independence determination (subject to certain exemptions, including, among other things, compensation for board or board committee service);
- the director or a family member of the director is a partner in, controlling shareholder of, or an executive officer of an entity to which the company made, or from which the company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenue for that year or $200,000, whichever is greater (subject to certain exemptions);
- the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three (3) years, any of the executive officers of the company served on the compensation committee of such other entity; or
- the director or a family member of the director is a current partner of the company's outside auditor, or at any time during the past three (3) years was a partner or employee of the company's outside auditor, and who worked on the company's audit.

Under such definition, Mark J. Coleman, Jane Batzofin, John Barravecchia and D'Angela Simms are each an independent director.

ITEM 8. LEGAL PROCEEDINGS

Other than as described below, the Company is not aware of any material legal proceedings or regulatory actions that the Company is a party to, or that any of its property is the subject of, and no such proceedings are known by the Company to be contemplated.

The Company has been named as a defendant in several legal actions and is subject to various risks and contingencies arising in the normal course of business. Management is of the opinion that the outcome of these uncertainties will not have a material adverse effect on the Company's financial position.

In July 2019, Richard Komaiko and Marcie Cooperman filed a suit on behalf of themselves and others similarly situated against the Company and Baker, alleging the Company violated federal law by spamming them and other customers with unsolicited text message marketing. The lawsuit, which was filed in the U.S. District Court for the Northern District of California, alleged that the Company and Baker violated the federal Telephone Consumer Protection Act and California's Unfair Competition Law.

The Court dismissed without prejudice the claims against the Company for lack of personal jurisdiction and denied the Plaintiffs' request for jurisdictional discovery against the Company. The Court subsequently granted Baker's motion to stay the case pending a forthcoming Supreme Court ruling and while the case was stayed, Baker and the Plaintiffs participated in a settlement conference and agreed to settle the Plaintiffs' individual claims against Baker. The lawsuit was subsequently dismissed with prejudice and the terms of the confidential settlement were finalized in January 2021. The settlement amount was accrued for as of December 31, 2020 and paid for in January 2021.

On December 16, 2019, Alexander Coleman, the former CEO, Co-Chairman and Director of the Company, instituted an arbitration against the Company with the JAMS office in Denver, Colorado, claiming that the Company breached Mr. Coleman's employment agreement by failing to reimburse certain expenses of Mr. Coleman and failing to pay Mr. Coleman's severance. In January 2020, the Company served counterclaims against Mr. Coleman. On April 12, 2021, the parties to the arbitration stipulated and agreed to voluntarily dismiss, with prejudice, all pending claims and counterclaims in the action.

On July 14, 2020, the Company was served with a claim filed in the Ontario Superior Court of Justice against it and certain of its former directors and officers. The plaintiff claimed and sought to claim on behalf of a proposed class, an unspecified amount of damages for alleged misrepresentations made by the Company and former directors and officers about the Company's business in its public disclosure during the proposed class period of October 12, 2018 to May 1, 2019. Prior to any hearings in the matter, the parties reached a settlement of the proposed class action. The settlement was approved by the Ontario Court, on behalf of a defined certified class of investors, by Order dated November 29, 2021. The plan for the distribution of the settlement funds is ongoing.

In September 2020, the Company entered into a settlement agreement and release with O'Melveny & Myers LLP ("OMM") in respect of a previously disclosed arbitration instituted by OMM. Pursuant to initial arbitration documents, OMM claimed that the Company had failed to pay approximately $3,100,000 in fees, of which an amount in excess of $100,000 was specifically attributable to Baker. Pursuant to the settlement agreement & release, the Company agreed to pay $100,000 in full and final settlement of the invoices outstanding for services rendered and costs incurred in the legal representation by OMM of Baker, but not of the invoices concerning OMM's other representation of the Company. Consequently, OMM filed suit against the Company concerning its claims against the Company in British Columbia, and the Company filed suit against OMM in San Francisco concerning OMM's claims, while also asserting its own claims against OMM and certain of its partners.

OMM's British Columbia suit has been stayed as having been brought in an inconvenient forum. The Company's complaint has proceeded in San Francisco, with a trial date having been set for August 2022.

On February 2, 2021, the Haze Corp. (the "Plaintiff") filed a complaint in Clark County, Nevada against Brand Canna Growth Partners, Inc. ("BCGP"), Michael Orr, SVH and SVT. SVH and SVT are wholly owned subsidiaries of the Company. The Plaintiff alleged that it entered into a Finders' Fee Agreement with BCGP in 2017 and under that agreement is owed payments for acquisitions that it facilitated. The Plaintiff also alleged that BCGP is influenced and governed by SVH and SVT because they had the same principal,

Defendant Michael Orr, and SVH and SVT are liable for BCGP's or Orr's obligations under the Finders' Fee Agreement. SVH and SVT moved for dismissal. On May 13, 2021, the court granted the motion without prejudice.

The Plaintiff recently moved for leave to amend its complaint, again naming SVH and SVT as defendants. That motion to amend was granted. SVH and SVT have again moved to dismiss. The motions to dismiss were denied without prejudice and the court has set a hearing to consider the scope of limited jurisdictional discovery before entertaining renewed motions to dismiss. The parties are in the process of outlining a stipulated discovery plan for limited jurisdictional discovery.

On June 18, 2021, the Company announced it had reached an agreement with the CCC resolving concerns of the CCC and clearing the path for provisional licensure for the retail sale of adult-use and medical cannabis in Massachusetts. With the decision, the Company has fully resolved the dispute regarding certain agreements entered into by the original management team of the Company with other license applicants. At the June 17, 2021 meeting of the CCC, the commissioners ratified a stipulated agreement resolving the related investigation pursuant to which the Company agreed to make a $275,000 payment to the CCC Marijuana Regulation Fund (the "Settlement"). The Settlement was paid in full and allowed the Company to move forward with its licensing process and expansion plans in Massachusetts. The concerns of regulatory violations related to commercial arrangements with third-party licensed marijuana businesses in Massachusetts that the CCC determined could constitute unapproved control over such licensed businesses, and which resulted in the possible control of more than the permissible number of licensed businesses that a person or entity may control at any given time. The applicable business relationships have been terminated.

VPR Brands, LP ("VPR") filed a lawsuit against Jupiter in the U.S. District Court in the District of Arizona. VPR claims infringement of several claims in U.S. Patent Number 8,205,622. This lawsuit is presently in the discovery phase. Jupiter, through its counsel, has analyzed the claims and is vigorously defending the lawsuit. Jupiter has also filed an Inter Partes Review ("IPR") as AIA Review No.:IPR2022-00299 alleging that the patent claims involved in the suit are invalid. The lawsuit has been stayed while the IPR is being considered as it may invalidate the relevant patent claims and preclude any need to continue the suit.

On October 14, 2021, the Company announced that it was supporting Shenzhen Smoore Technology Limited ("Smoore Technology") in a complaint filed with the U.S. International Trade Commission ("ITC") to defend against certain intellectual property infringements of CCELL® branded vape products. The Company is one of two authorized distributors of CCELL branded vape hardware and associated products in the U.S., and has been important to the formation of the domestic industry for oil vaping cartridges in the U.S. In recent years, several vape brands, importers and retailers have distributed products that infringe upon CCELL's patent and trademark rights. Through the complaint filed with the ITC, Smoore Technology requested that the ITC institute an investigation into those intellectual property infringements. The ITC granted the institution request on November 4, 2021, commencing an investigation. Smoore Technology has requested that the ITC issue an exclusion order to block infringing products from importation into the U.S. If granted, the requested remedy will help protect the market and customers from lower quality infringing products that do not meet the CCELL brand's exacting standards.

ITEM 9. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The Common Shares were previously listed on the CSE until August 16, 2021. The Common Shares are now listed on the NEO Exchange under the symbol "TILT" and on the OTCQX under the symbol "TLLTF".

The following table indicates the high and low values with respect to trading activity for the Common Shares on the CSE and the NEO Exchange for the periods indicated below (Source: Thomson Eikon).

Period Ended	Low Trading Price (C$)	High Trading Price (C$)
First Quarter Ended March 31, 2022	0.160	0.420
Fourth Quarter Ended December 31, 2021	0.250	0.600
Third Quarter Ended September 30, 2021	0.465	0.680
Second Quarter Ended June 30, 2021	0.500	0.720
First Quarter Ended March 31, 2021	0.370	0.920
Fourth Quarter Ended December 31, 2020	0.290	0.550
Third Quarter Ended September 30, 2020	0.335	0.690
Second Quarter Ended June 30, 2020	0.215	0.800
First Quarter Ended March 31, 2020	0.155	0.395

The price of the Common Shares as quoted by the NEO Exchange at the close of business on May 16, 2022, was C$ 0.26.

The following table indicates the high and low values with respect to trading activity for the Common Shares on the OTCQX for the periods indicated below (Source: Thomson Eikon). Any over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down, or commission and may not necessarily represent actual transactions.

Period Ended	Low Trading Price (US$)	High Trading Price (US$)
First Quarter Ended March 31, 2022	0.17	0.35
Fourth Quarter Ended December 31, 2021	0.19	0.47
Third Quarter Ended September 30, 2021	0.37	0.54
Second Quarter Ended June 30, 2021	0.40	0.59
First Quarter Ended March 31, 2021	0.27	0.75
Fourth Quarter Ended December 31, 2020	0.22	0.44
Third Quarter Ended September 30, 2020	0.25	0.53
Second Quarter Ended June 30, 2020	0.14	0.61
First Quarter Ended March 31, 2020	0.09	0.32

Shareholders

As of May 16, 2022, there are 777 holders of record of Common Shares and no holders of record of the Compressed Shares.

Dividends

The payment of dividends on the Common Shares and the Compressed Shares will be at the discretion of the Board and will depend on the Company's financial condition and the need to finance the Company's business activities. The Company has not paid any dividends on any class of its securities since incorporation; however, there are no restrictions in the Articles of the Company that could prevent the Company from paying

dividends if the financial condition of the Company warranted such payment. Any future determination to pay dividends will be at the discretion of the Board and will depend, among other things, on the Company's financial condition, earnings, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends and any other factors that the Board considers relevant.

Equity Compensation Plans

The following table provides information regarding compensation plans, previously approved by shareholders, under which securities of the Company are authorized for issuance in effect as of December 31, 2021:

Plan Category	Number of securities to be issued upon the vesting of RSUs, PSUs and the exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected herein)[(1)]
Equity compensation plans approved by securityholders	32,004,959	US$0.6341	18,445,536
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total:	32,004,959	US$0.6341	18,445,536

(1) The aggregate number of Common Shares issuable upon the vesting or the exercise of Awards granted under the Plan shall not exceed 60,000,000.

ITEM 10. RECENT SALES OF UNREGISTERED SECURITIES

The following information represents securities sold by the Company within the past three years through May 16, 2022 which were not registered under the Securities Act. Included are new issuances of securities and issuances of securities convertible into or exchangeable, redeemable or exercisable for Common Shares. The Company sold all of the securities listed below pursuant to the exemption from registration provided by Section 4(a)(2) of the Securities Act, Regulation D, Regulation S or Rule 701 promulgated thereunder.

During the year ended December 31, 2021, the Company had the following issuances of unregistered securities:

- On June 18, 2021, 250,000 Options with an exercise price of C$0.61 were granted to a consultant of the Company.
- On June 18, 2021, 1,431,928 RSUs and 8,887,351 PSUs were granted to various employees of the Company.
- On August 24, 2021, 6,423,220 RSUs were granted to various employees of the Company.
- On September 30, 2021, 2,764,277 RSUs and 2,406,430 PSUs were granted to various employees of the Company.
- On December 17, 2021, 1,496,636 RSUs and 549,375 PSUs were granted to various employees of the Company.

During the year ended December 31, 2020, the Company had the following issuances of unregistered securities:

- On January 28, 2020, 500,000 warrants with an exercise price of C$0.33 were issued to a consultant of the Company.
- On June 26, 2020, 15,619,514 Options with an exercise price of C$0.65 were issued to various employees of the Company.
- On June 26, 2020, 1,248,774 Common Shares were granted to various employees of the Company.
- On August 27, 2020, 1,091,392 Options with an exercise price of C$0.49 were issued to various employees of the Company.
- On October 28, 2020, 1,024,104 RSUs were granted to the independent directors of the Company.
- On December 2, 2020, 1,116,200 Options with an exercise price of C$0.39 were issued to various employees of the Company.
- On December 4, 2020, 481,999 Common Shares were issued to a consultant of the Company.

During the year ended December 31, 2019, the Company had the following issuances of unregistered securities:

- On January 7, 2019, the Company issued 128,476 Common Shares and 128,476 warrants with an exercise price of C$5.25 in connection with a private placement transaction. The investor paid C$674,499 for 128,476 Common Shares and 128,476 warrants.
- On January 14, 2019, in connection with the acquisition of Jupiter, the Company issued 54,914,224 LP Units and 54,914,224 Rights, with each one LP Unit and one Right being convertible together, at the request of the holder, into one Common Share. The consideration paid was 100% of the issued and outstanding membership interest in the capital of Jupiter Research, LLC.
- On January 16, 2019, in connection with the acquisition of Blackbird, the Company issued 161,543 Compressed Shares. The consideration paid was 100% of the issued and outstanding shares of capital stock of Blkbrd Holdings Corp.
- On January 28, 2019, in connection with the acquisition of Standard Farms, the Company issued 11,090,453 Common Shares. The consideration paid was 100% of the issued and outstanding membership interests of Standard Farms LLC and White Haven RE LLC.

- On February 15, 2019, an aggregate of 615,000 Options with an exercise price of C$5.25 were granted to various employees.
- On June 3, 2019, 1,666,250 RSUs were granted to a former founder.
- On June 17, 2019, 3,759,400 Options with an exercise price of C$1.45 were granted to an employee of the Company.
- On September 3, 2019, 660,000 Common Shares were granted to a consultant of the Company.
- On November 1, 2019, 46,089,020 warrants with an exercise price of C$0.33 were issued to various investors in connection with the closing of the first tranche of the Financing. On November 22, 2019, an additional 18,360,000 warrants with an exercise price of C$0.39 were issued to various investors in connection with the closing of the second tranche of the Financing.
- On November 22, 2019, 9,045,691 warrants with an exercise price of C$1.05 were issued to the former founders of the Company.
- On November 22, 2019, 4,006,667 Options with an exercise price of $0.55 were issued to various employees.
- On November 22, 2019, 6,600,000 RSUs were issued to a consultant of the Company.
- On December 20, 2019, 599,246 RSUs were granted to the independent directors of the Company.

ITEM 11. DESCRIPTION OF THE REGISTRANT'S SECURITIES TO BE REGISTERED

Description of the Company's Securities

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of Compressed Shares. As of May 16, 2022, 331,531,888 Common Shares were issued and outstanding and zero Compressed Shares were issued and outstanding.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to vote at every meeting of the shareholders of the Company and have one vote thereat for each Common Share so held.

The Board may from time-to-time declare a dividend, and the Company shall pay thereon out of the monies of the Company properly applicable to the payment of the dividends to the holders of Common Shares. For the purpose hereof, the holders of Common Shares receive dividends as shall be determined from time-to-time by the Board whose determination shall be conclusive and binding upon the Company and the holders of Common Shares.

Subject to the liquidation rights of the holders of Compressed Shares, in the event of liquidation, dissolution or winding-up of the Company or upon any distribution of the assets of the Company among shareholders being made (other than by way of dividend out of the monies properly applicable to the payment of dividends) the holders of Common Shares are entitled to share equally.

Compressed Shares

The Compressed Shares rank *pari passu* with the Common Shares as to dividends and upon liquidation, as described above for the Common Shares.

Liquidation

The holders of Compressed Shares are entitled to receive the assets of the Company, or other consideration payable or distributable as a result of the liquidation event, available for distribution to shareholders, distributed among the holders of Compressed Shares and Common Shares based on: (i) the number of Common Shares; and (ii) the number of Compressed Shares (on an as converted basis, assuming conversion of all Compressed Shares into Common Shares at the applicable conversion ratio, disregarding the conversion limitations described below), issued and outstanding on the record date.

Voting

The holders of Compressed Shares have the right to one vote for each Common Share (subject to the terms and conditions set forth in the Company's Articles) into which such Compressed Shares are convertible (disregarding the conversion limitations as described below), and with respect to such vote, such holder has voting rights and powers of the holders of Common Shares. Any fractional voting rights available on an as converted basis (after aggregating all Common Shares into which Compressed Shares are convertible) shall be rounded up or down to the nearest whole number (with one-half being rounded upward). Except as provided by law, the Compressed Shares vote together with the Common Shares as a single class.

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Under the BCBCA, the Company may indemnify an individual who:

a) is or was a director or officer;

b) is or was a director or officer (1) at the Company's request, or (2) of another corporation at the time when such corporation is or was an affiliate of the Company; or

c) at the Company's request, is or was, or holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity, against a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, any legal proceeding or investigative action, whether current, threatened, pending or completed, in which such eligible party is involved because of that association with the Company or other entity.

However, indemnification is prohibited under the BCBCA if:

a) such eligible party did not act honestly and in good faith with a view to the Company's best interests (or the other entity, as the case may be);

b) in the case of a proceeding other than a civil proceeding, such eligible party did not have reasonable grounds for believing that such person's conduct was lawful;

c) the indemnity or payment is made under an earlier agreement to indemnify or pay expenses and, at the time that the agreement to indemnify or pay expenses was made, the Company was prohibited from giving the indemnity or paying the expenses by the Company's articles; or

d) the indemnity or payment is made otherwise than under an earlier agreement to indemnify or pay expenses and, at the time that the indemnity or payment is made, the Company was prohibited from giving the indemnity or paying the expenses by the Company's articles.

The Company may not indemnify or pay the expenses of an eligible party in respect of an action brought against an eligible party by or on behalf of the Company.

The BCBCA allows the Company to pay, as they are incurred in advance of a final disposition of a proceeding, the expenses actually and reasonably incurred by the eligible party, provided that the Company receive from such eligible party an undertaking to repay the amounts advanced if it is ultimately determined that such payment is prohibited. Following the final disposition of an eligible proceeding, the BCBCA requires the Company to pay the expenses actually and reasonably incurred by the eligible party in respect of that proceeding if the eligible party has not been reimbursed for those expenses and is wholly successful, on the merits or otherwise, in the outcome of the proceeding, or is substantially successful on the merits in the outcome of the proceeding.

Despite the foregoing, on application by the Company or an eligible party, a court may:

a) order the Company to indemnify an eligible party in respect of an eligible proceeding;

b) order the Company to pay some or all of the expenses incurred by an eligible party in an eligible proceeding;

c) order enforcement of or any payment under an indemnification agreement;

d) order the Company to pay some or all of the expenses actually and reasonably incurred by a person in obtaining the order of the court; and

e) make any other order the court considers appropriate.

The Company has entered into indemnity agreements with the Company's officers and directors, pursuant to which the Company is obligated to indemnify and hold harmless such persons against all costs, charges, and expenses, including any amounts paid to settle actions or satisfy judgments, reasonably incurred by them in respect of any civil, criminal, administrative, investigative, or other proceeding to which they are made a party by reason of being or having been an officer or director. However, such indemnification obligations

arise only to the extent that the party seeking indemnification was acting honestly and in good faith with a view to the Company's best interests, and, in the case of criminal or administrative actions or proceedings enforced by monetary penalties, that such person had reasonable grounds for believing that his or her conduct was lawful. Under the indemnity agreements, the Company may advance to the indemnified parties the expenses incurred in defending any such actions or proceedings, but if the director or officer does not meet the conditions to qualify for indemnification, such amounts shall be repaid.

The BCBCA provides that the Company may purchase and maintain insurance for the benefit of an eligible party (or their heirs and personal or other legal representatives of the eligible party) against any liability that may be incurred by reason of the eligible party being or having been a director or officer, or in an equivalent position of ours or that of an associated corporation.

As permitted by the BCBCA, the Company has purchased directors' and officers' liability insurance that, under certain circumstances, insures its directors and officers against the costs of defense, settlement, or payment of a judgment.

ITEM 13. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements required to be included in this registration statement appear immediately following the signature page to this registration statement beginning on page F-1.

ITEM 14. CHANGES IN AND DISAGREEMENTS WITH AUDITORS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS

The financial statements required to be included in this registration statement appear immediately following the signature page to this registration statement beginning on page F-1.

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
2.1†	Business Combination Agreement dated July 9, 2018 between Baker Technologies, Inc., Briteside Holdings, LLC, Sea Hunter Therapeutics, LLC, Santé Veritas Holdings Inc. and 1167411 B.C. Ltd. (filed herewith).
2.2*†	Amended and Restated Agreement and Plan of Merger by and among Jimmy Jang, L.P., Hammbutnocheese Merger Sub, Inc., Jupiter Research, LLC, Sellers and Mark Scatterday, as Sellers' Representative dated as of January 10, 2019 (filed herewith).
2.3†	Agreement of Purchase and Sale, dated February 8, 2022, between Daniel G. DaRosa, as Trusteeof 30 MOZZONE BOULEVARD 2013 REALTY TRUST, u/d/t/ dated July 26, 2017, andCommonwealth Alternative Care, Inc., as last amended by Second Amendment to Agreement ofPurchase and Sale dated May 13, 2022 (filed herewith).
2.4†	Purchase and Sale Agreement And Joint Escrow Instructions dated effective April 8, 2022, by andbetween Commonwealth Alternative Care, Inc. and IIP-MA 2 LLC (filed herewith).
2.5†	Purchase And Sale Agreement And Joint Escrow Instructions, dated effective April 19, 2022, byand between White Haven Re, LLC and IIP-PA 9 LLC, as amended by First Amendment ToPurchase And Sale Agreement And Joint Escrow Instructions dated May 24, 2022 (filed herewith).
3.1#	Notice of Articles of TILT Holdings Inc.
3.2#	Articles of TILT Holdings Inc.
4.1†	Exchange Agreement dated January 7, 2019 between Jimmy Jang, L.P., TILT Holdings Inc. and the holder of units from time to time party thereto (filed herewith).
10.1†	Loan Agreement dated August 24, 2021 by and between CGSF Group LLC and SFNY Holdings, Inc. (filed herewith).
10.2†	Agreement dated October 27, 2021 between Sante Veritas Therapeutics Inc., and 1120419 B.C. LTD. (filed herewith).
10.3*#	Assignment Agreement dated February 22, 2021 between SH Finance Company, LLC and Teneo Fund SPVi LLC.
10.4*†#	Securities Purchase Agreement dated November 18, 2020 between Baker Technologies, Inc., Slam Dunk LLC, and Timothy Conder.
10.5†	Senior Secured Note Purchase Agreement dated as of November 1, 2019 between Jimmy Jang, L.P., Baker Technologies, Inc., Commonwealth Alternative Care, Inc., Jupiter Research, LLC, TILT Holdings Inc., NR 1, LLC and the purchasers named on the Schedule of Purchasers attached thereto (filed herewith).
10.6*†	Junior Secured Note Purchase Agreement dated November 1, 2019 between Jimmy Jang, L.P., Baker Technologies, Inc., Commonwealth Alternative Care, Inc., Jupiter Research, LLC, TILT Holdings Inc., [***] and the purchasers named on the Schedule of Purchasers attached thereto(filed herewith).
10.7†	Junior Guaranty dated November 1, 2019 between TILT Holdings Inc., Jimmy Jang Holdings Inc., Sante Veritas Holdings Inc., Sante Veritas Therapeutics Inc., Jupiter Research Europe LTD, Defender Marketing Services, LLC, White Haven RE LLC, Standard Farms LLC, Briteside Holdings LLC, Briteside Modular LLC, Briteside E-Commerce LLC, Briteside Oregon LLC, Yaris Acquisition LLC, Bootleg Courier Company, LLC, Blkbrd Software LLC, Blackbird Logistics Corporation, Blkbrd CA, Blkbrd NV LLC, Sea Hunter Therapeutics, LLC, SH Therapeutics, LLC, SH Realty Holdings, LLC, SH Realty Holdings-Ohio, LLC, SH Ohio, LLC, SH Finance Company, LLC, Cultivo, LLC, Alternative Care Resource Group LLC, Verdant Holdings, LLC, Verdant Management Group, LLC, Herbology Holdings, LLC, Herbology Management Group, LLC, in favor of [***] (filed herewith).

Exhibit No.	Description of Exhibit
10.8†#	Junior Pledge Agreement dated as of November 1, 2019 by and among TILT Holdings, Inc., Jimmy Jang Holdings Inc., Baker Technologies, Inc., Jimmy Jang, L.P., Blackbird Logistics Corporation, Briteside Holdings LLC, Yaris Acquisition LLC, Baker Technologies, Inc., Jupiter Research, LLC, Blackbird Logistics Corporation, Blkbrd Software LLC, Briteside Ecommerce LLC, Briteside Holdings LLC, Briteside Modular LLC, Defender Marketing Services LLC, Standard Farms LLC, White Haven RE LLC, Yaris Acquisition LLC and [***].
10.9†	Junior Security Agreement dated as of November 1, 2019 by and among Baker Technologies, Inc., Commonwealth Alternative Care, Inc., Jimmy Jang, L.P., Jupiter Research, LLC, Blackbird Logistics Corporation, Blkbrd CA, Blkbrd NV LLC, Blkbrd Software LLC, Briteside Ecommerce LLC, Briteside Holdings LLC, Briteside Modular LLC, Briteside Oregon LLC, Defender Marketing Services, LLC, Standard Farms LLC, TILT Holdings Inc., White Haven RE LLC, Yaris Acquisition LLC and in favor of [***] (filed herewith).
10.10†	Junior Canadian Security Agreement dated November 1, 2019 by TILT Holdings Inc. in favor of [***] (filed herewith).
10.11†	Guaranty dated as of November 1, 2019 by and among TILT Holdings Inc., Jimmy Jang Holdings Inc., Sante Veritas Holdings Inc., Sante Veritas Therapeutics Inc., Jupiter Research Europe LTD, White Haven RE LLC, Standard Farms LLC, Briteside Holdings LLC, Briteside Modular LLC, Briteside E-Commerce LLC, Briteside Oregon LLC, Yaris Acquisition LLC, Bootleg Courier Company, LLC in favor of NR 1, LLC (filed herewith).
10.12†	Pledge Agreement dated as of November 1, 2019 by and among TILT Holdings Inc., Jimmy Jang Holdings Inc., Baker Technologies Inc., Jimmy Jang, L.P., Blackbird Logistics Corporation, Briteside Holdings LLC, Yaris Acquisition LLC, Baker Technologies, Inc., Jupiter Research, LLC, Blackbird Logistics Corporation, Blkbrd Software LLC, Briteside Ecommerce LLC, Briteside Holdings LLC, Briteside Modular LLC, Defender Marketing Services, Standard Farms LLC, White Haven RE LLC, Yaris Acquisition LLC and NR 1 LLC (filed herewith).
10.13†#	Security Agreement dated as of November 1, 2019, by and among Baker Technologies, Inc., Commonwealth Alternative Care Inc., Jimmy Jang, L.P., Jupiter Research, LLC, Blackbird Logistics Corporation, Blkbrd CA, Blkbrd NV LLC, Blkbrd Software LLC, Briteside Ecommerce LLC, Briteside Holdings LLC, Briteside Modular LLC, Briteside Oregon LLC, Defender Marketing Services LLC, Standard Farms LLC, TILT Holdings Inc., White Haven RE LLC, Yaris Acquisition LLC and in favor of NR 1, LLC.
10.14†	Canadian Security Agreement dated November 1, 2019 of TILT Holdings Inc. in favor of NR 1, LLC (filed herewith).
10.15+#	TILT Executive Employment Agreement dated May 13, 2021 and effective June 1, 2021 between TILT Holdings Inc. and Gary F. Santo, Jr.
10.16+#	Employment Agreement dated October 28, 2020 between TILT Holdings Inc. and Gary F. Santo, Jr.
10.17+#	Employment Agreement, dated June 23, 2021 and effective July 12, 2021 between TILT Holdings Inc. and Dana R. Arvidson.
10.18+#	Employment Agreement, dated October 28, 2020 between TILT Holdings Inc. and Brad Hoch.
10.19+#	Compensation Agreement dated May 13, 2021 by and between TILT Holdings Inc. and Mark Scatterday.
10.20+#	Employment Agreement dated August 16, 2019 between TILT Holdings Inc. and Mark Scatterday.
10.21†+	Consulting Services Agreement dated January 1, 2022 between Marshall Horowitz and TILT Holdings Inc. (filed herewith).
10.22+#	Transition Agreement dated April 22, 2021 between Marshall Horowitz and TILT Holdings Inc., as last amended by that certain Amendment No. 5 dated September 10, 2021.
10.23†+	Employment Agreement dated August 5, 2020 and effective July 29, 2020 between TILT Holdings Inc. and Marshall Horowitz (filed herewith).

Exhibit No.	Description of Exhibit
10.24+#	TILT Holdings Inc. Amended and Restated 2018 Stock and Incentive Plan.
10.25+#	Form of TILT Holdings Inc. Amended and Restated 2018 Stock and Incentive Plan Amended and Restated Stock Option Agreement.
10.26+#	Form of TILT Holdings Inc. Amended and Restated 2018 Stock and Incentive Plan Restricted Stock Unit Agreement.
10.27+#	Form of TILT Holdings Inc. Amended and Restated 2018 Stock and Incentive Plan Performance Stock Unit Award Agreement.
21.1#	List of Subsidiaries of TILT Holdings Inc.

+ Indicates a management contract or compensatory plan, contract or arrangement in which directors or executive officers participate.

* In accordance with Item 601(b)(2) and/or Item 601(b)(10)(iv) of Regulation S-K, certain information (indicated by "[***]") has been excluded from this exhibit because it is both not material and private or confidential. A copy of the omitted portion will be furnished to the Securities and Exchange Commission upon request.

† In accordance with Item 601(a)(6) of Regulation S-K, certain information has been excluded from this exhibit.

Previously filed with the SEC.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

TILT HOLDINGS INC.

/s/ Gary F. Santo, Jr.

By: Gary F. Santo, Jr.
Title: Chief Executive Officer

Date: June 3, 2022

TILT HOLDINGS

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The accompanying notes are an integral part of these consolidated financial statements.

Report of Independent Registered Public Accounting Firm (PCAOB 324)

To the Shareholders and Board of Directors of
TILT Holdings Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of TILT Holdings Inc. and its subsidiaries (together, the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of TILT Holdings Inc. as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Macias Gini & O'Connell LLP

We have served as the Company's auditor since 2021.

San Francisco, California

April 19, 2022

Macias Gini & O'Connell LLP
101 California Street, Suite 3910
San Francisco, CA 94111

TILT HOLDINGS INC.

CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31, 2021 AND 2020
(Amounts Expressed in Thousands of United States Dollars, Share and Per Share Amounts)

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 6,952	$ 8,859
Trade receivables and others, net	32,393	14,568
Inventories	55,583	32,507
Loans receivable, current portion	2,453	2,660
Prepaid expenses and other current assets	3,005	4,556
Assets held for sale	500	—
Advances for acquisition target	—	7,411
Total current assets	**100,886**	**70,561**
Non-current assets		
Property, plant and equipment, net	62,360	66,795
Right-of-use assets – finance, net	5,379	5,144
Right-of-use assets – operating, net	5,038	6,572
Investments	6,698	1,189
Intangible assets, net	128,770	138,637
Loans receivable	1,672	14,483
Goodwill	70,545	98,693
TOTAL ASSETS	**$ 381,348**	**$ 402,074**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 49,482	$ 31,086
Warrant liability	2,394	—
Income tax payable	—	903
Deferred revenue	5,177	6,311
Finance lease liability, current portion	955	831
Operating lease liability, current portion	731	879
Notes payable, current portion. net of discount	40,758	4,668
Total current liabilities	**99,497**	**44,678**
Non-current liabilities		
Finance lease liability	5,319	5,305
Operating lease liability	4,927	6,375
Notes payable, net of discount	45,855	67,082
Deferred tax liability	85	13,949
TOTAL LIABILITIES	**155,683**	**137,389**
Shareholders' equity		
Common stock, no par value, unlimited shares authorized as of December 31, 2021 and 2020, 374,083 and 367,183 issued and outstanding as of December 31, 2021 and 2020, respectively	854,952	851,851
Additional paid-in capital	224,835	223,499
Warrants	952	6,757
Accumulated other comprehensive income	999	1,014
Accumulated deficit	(856,248)	(818,436)
Non-controlling interest	175	—
TOTAL SHAREHOLDERS' EQUITY	**225,665**	**264,685**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 381,348**	**$ 402,074**

The accompanying notes are an integral part of these consolidated financial statements.

TILT HOLDINGS INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of United States Dollars, Share and Per Share Amounts)

	2021	2020
Revenues, net	**$ 202,705**	**$ 158,409**
Cost of goods sold	(152,502)	(112,270)
Gross profit	**50,203**	**46,139**
Operating expenses:		
Wages and benefits	17,407	12,927
General and administrative	19,073	22,170
Sales and marketing	1,457	839
Share-based compensation	3,804	4,200
Depreciation and amortization	17,857	18,356
Impairment loss	30,398	23,941
Total operating expenses	**89,996**	**82,433**
Loss from operations	**(39,793)**	**(36,294)**
Other income (expense):		
Interest income	593	3,835
Other income	74	1,053
Change in fair value of warrant liability	6,001	—
Gain on foreign currency exchange	14	—
Gain (loss) on sale of assets	163	(70)
Unrealized loss on investments	(891)	(337)
Loan receivable losses	(4,562)	(16,416)
Loss on termination of lease	(261)	(613)
Interest expense, net	(10,367)	(9,390)
Other expense	**(9,236)**	**(21,938)**
Loss from continuing operations before income taxes	**(49,029)**	**(58,232)**
Income taxes		
Income tax benefit (expense)	13,903	(1,696)
Net loss from continuing operations, net of tax	**(35,126)**	**(59,928)**
Loss from discontinued operations before income taxes	—	(58,257)
Income tax benefit from discontinued operations	—	1,767
Net loss from discontinued operations, net of tax	**—**	**(56,490)**
Net loss	**(35,126)**	**(116,418)**
Other comprehensive (loss) income		
Foreign currency translation adjustments	(15)	496
Comprehensive loss	**$ (35,141)**	**$ (115,922)**
Weighted average number of shares outstanding:		
Basic	**370,002,378**	**364,562,929**
Net loss per common share		
Basic and diluted	$ (0.09)	$ (0.32)
Basic and diluted, from continuing operations	$ (0.09)	$ (0.16)
Basic and diluted, from discontinued operations	$ —	$ (0.15)

The accompanying notes are an integral part of these consolidated financial statements.

TILT HOLDINGS INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of United States Dollars, Share and Per Share Amounts)

	Common Stock		Additional Paid in Capital	Warrants	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Non-Controlling Interest	Shareholders' Equity Total
	Shares	Amount						
Balance – January 1, 2020	**362,279,572**	**$849,696**	**$ 210,160**	**$ 17,809**	**$ 518**	**$ (702,018)**	**$ —**	**$ 376,165**
Options exercised	62,100	1	—	—	—	—	—	1
Share-based compensation	481,999	175	2,221	66	—	—	—	2,462
Warrants exercised	100,857	—	27	(27)	—	—	—	—
Warrants expired	—	—	11,091	(11,091)	—	—	—	—
Shares returned from escrow	(660,044)	—	—	—	—	—	—	—
Issuance and vesting of restricted share units	4,918,189	1,979	—	—	—	—	—	1,979
Comprehensive (loss) for the year	—	—	—	—	496	(116,418)	—	(115,922)
Balance – December 31, 2020	**367,182,673**	**$851,851**	**$ 223,499**	**$ 6,757**	**$ 1,014**	**$ (818,436)**	**$ —**	**$ 264,685**
Options exercised	221,400	13	—	—	—	—	—	13
Options forfeited	—	—	—	—	—	—	—	—
Share-based compensation	—	—	1,240	—	—	—	—	1,240
Warrants exercised	657,000	173	96	—	—	—	—	269
Warrants expired	—	—	—	—	—	—	—	—
Warrants reclassified to liability	—	—	—	(5,805)		(2,686)	—	(8,491)
Shares returned from escrow	—	—	—	—	—	—	—	—
Issuance and vesting of restricted share units	5,272,310	2,192	—	—	—	—	—	2,192
Shares reserved for contingent consideration	—	372	—	—	—	—	—	372
Formation of SFNY:								
Shares issued from formation of SFNY	749,376	351	—	—	—	—	—	351
Non-controlling interest	—	—	—	—	—	—	175	175
Comprehensive (loss) for the year	—	—	—	—	(15)	(35,126)	—	(35,141)
Balance – December 31, 2021	**374,082,759**	**$854,952**	**$ 224,835**	**$ 952**	**$ 999**	**$ (856,248)**	**$ 175**	**$ 225,665**

The accompanying notes are an integral part of these consolidated financial statements.

TILT HOLDINGS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of United States Dollars, Share and Per Share Amounts)

	2021	2020
Cash flows from operating activities:		
Net loss	$(35,126)	$(116,418)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Loss on sale of discontinued operation, net of tax	—	56,787
Unrealized loss on investments	891	337
Gain (Loss) on disposal of property	—	70
Loss on termination of lease	210	418
Depreciation and amortization	22,438	20,393
Amortization of operating lease right of use assets	1,231	1,602
Change in allowance for doubtful accounts	(188)	757
Non-cash interest income	(500)	(3,740)
Deferred tax benefit	(13,864)	(975)
Share-based compensation	3,804	4,200
Accretion of debt discount	2,667	2,227
Accounts receivable write off	—	2,169
Loan receivable losses	4,562	16,416
Impairment loss	30,398	23,941
Warrants and severance	—	66
Change in fair value of derivatives	(6,001)	—
Non-cash interest expense	4,050	3,669
Net change in working capital items:		
Trade receivables and others, net	(17,627)	(405)
Inventories	(22,574)	5,204
Prepaid expenses and other current assets	1,340	797
Accounts payable and accrued liabilities	18,239	(2,695)
Income tax payable	(903)	903
Operating lease liability	(512)	859
Deferred revenue	(1,134)	1,218
Cash (used in) provided by operating activities – continuing operations	(8,599)	17,800
Cash used in operating activities – discontinuing operations	—	(7,140)
Net cash (used in) provided by operating activities	**(8,599)**	**10,660**
Cash flows from investing activities:		
Purchases of property, plant and equipment	(3,064)	(1,908)
Proceeds from sale of property	1,233	138
Net repayment (advances) on loan receivables	2,417	(808)
Cash paid for acquisitions	(400)	—
Cash provided by (used in) investing activities – continuing operations	186	(2,578)
Cash provided by investing activities – discontinuing operations	—	58

The accompanying notes are an integral part of these consolidated financial statements.

TILT HOLDINGS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020 (continued)
(Amounts Expressed in Thousands of United States Dollars, Share and Per Share Amounts)

	2021	2020
Net cash provided by (used in) investing activities	**186**	**(2,520)**
Cash flows from financing activities:		
Payments on lease liability	(2,311)	(2,392)
Principal payments on notes payable	(47,973)	(516)
Debt issuance costs	(469)	—
Proceeds from notes payable	57,081	—
Proceeds from options and warrants exercised	186	1
Cash provided by (used in) financing activities – continuing operations	6,514	(2,907)
Cash used in financing activities – discontinuing operations	—	(1,002)
Net cash provided by (used in) financing activities	**6,514**	**(3,909)**
Effect of foreign exchange on cash and cash equivalents	(8)	616
Net change in cash and cash equivalents	(1,907)	4,847
Cash and cash equivalents, beginning of year	8,859	4,012
Cash and cash equivalents, end of year	**$ 6,952**	**$ 8,859**
Other non-cash investing and financing activities		
Conversion of loans receivable to investment	$ 6,400	$ (526)
Shares issued for Standard Farms New York Acquisition	$ 351	$ —
Extinguishment of debt for Standard Farms Ohio, LLC acquisition	$ 7,550	$ —
Extinguishment of existing liabilities from Sante Veritas Therapeutics sale	$ 825	$ —
Property and equipment acquired via finance lease	$ 832	$ —
Property and equipment acquired via operating lease	$ 139	$ 88

The accompanying notes are an integral part of these consolidated financial statements.

TILT Holdings Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of United States Dollars, Except for Share and Per Share Amounts)

1 Nature of Operations

TILT is a business solutions provider to the global cannabis industry offering a diverse range of value-added products and services to industry participants. Through a portfolio of companies providing technology, hardware, cultivation and production, TILT services brands and cannabis retailers across 36 states in the U.S., as well as Canada, Israel, South America and the European Union ("EU").

TILT Holdings Inc. ("TILT" or the "Company") was incorporated on June 22, 2018. The common shares, in the capital of Tilt (the "Common Shares"), began trading on the Canadian Securities Exchange ("CSE") under the symbol "TILT" on December 6, 2018. The Company's office address is 745 Thurlow Street, #2400 Vancouver, BC V6C 0C5 Canada and its head office in the United States of America ("U.S.") is in Phoenix, Arizona.

On January 11, 2019, through its subsidiaries Jimmy Jang Holdings Inc. and Jimmy Jang, L.P. ("JJ LP"), TILT acquired all assets and assumed all liabilities of Jupiter Research, LLC ("Jupiter"), an inhalation and vaporization technology company (the "Jupiter Acquisition"). The Jupiter Acquisition broadened the Company's product offerings and increased Jupiter's reach by integrating it into the Company's proprietary supply chain. The terms of the Jupiter Acquisition provided for gross consideration of $70,000 cash and 54,914,224 limited partnership units of JJ LP (each, an "LP Unit") and 54,914,224 rights of TILT (each, a "Right"), with one LP Unit and one Right being convertible together, at the request of the holder, into one common share. The $70,000 cash was not paid in full in accordance with the agreement and a seller's note of $35,000 was issued in 2019 as discussed in Note 12 "Notes Payable". During the years ended December 31, 2021 and 2020, 100,000 and 10,992,845 LP Units were converted to Common Shares, respectively (Note 14).

On January 15, 2019, through its wholly owned subsidiary Yaris Acquisition LLC ("Yaris"), TILT acquired all assets and assumed all liabilities of Blackbird Holdings Corp. ("Blackbird"), a distribution company providing logistics operations and software solutions for each touchpoint in the cannabis supply chain (the "Blackbird Acquisition"). The Blackbird Acquisition further supported the Company's expansion of offerings for both cannabis business owners and consumers. Consideration paid for the Blackbird Acquisition consisted of $4,700 of cash and 161,543 compressed shares in the capital of TILT ("Compressed Shares"). Each Compressed Share was convertible into 100 Common Shares subject to certain adjustments of the conversion ratio.

On January 25, 2019, TILT acquired all assets and assumed all liabilities of Standard Farms, LLC ("Standard Farms") and White Haven RE, LLC ("White Haven"), a medical cannabis operator focused on greenhouse cultivation and CO2 extraction (the "Standard Farms Acquisition"). The Standard Farms Acquisition expanded the Company's infrastructure platform, providing access to additional customers. Consideration paid for the Standard Farms Acquisition consisted of $12,000 cash and 11,090,427 Common Shares.

On November 30, 2020, TILT completed the sale of all membership interests of Yaris Acquisition, LLC d/b/a Blackbird (the "Blackbird Sale") to Slam Dunk, LLC, a Nevada limited liability corporation controlled by a member of the board of directors of the Company, for a convertible senior secured promissory note with a principal amount of $10,000, and up to an additional $1,000 of additional funding amounts under the same note.

On March 15, 2021, TILT acquired all assets and assumed all liabilities of Standard Farms Ohio, LLC ("Standard Farms OH"), a medical cannabis provider focused on cultivation processing and CO2 extraction for the State of Ohio's operating dispensaries. The acquisition of Standard Farms OH (the "Standard Farms OH Acquisition") further expands the Company's footprint into a new market, thus providing access to additional customers. The Company's consideration for the Standard Farms OH Acquisition consisted of $7,550 settled indebtedness to the Company, transferred into ownership interest.

TILT Holdings Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of United States Dollars, Except for Share and Per Share Amounts)

1 Nature of Operations (continued)

On August 24, 2021, TILT acquired 100% of the Class A membership interests in Standard Farms New York, LLC ("SFNY") through its newly formed wholly owned subsidiary SFNY Holdings, Inc. The acquisition of SFNY allowed for the Company to enter into a joint venture with Conor Green Consulting, LLC ("Conor Green"), under the newly formed entity CGSF Group, LLC ("CGSF") with SFNY holding 75% interest in CGSF. The acquisition of membership interest in both SFNY and CGSF, through the Company's subsidiary SFNY Holdings, Inc., expanded the Company's presence into a new market as the joint venture was formed for the express purpose of creating a partnership with the Shinnecock Indian Nation ("Shinnecock" or the "Nation") to establish vertical cannabis operations on their tribal territory on Long Island, New York. The Company paid a total of $751, with $400 being paid in cash and $351 in Common Shares, in the acquisition of its interests in SFNY and CGSF. Additionally, upon the achievement of certain milestones, the Company will provide for additional consideration of up to 5,673,844 Common Shares, valued at $2,657 upon closing, in share-based payments to Conor Green.

On October 27, 2021, TILT closed on the sale of substantially all of the assets of Santé Veritas Therapeutics Inc., an inactive wholly owned subsidiary of SVH to Meridian 125W Cultivation Ltd. for C$75 in cash and C$825 in forgiveness and release of existing liabilities, resulting in a gain on sale of $118.

Liquidity

The Company has experienced operating losses since its inception and expects to continue to incur losses in the development of its business. The Company incurred a comprehensive loss of $35,141 during the year ended December 31, 2021 and has an accumulated deficit as at December 31, 2021, of $856,248. As of December 31, 2021, the Company had positive working capital of $1,389 (compared to positive working capital of $25,883 as of December 31, 2020). The Company's liquidity will depend, in large part, on its ability to raise adequate financing or refinance the debt maturities occurring in November 2022; generate expected positive cash flow; and minimize the anticipated net loss during the 12 months from the date of this filing: all of which are uncertain and outside the control of the Company.

Based on the Company's operating plans for the next 12 months which includes (i) revenue growth from the sale of existing products and the introduction of new products across all operating segments, (ii) reduced production costs as a result of maturing efficiencies in cannabis operations, (iii) reduced supply chain costs, (iv) increased cash inflows from the Q4 2021 activation of two adult-use retail dispensary licenses and the 2022 activation of a further medical dispensary license, (v) cash inflows from the monetization of certain assets, (vi) line of credit and other financing with major bank and (vii) completion of the refinancing of debt obligations and extension of maturities with banking partners and note holders, the Company believes that it has adequate resources to fund the operations during the next 12 months from the date of filing this registration statement. If the Company is unable to complete these actions, it may be unable to meet its operating cash flow needs and its obligations beyond the next 12 months.

2 Summary of Significant Accounting Policies

Basis of Presentation

These consolidated financial statements reflect the accounts of the Company and have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for all periods presented. These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due, under the

2 Summary of Significant Accounting Policies (continued)

historical cost convention except for certain financial instruments that are measured at fair value, as detailed in the Company's accounting policies.

Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the financial position, results of operations, cash flows and prospects of the Company. These consolidated financial statements do not give effect to adjustments to assets or liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Functional Currency

The Company's functional currency, as determined by management, is based on the primary economic environment in which the Company and its subsidiaries operate.The Company had determined that the functional currency of each entity through December 31, 2020 had been the U.S. dollar, with the exception of TILT, the parent company, and its subsidiary, SVH, having the functional currency of the Canadian dollar.

On December 31, 2020, as a result of a significant change in economic facts and circumstances pertaining to management's decision to cease operations in Canada and its plan divest of subsidiary SVH, the primary economic environment of TILT, the parent company and its subsidiary, SVH, operations changed from Canada to the United States and thus entities' functional currency from the Canadian dollar to the U.S. dollar. Therefore, the functional currency of TILT, the parent company, and its subsidiary, SVH, was changed to the U.S. dollar as of January 1, 2021.The functional currency of all of the Company's other subsidiaries remains unchanged and is stated in the U.S. dollar.

These consolidated financial statements are presented in U.S. dollars.All references to "C$" refer to Canadian dollars.

Foreign Currency Translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the transaction occurred. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
- income and expenses for each statement of operations and comprehensive loss presented are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized as a component of accumulated other comprehensive loss in shareholders' equity.

(Amounts Expressed in Thousands of United States Dollars, Except for Share and Per Share Amounts)

2 Summary of Significant Accounting Policies (continued)

On consolidation, exchange differences arising from the translation of any net investment in a subsidiary with a different functional currency are recognized as a component of accumulated other comprehensive loss in shareholders' equity. When a subsidiary with a different functional currency is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Basis of Consolidation

The consolidated financial statements include the financial results of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power over an investee, when the Company is exposed or has rights to variable returns from the investee, and when the Company has the ability to affect those returns through its power over the investee. These consolidated financial statements include the accounts of the Company and its direct subsidiaries over which the Company has direct control.All intercompany balances and transactions are eliminated upon consolidation. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling ("NCI") interests are measured initially at their proportionate share of the acquired entity's identifiable net assets at the date of acquisition. Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in the profit and loss statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The following are the Company's significant consolidated entities and the ownership interest in each that are included in these consolidated financial statements for the years ended December 31, 2021 and 2020:

Major subsidiaries	Place of Incorporation	Ownership Percentage
Jimmy Jang Holdings Inc.	British Columbia	100%
Jimmy Jang, L.P.[(i)]	Delaware	100%
Jupiter Research, LLC	**Arizona**	**100%**
Baker Technologies Inc.	**Delaware**	**100%**
Standard Farms, LLC	**Pennsylvania**	**100%**
Standard Farms Ohio, LLC	**Ohio**	**100%**
Sea Hunter, Therapeutics, LLC	**Delaware**	**100%**
Commonwealth Alternative Care, Inc.	Massachusetts	100%
SFNY Holdings, Inc.	**Delaware**	**100%**
CGSF Group, LLC	Delaware	75%

(i) For a description of rights related to the units of Jimmy Jang, L.P. see Note 14.

A brief description of the major entity groups shown in bold above are as follows:

- Jupiter is a provider of customized solutions for brand and retail businesses offering products in the inhalation and vape segment in the cannabis industry. Jupiter's business model leverages in-house technical and product design acumen along with supply chain expertise to deliver unique and reliable

2 Summary of Significant Accounting Policies (continued)

products engineered to the high industry safety standards. Jupiter partners with Shenzen-based Smoore Technology to incorporate industry-leading CCELL technology in Jupiter's product solutions.

- Baker serves as a holding company for two of the Company's subsidiaries in the cultivation and extraction wholesale cannabis operations.
- Blackbird is a distribution company providing logistic operations and software solutions throughout the cannabis supply chain. Blackbird transports, delivers, and has built the software to facilitate transport and delivery while capturing actionable data. Blackbird supports more than 250 wholesale and retail cannabis operators in Nevada and California. In addition to back-end delivery and operations solutions for cannabis dispensaries, Blackbird has a consumer marketplace for cannabis delivery and pick-up called BlackbirdGo via business-to-consumer ("B2C") model. Blackbird's results have been included in the consolidated results for the periods to November 30, 2020, the date of disposal (Note 4).
- Standard Farms PA, a multi-state medical cannabis operator focused on greenhouse cultivation and CO2 extraction, with the majority of its operations in Pennsylvania. Standard Farms provides clean and pure medical cannabis products including vape cartridges, capsules and dry flower which are carried in Pennsylvania's dispensaries.
- Sea Hunter is a vertically integrated cannabis cultivator with dispensary and wholesale operations and provides patient-centered alternative care through its medical cannabis products, which include flower, infused products, concentrates, topicals and tinctures.
- Standard Farms OH is a processor and provider of medical cannabis products including pure topicals and tinctures, vape cartridges and syringes to Ohio dispensaries.Standard Farms OH's CO2 extraction process provides a high-quality solution to all the state's operations.
- SFNY Holdings, Inc. is a holding company created by the Company for its entry into the New York cannabis market. Through SFNY Holding Inc.'s acquired ownership interest in SFNY, the Company operates a joint venture, CGSF, which provides management services to a Registered Tribal Organization of the Shinnecock Indian Nation, Little Beach Harvest, for the construction, development and operation of wholesale and retail cannabis cultivation and distribution.

Acquisitions

When the Company acquires a controlling financial interest in an entity or group of assets that are determined to meet the definition of a business, the acquisition method described in ASC Topic 805, Business Combinations, is applied.

Cash and Cash Equivalents

Cash and cash equivalents include cash deposits in financial institutions and other deposits that are readily convertible into cash.

Trade Receivables

The Company maintains an allowance for credit losses based on its assessment of historical information, including current economic conditions and reasonable and supportable forecasts.

These estimates are used to determine our allowance for doubtful accounts for our trade receivables. The Company's trade receivables are short-term and similar in nature.As of December 31, 2021 and 2020, the

2 Summary of Significant Accounting Policies (continued)

allowance based upon expected credit losses is $661 and $849 and is sufficient to absorb any future losses on our accounts receivable portfolio.

Inventory

Inventories are primarily comprised of raw materials, internally produced work in process, finished goods and packaging materials.

Costs incurred during the growing and production process are capitalized as incurred to the extent that cost is less than net realizable value. These costs include materials, labor and manufacturing overhead used in the growing and production processes. The Company capitalizes pre-harvest costs.

Inventories of purchased finished goods and packing materials are initially valued at cost and subsequently at the lower of cost and net realizable value.

Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion, disposal and transportation for inventories in process. The Company periodically reviews its inventory and identifies that which is excess, slow moving and obsolete by considering factors such as inventory levels, expected product life and forecasted sales demand. Any identified excess, slow moving and obsolete inventory is written down to its net realizable value through a charge to cost of goods sold. The Company did not recognize any inventory reserves as of December 31, 2021 and 2020.

Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses as applicable. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for the intended use and borrowing costs on qualifying assets. During their construction, items of property, plant and equipment are classified as construction in progress. When the asset is available for use, it is transferred from construction in progress to the appropriate category of property, plant and equipment and depreciation on the item commences. Certain items of buildings and equipment that are not ready for intended use, given licensing or construction requirements are initially classified as property not in service. Subsequently after deployment to their intended use, these items are reclassified to the appropriate category of property, plant and equipment.

Depreciation is provided on a straight-line basis over the following estimated useful lives:

Machinery and equipment	3 – 10 years
Furniture and fixtures	3 – 7 years
Autos and trucks	5 years
Buildings, leasehold and land improvements	5 – 40 years
Greenhouse-agricultural structure	7 – 15 years
Construction in progress	Not depreciated
Property not in service	Not depreciated

The assets' residual values, useful lives and methods of depreciation are reviewed annually and adjusted prospectively, if appropriate. Leasehold and land improvements are amortized over the shorter of either useful life or term of the lease. Gains or losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and recognized in the consolidated statements of operations and comprehensive loss.

2 Summary of Significant Accounting Policies (continued)

Property and equipment, as well as right-of-use assets and definite life intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require these long-lived assets to be tested for possible impairment and the Company's analysis indicates that a possible impairment exists based on an estimate of undiscounted future cash flows, the Company is required to estimate the fair value of the asset.

An impairment charge is recorded for the excess of the asset's carrying value over its fair value, if any. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary.

All other costs, such as repairs and maintenance, are charged to the consolidated statements of operations and comprehensive loss during the period in which they are incurred.

Investments

The Company considers investments in the form of equity securities to constitute an investing activity. These investments are measured at fair value. See Note 10 — Loans Receivable and Note 20 — Financial Instruments and Capital Risk Management for further information behind these equity investments and their positions within the fair value hierarchy, respectively.

Intangible Assets

Expenditures on research activities undertaken with the prospect of gaining new technical knowledge and understanding is recognized in the consolidated statements of operations and comprehensive loss as an expense when incurred.

Intangible assets are recorded at cost, less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Amortization is recorded on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any, over the following terms:

Customer relationships	10 – 13 years
Trademarks	7 – 10 years
License rights[(1)]	9 – 15 years
Management agreements	Over the term of agreement
Patents and technologies	10 years
Software	7 – 10 years
Backlog and non-competition agreements	4 years

(1) License rights not pertaining to licenses for cultivation or processing have useful lives between nine and fifteen years.

Intangible assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The estimated useful lives, residual values and amortization methods are reviewed at each year-end, and any changes in estimates are accounted for prospectively.

Licenses to cultivate, process or dispense cannabis are considered to have indefinite lives as they can be renewed in perpetuity.

2 Summary of Significant Accounting Policies (continued)

Goodwill

Goodwill represents the excess of the purchase price paid for the acquisition of a business over the fair value of the net tangible and intangible assets and liabilities acquired. Goodwill is either assigned to a specific reporting unit or allocated between reporting units based on the relative fair value of each reporting unit. Goodwill is not subject to amortization and is tested annually for impairment, or more frequently if there is any indication of impairment.

Impairment of Goodwill

In accordance with the provisions of FASB ASC Topic 350, goodwill is tested for impairment annually and whenever events and circumstances indicate that the carrying amount of goodwill has been impaired. In order to determine the value of goodwill that may have been impaired, the Company performs a qualitative assessment to determine that it was more likely than not if the reporting unit's carrying value is less than the fair value, indicating the potential for goodwill impairment. Several factors, including historical results, business plan, forecasts and market data are used to determine the fair value of the reporting unit. Changes in the conditions for these judgements and estimates can significantly affect the assessed value of goodwill. For the years ended December 31, 2021 and 2020, the Company recognized $29,528 and $9,151, respectively, in impairment charges related to goodwill.

Impairment of Other Long-Lived Assets

The Company evaluates the recoverability of other long-lived assets, including property, plant and equipment and certain identifiable intangible assets, whenever events or changes in circumstances indicate that the carrying value of an asset or asset group may not be recoverable. The Company performs impairment tests of indefinite-lived intangible assets on an annual basis or more frequently in certain circumstances. Factors which could trigger an impairment review include significant underperformance relative to historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for the overall business, a significant decrease in the market value of the assets or significant negative industry or economic trends.

When the Company determines that the carrying value of long-lived assets may not be recoverable based upon the existence of one or more of the indicators, the assets are assessed for impairment based on the estimated future undiscounted cash flows expected to result from the use of the asset and its eventual disposition. If the carrying value of an asset exceeds its estimated future undiscounted cash flows, an impairment loss is recorded for the excess of the asset's carrying value over its fair value.

Income Taxes

The Company uses the asset and liability method to account for income taxes. Deferred income tax assets and liabilities are determined based on enacted tax rates and laws for the years in which the deferred income taxes are expected to reverse. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

As the Company operates in the cannabis industry, it is subject to the limits of IRC Section 280E under which the Company is only allowed to deduct expenses directly related to the cost of producing the products or cost of production.

The Company recognizes uncertain income tax positions at the largest amount that is more-likely-than-not to be sustained upon examination by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Recognition or measurement is

2 Summary of Significant Accounting Policies (continued)

reflected in the period in which the likelihood changes. Any interest and penalties related to unrecognized tax liabilities are recognized within income tax expense in the consolidated statement of operations and comprehensive loss.

Revenue Recognition

Revenue is recognized by the Company in accordance with Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* ("Topic 606"). Through application of the standard, the Company recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

In order to recognize revenue under Topic 606, the Company applies the following five (5) steps:

- Identify a customer along with a corresponding contract;
- Identify the performance obligation(s) in the contract to transfer goods or provide distinct services to a customer;
- Determine the transaction price the Company expects to be entitled to in exchange for transferring promised goods or services to a customer;
- Allocate the transaction price to the performance obligation(s) in the contract; and
- Recognize revenue when or as the Company satisfies the performance obligation(s).

Revenue represents the amount the Company expects to receive for goods and services in its contracts with customers, net of discounts and sales taxes. The Company's revenue is derived from the following:

- *Sale of Goods-Vaporization and inhalation devices*

Revenue from the wholesale sales of accessories is recognized when the Company transfers control and satisfies its performance obligations on wholesale sales of accessories. Revenue is recognized from product sales based upon the specific terms with the customer, which is the point at which title passes and is typically when the product has been shipped to the customer.

- *Sale of Goods-Cannabis*

Revenue from the direct sale of goods to customers for a fixed price is recognized when the Company transfers control of the good to the customer. The Company transfers control and satisfies its performance obligations on retail sales upon delivery and acceptance from the customer. For dispensary sales, this occurs at the point of sale at the dispensary. The Company satisfies its performance obligation on wholesale sales when goods are delivered to the customer.

Shipping and handling costs, if applicable, are included in cost of sales in the accompanying consolidated statements of operations and comprehensive loss.

- *Sale of Logistic Services*

Revenue from transportation and distribution services of cannabis products from business to business, retailing to consumers, are recognized at a point in time when control over the goods has been transferred to the customer. The Company transfers control and satisfies its performance obligation upon delivery and acceptance by the customer.

Contract assets are defined in the standard to include amounts that represent the right to receive payment for goods and services that have been transferred to the customer with rights conditional upon something

2 Summary of Significant Accounting Policies (continued)

other than the passage of time. Contract liabilities are defined in the standard to include amounts that reflect obligations to provide goods and services for which payment has been received. There are no contract assets on unsatisfied performance obligations as of December 31, 2021 and 2020. The Company recognized deferred revenue of $5,177 and $6,311 in respect of advance consideration received from customers for the sale of vaporization and inhalation devices during the years ended December 31, 2021 and 2020, respectively.

For some of its locations, the Company offers a loyalty reward program to its dispensary customers. A portion of the revenue generated in a sale must be allocated to the loyalty points earned. The amount allocated to the points earned is deferred until the loyalty points are redeemed or expire. As of December 31, 2021 and 2020, the loyalty liability totaled $189 and $0, respectively, that is included in accounts payable and accrued liabilties on the consolidated balance sheets.

Finance Income and Finance Costs

Interest income and expenses are recognized using the effective interest method.

Share-Based Payments

Share-based payments to employees are measured at the fair value of the equity instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received, or if it is determined the fair value of the goods or services cannot be reliably measured, the fair value of the equity instruments issued. Share-based payments are recorded at the date the goods or services are received. The fair value of options is determined using the Black-Scholes option pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The fair value of share-based awards are estimated on grant date using the Black-Scholes option pricing model. Option pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates.

Leases

The Company applies ASU 2016-02, *Leases* (“Topic 842”). Topic 842 requires lessees to recognize Right of Use (“ROU”) Assets and lease liabilities on the balance sheet. The Company evaluates whether arrangements entered into contain leases for accounting purposes. See Note 13 — Leases for additional information.

Cost of sales

Cost of sales represents costs directly related to manufacturing and distribution of the Company’s products. Primary costs include raw materials, packaging, direct labor, overhead, shipping and handling, the depreciation of certain property, plant and equipment, and tariffs. Manufacturing overhead and related expenses include salaries, wages, employee benefits, utilities, maintenance, and property taxes. Cost of sales also includes inventory valuation adjustments. The Company recognizes the cost of sales as the associated revenues are recognized.

Earnings Per Share

The Company presents basic and diluted earnings per share (“EPS”) data for its Common Shares. Basic EPS is calculated by dividing the net income or loss attributable to common shareholders of the Company by

2 Summary of Significant Accounting Policies (continued)

the weighted average number of Common Shares outstanding during the period, adjusted for its own shares held, including Jimmy Jang, L.P. units which are exchangeable for Common Shares on a one-to-one basis. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of Common Shares outstanding, adjusted for its own shares held, including Jimmy Jang, L.P. units which are exchangeable for Common Shares on a one-to-one basis, for the effects of all dilutive potential Common Shares.

Research and Development Costs

Research costs are expensed as incurred. For the years ended December 31, 2021 and 2020, research and development costs were $106 and $58, respectively, and are included in general and administrative expenses.

Development costs are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete the development to use or sell the asset. As of December 31, 2021 and 2020, capitalized development costs were $740 and $507, respectively.

Advertising Costs

Advertising costs which are expensed as incurred and are included in sales and marketing expenses were $922 and $666 for the years ended December 31, 2021 and 2020, respectively.

Warrant Liability

The Company accounts for the issuance of common stock purchase warrants issued in connection with the equity offerings in accordance with the provisions of ASC 815, Derivatives and Hedging ("ASC 815"). The Company accounts for certain common stock warrants outstanding as a liability at fair value and adjusts the instruments to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in its consolidated statements of operations and comprehensive loss.

Financial Instruments and Fair Value Measurement

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities that are required to be recorded at fair value, the Company considers all related factors of the asset by market participants in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions and credit risk.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2 Summary of Significant Accounting Policies (continued)

Segment Reporting

In accordance with ASC 280 — Segment Reporting, the Company identifies its reportable segments based on the Company's chief operating decision maker's review and assessment of the Company's operating performance for purposes of performance monitoring and resource allocation. The Company determined that its operations, including the decisions to allocate resources and deploy capital, are organized and managed based on the market operations (i.e., cannabis products and accessories) which were primarily determined based on the licenses each market holds. Accordingly, management has identified four operating segments, which is its reportable segment, under this organization and reporting structure, as follows: (1) cannabis segment (SHT, SVH, Standard Farms PA, Standard Farms OH and Baker), (2) accessories (Jupiter), (3) corporate and (4) other (White Haven, SFNY and CGSF). The cannabis segment includes production, cultivation, extraction and sale of cannabis products, and accessories including the manufacturing and distribution of electronic, non-nicotine (i.e., cannabis) devices and systems.

Significant Accounting Judgments and Estimates

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods. Significant judgments and estimates that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

Accounting for Acquisitions and Business Combinations

The Company has treated the Standard Farms OH acquisition described in Note 3 as a business combination. In a business combination, all identifiable assets, liabilities and contingent liabilities acquired, and consideration paid are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. The Company has treated the acquisition of SFNY described in Note 3 as an asset acquisition. Treatment as a business combination would have resulted in the Company expensing the acquisition costs and recognition of a deferred tax liability related to licenses.

Inventories

The net realizable value of inventories represents the estimated selling price for inventories in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale. The determination of net realizable value requires significant judgment, including consideration of factors such as shrinkage, the aging of and future demand for inventory, expected future selling price, what we expect to realize by selling the inventory and the contractual arrangements with customers. Reserves for excess and obsolete inventory are based upon quantities on hand, projected volumes from demand forecasts and net realizable value. The estimates are judgmental in nature and are made at a point in time, using available information, expected business plans and expected market conditions. As a result, the actual amount received

2 Summary of Significant Accounting Policies (continued)

on sale could differ from the estimated value of inventory. Periodic reviews are performed on the inventory balance. The impact of changes in inventory reserves is reflected in cost of goods sold.

Classification and Measurement of Jimmy Jang, L.P. Units

Significant judgment is applied in connection with the classification and measurement of exchangeable units of Jimmy Jang, L.P., as discussed within the significant accounting policy for equity.

Estimated Useful Lives and Depreciation of Property, Plant and Equipment and Intangible assets

Depreciation and amortization of property, plant and equipment and intangible assets is dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Measurement of Share-Based Payments

The Company uses the Black-Scholes option-pricing model to determine the fair value of equity-settled share-based payments. In estimating fair value, management is required to make certain assumptions and estimates such as the expected life of units, volatility of the Company's future share price, risk free rates, future dividend yields and estimated forfeitures at the initial grant date. Changes in assumptions used to estimate fair value could result in materially different results.

Impairment of Other Long-lived Assets

The assessment of any impairment of other long-lived assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions, the useful lives of assets and estimates used to measure impairment losses. The recoverable value of these assets is determined using present value techniques, which incorporate assumptions regarding future events, specifically future cash flows, growth rates and discount rates.

Goodwill and Indefinite Life Intangible Asset Impairment

Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill may have been impaired. In order to determine that the value of goodwill may have been impaired, the Company performs a qualitative assessment to determine that it was more-likely-than-not if the reporting unit's carrying value is less than the fair value, indicating the potential for goodwill impairment. A number of factors, including historical results, business plans, forecasts and market data are used to determine the fair value of the reporting unit. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill.

Deferred Tax Assets

Deferred tax assets, including those arising from tax loss carry-forwards, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows.

In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the deferred tax assets recorded at the reporting date could be impacted.

2 Summary of Significant Accounting Policies (continued)

Leases (Topic 842)

Topic 842 requires lessees to recognize ROU Assets and lease liabilities on the balance sheet. Leases requires lessees to discount lease payments using the rate implicit in the lease if that rate is readily available in accordance with Topic 842. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment.

The standard requires lessees to estimate the lease term. In determining the lease term, management considers the non-cancellable period along with renewal and termination options that create an economic incentive to exercise the options.

Warrant Liability

The fair value of the warrant liability is measured using a Black Scholes pricing model. Assumptions and estimates are made in determining an appropriate risk-free interest rate, volatility, term, dividend yield, discount due to exercise restrictions, and the fair value of common stock. Any significant adjustments to the unobservable inputs would have a direct impact on the fair value of the warrant liability.

Recently Issued Accounting Pronouncements

Recent accounting pronouncements, other than those below, issued by the FASB, the AICPA and the SEC did not or are not believed by management to have a material effect on the Company's present or future financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 requires the measurement of current expected credit losses for financial assets held at amortized cost as of the reporting date based on historical experience, current conditions and reasonable and supportable forecasts. The adoption of ASU 2016-13 will require financial institutions and other organizations to use forward-looking information to better formulate their credit loss estimates. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets ("PCD") with credit deterioration. This update is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company adopted ASU 2016-13 on January 1, 2020 and recorded $16,416 of loan losses in the consolidated statement of operations and comprehensive loss.

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820)* . ASU 2018-13 adds, modifies, and removes certain fair value measurement disclosure requirements. ASU 2018-13 is effective for annual and interim periods beginning after December 15, 2019. Early adoption is permitted. The Company adopted ASU 2018-13 on January 1, 2020, and the adoption did not have a material impact on the Company's consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740) — Simplifying the Accounting for Income Taxes*, which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application.

The Company adopted ASU 2019-12 on January 1, 2021, and the adoption did not have a material impact on the Company's consolidated financial statements.

2 Summary of Significant Accounting Policies (continued)

In January 2020, the FASB issued ASU 2020-01, Investments — Equity Securities (Topic 321), Investments — Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) — Clarifying the Interactions between Topic 321, Topic 323, and Topic 815. The guidance provides clarification of the interaction of rules for equity securities, the equity method of accounting and forward contracts and purchase options on certain types of securities. ASU 2020-01 became effective for the Company in the first quarter of 2021. The adoption of this standard did not have any impact on the Company's condensed consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06 *Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40) — Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, which is intended to simplify the recognition of convertible instruments and contracts in an entity's own equity. ASU 2020-06 reduces the number of accounting models for convertible debt instruments and convertible preferred stock, revises the derivatives scope exception, and makes targeted improvements to improve the related earnings per share guidance. ASU 2020-06 is effective for the Company beginning on January 1, 2022. The Company is currently evaluating the effect of adopting this ASU on the Company's consolidated financial statements.

In May 2021, the FASB issued ASU 2021-04, *Earnings per Share (Topic 260), Debt-Modifications and Extinguishments (Subtopic 470-50), Compensation-Stock Compensation (Topic 718), and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40) — Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options*. ASU 2021-04 clarifies whether an issuer should account for a modification or an exchange of freestanding equity-classified written calls options that remain equity classified after modification or exchange as (1) an adjustment to equity and if so, the related earnings per share effects, if any, or (2) an expense, and if so, the manner and pattern of recognition. ASC 2021-04 is effective for the Company beginning January 1, 2022. The Company is currently evaluating the effect of adopting this ASU on the Company's consolidated financial statements.

In July 2021, the FASB issued ASU 2021-05, *Leases (Topic 842) — Lessors — Certain Leases with Variable Lease Payments*. ASU 2021-05 requires that a lessor classify and account for a lease with variable leased payments that do not depend on a reference index or rate as an operating lease if both of the following criteria are met: (1) the lease would have been classified as a sales-type lease or a direct financing lease in accordance with the criteria set forth in ASC 842 and (2) the lessor would have otherwise recognized a day one loss. ASU 2021-05 is effective for the Company beginning January 1, 2022. The Company is currently evaluating the effect of adopting this ASU on the Company's consolidated financial statements.

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805) — Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. ASU 2021-08 requires that an entity (acquirer) recognize and measure contract assets and contract liabilities in accordance with Topic 606 (Revenue from Contracts with Customers) as if the entity had originated the contracts. ASU 2021-07 is effective for the Company beginning January 1, 2023. The Company is currently evaluating the effect of adopting this ASU on the Company's consolidated financial statements.

3 Acquisitions

The purchase accounting for the net assets acquired, including goodwill, and the fair value of contingent consideration for the following acquisitions, is preliminarily recorded based on available information, incorporates management's best estimates, and is subject to change as additional information is obtained about the facts and circumstances that existed at the valuation date. The Company expects to finalize the fair values of the assets acquired and liabilities assumed during the one-year measurement period. The net assets acquired in each transaction are generally recorded at their estimated acquisition-date fair values, while

(Amounts Expressed in Thousands of United States Dollars, Except for Share and Per Share Amounts)

3 Acquisitions (continued)

transaction costs associated with the acquisition are expensed as incurred. These transactions were accounted for by the acquisition method, and accordingly, the results of operations were included in the Company's consolidated financial statements from their respective acquisition dates. Pro forma financial information is not presented, as amounts are not material to the Company's consolidated financial statements.

Standard Farms OH

On March 15, 2021, the Company acquired 100% of the assets of Standard Farms OH. Standard Farms OH's purpose-built facility utilizes CO2 extraction to produce high-quality medical cannabis products including tinctures, vape cartridges, syringes and topicals. The facility is located just outside of Cleveland, Ohio, providing ready access to the state's 52 operating dispensaries. The Company expects to expand product offerings at Standard Farms OH to include concentrates and edibles inspired by the Company's operations in Massachusetts and Pennsylvania. The Company provided and settled an aggregate of $7,550 under the Build-Out Note (as defined herein) and Loan Notes (as defined herein) presented as Advance for acquisition targets on the Company's condensed interim consolidated statement of financial position leading up to the Company's acquisition of Standard Farms OH. See Note 10 for additional details.

The acquisition was recorded as a business combination in accordance with Accounting Standards Codification ("ASC") 805, *Business Combinations*, and related operating results are included in the accompanying consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and statements of cash flows for periods subsequent to the acquisition date.

Goodwill arose because the consideration paid for the business acquisition reflected the benefit of expected revenue growth and future market development. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Goodwill is subject to the limits of IRC Section 280E under which the Company is only allowed to deduct expenses directly related to the cost of production, therefore goodwill is not deductible.

The following table summarizes the allocation of consideration exchanged for the estimated fair value of tangible and identifiable intangible assets acquired and liabilities assumed:

Consideration:	
Settlement of pre-existing advance for acquisition target	$7,550
Fair value of consideration exchanged	$7,550
Recognized amounts of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	$ 21
Trade receivables	10
Inventory	502
Prepaid expenses and other current assets	29
Property, plant and equipment	1,935
Intangible assets:	
License	3,890
Right-of-use assets	120
Goodwill	1,380
Accounts payable and accrued liabilities	(204)
Lease liabilities	(133)
Total net assets acquired	$7,550

(Amounts Expressed in Thousands of United States Dollars, Except for Share and Per Share Amounts)

3 Acquisitions (continued)

SFNY

On August 24, 2021, a subsidiary of the Company acquired 100% of the Class A membership units of SFNY which holds a 75% interest in CGSF, a joint venture formed with Conor Green (Note 1). The purpose of this acquisition is to acquire the management service agreement CGSF has with Little Beach Harvest, a Registered Tribal Organization of the Shinnecock Indian Nation. The Company paid a total of $751, with $400 being paid in cash and $351 in Common Shares, in the acquisition of its interests in SFNY and CGSF. The Company determined that the net assets acquired did not meet the definition of a business in accordance with ASC 805, *Business Combinations*, and was therefore accounted for as an asset acquisition. Operating results of the acquired entity are included in the accompanying consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for periods subsequent to the acquisition date.

The following table summarizes the allocation of consideration exchanged for the estimated fair value of tangible and identifiable intangible assets acquired and liabilities assumed:

Consideration:	
Cash and cash equivalents	$400
Shares issued upon issuance	351
Fair value of consideration exchanged	$751
Non-controlling interest	$175
Recognized amounts of identifiable assets acquired and liabilities assumed:	
Intangible assets:	
Management agreement	$926
Total net assets acquired	$926

4 Discontinued Operations

During the fiscal fourth quarter of 2020, the Company evaluated the divestiture of non-core assets, and as a result, management entered a plan to sell Blackbird to improve TILT's profitability and free up cash flow.

On November 30, 2020, the Company completed the Blackbird Sale, for a convertible senior secured promissory note with a principal amount of $10,000 and recognized a loss of $46,622 from the transactions. See Note 10 for the terms of the convertible senior promissory note received as consideration for the sale.Blackbird was reported within the 'Technology/ Distribution' segment of the Company (See Note 21).

The following table summarizes the assets and liabilities of the Blackbird Sale and consideration received:

Carrying value of net assets sold:	
Cash and cash equivalents	$ 31
Trade receivables and others, net	768
Prepaid expenses and other current assets	90
Property, plant and equipment, net	298
Right-of-use assets	1,721
Intangible assets, net	27,410
Loans receivable, long-term	58
Goodwill	30,505

(Amounts Expressed in Thousands of United States Dollars, Except for Share and Per Share Amounts)

4 Discontinued Operations (continued)

Accounts payable and accrued liabilities	(4,879)
Lease liability	(1,796)
Deferred tax liability	(179)
	54,027
Sale consideration on disposition of net assets:	
Fair value of convertible senior promissory note (Note 10)	6,518
Cost to sell	(485)
	6,033
Loss on sale of discontinued operations	**47,994**
Loss from discontinued operations	10,263
Tax recovery on loss on sale of discontinued operations	(1,767)
Loss from sale of discontinued operations, net of tax	**56,490**

Revenues, expenses and gains or losses relating to the discontinuance of Blackbird have been eliminated from profit or loss from the Company's continuing operations and are shown as a single line item in the consolidated statements of operations. As a result, the Company's prior period has been restated to present Blackbird as a discontinued operation.

Net loss from the discontinued operations for the period ended November 30, 2020 is summarized as follows:

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4 Discontinued Operations (continued)

Revenues, net	**$ 6,246**
Cost of goods sold	(6,593)
Gross profit	**(347)**
Operating expenses:	
Depreciation and amortization	1,327
Wages and benefits	5,755
Professional fees	57
Rent	218
Insurance	29
Advertising and marketing	54
Travel	21
General and administrative	1,369
Loss on sale of assets	44
Finance expense	129
Total operating expenses	**9,003**
(Loss) from operations	**(9,350)**
Other income (expense):	
Other expense	(913)
Total other income (expense)	**(913)**
(Loss) from discontinued operations	**(10,263)**
Income taxes	
Recovery of (provision for) income taxes	1,767
Net (loss) from discontinued operations	**(8,496)**
(Loss) on sale of discontinued operations	(47,994)
Net (loss) from operating activities, net of tax	**$(56,490)**

5 Inventory

The Company's inventory as of December 31, 2021 and 2020, consisted of the following:

	Years ended	
Inventory	**December 31, 2021**	**December 31, 2020**
Raw material – cannabis plants	$ 3,206	$ 2,143
Raw material – other materials	1,116	580
Work in progress	6,327	3,488
Finished goods	43,776	25,680
Supplies and accessories	1,158	616
Total inventory	**$ 55,583**	**$ 32,507**

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6 Property, Plant and Equipment

The property, plant and equipment as of December 31, 2021 and 2020 consisted of the following:

	Years ended December 31,	
Property, plant and equipment	**2021**	**2020**
Land	$ 169	$ 169
Land improvements	460	460
Machinery & equipment	12,450	11,368
Furniture & fixtures	788	949
Buildings	6,845	6,591
Greenhouse-agricultural structure	8,195	8,192
Leasehold improvements	46,587	39,662
Construction in progress	3,391	6,936
Autos & trucks	214	192
Property held for sale	—	1,713
Total cost	79,099	76,232
Less: accumulated depreciation	(16,739)	(9,437)
Total property, plant and equipment	**$ 62,360**	**$ 66,795**

For the years ended December 31, 2021 and 2020, the Company recognized depreciation expense of $6,820 and $4,466, respectively. The depreciation expense for the year ended December 31, 2020 includes $162 of depreciation for Blackbird for the eleven months ended November 30, 2020.

During the year ended December 31, 2021, the Company recorded a gain on disposal of assets of $163.During the year ended December 31, 2020, the Company recorded a loss on disposal of assets of $114 of which $44 related to discontinued operations.

The Company had reclassified property value at $1,170 and $500 from Property not in service and Construction in progress, respectively, to Assets held for sale during 2021. These assets had been reclassified when management committed to a plan to actively market these properties for sale. Subsequent to the reclassifications, the asset comprising $1,170 was sold in September 2021 for $1,230, with the Company recording a $60 gain on the sale.

During 2021, the Company reclassified property valued at $563 from Property not in service to Assets held for sale at amount of $500, reflecting a $63 impairment loss in connection with management's commitment to the sale and management's evaluation of the recoverable amount of the property.

In connection with evaluation of the Company's portfolio of assets classified as Assets held for sale, management determined that an asset valued at $500, previously reclassified from Construction in progress to Assets held for sale during 2021, would be sold for substantially less than its recoverable amount. As a result, the Company wrote down the asset's carrying value of $500 within Assets held for sale as of December 31, 2021.

During 2020, in connection with management's plan to align the Company's cultivation footprint with current demand, due to the limitations the location presented, the Company decided not to pursue the expansion and obtaining of license to cultivate and sell cannabis in its British Colombia location. This is consistent with the Company's long-term strategy to streamline operations and improve profitability. As a result, the Company impaired $4,981 of SVT's property, plant and equipment within the construction in

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6 Property, Plant and Equipment (continued)

progress category for the year ended December 31, 2020, based on management's expectations of limited economic benefits from the continuing use of these assets.

Also, in connection with management's plan, for the year ended December 31, 2020, the Company impaired unoccupied modular units at its Massachusetts facility in order to accelerate acceptance for its final occupancy permit with local government. As a result, the Company impaired $4,302 of the Sea Hunter's property, plant and equipment within the greenhouse-agricultural structure category for the year ended December 31, 2020, based on management's expectations of limited economic benefits from the continuing use of these assets.

7 Investments

For the years ended December 31, 2021 and 2020, the Company held equity interests in privately held Cannabis Companies as well as investment in publicly traded entity, Akerna, which has readily determinable fair value, which is classified as Level 1 investments.

The Company's investments valued under the measurement alternative include equity securities in other proprietary investments for which the Company does not have significant influence and fair value is not readily determinable, HERBL and Big Toe Ventures, which are classified as Level 3 Investments. ASU 2016-01 requires equity securities to be recorded at cost and adjusted to fair value at each reporting period. However, the guidance allows for a measurement alternative, which is to record the investments at cost, less impairment, if any, and subsequently adjust for observable price changes of identical or similar investments of the same issuer. See Note 20 — Financial Instruments and Capital Risk Management for further information.

The Company's investments included the following on December 31, 2021, and 2020:

	Years ended	
Investments	**December 31, 2021**	**December 31, 2020**
Investment in HERBL, Inc.	$ 6,400	$ —
Investment in Big Toe Ventures LLC	196	1,000
Investment in Akerna	102	189
Total Investments	**$ 6,698**	**$ 1,189**

Akerna — Level 1 investment

During 2018, the Company entered into a convertible promissory note with Trellis. The convertible promissory note had a maturity date of October 9, 2019 and an annual interest rate of 3.5%. On April 10, 2020, the Company converted $526 in principal and interest and received 177,238 shares of Trellis (the "Conversion"). Immediately following the Conversion, Trellis participated in a share exchange with Akerna Corporation ("Akerna") in which the shareholders of 100% of the outstanding equity in Trellis exchanged shares in Trellis for shares in Akerna. The Company received 58,293 shares of Akerna as a result of the share exchange. Accordingly, the Company changed its classification and measurement of the amounts due under the Trellis note from a loan receivable at amortized cost to an investment at fair value through profit or loss.

Big Toe and HERBL — Level 3 investments

In November 2018, the Company acquired a 10% interest in Big Toe Ventures LLC Class A membership for $1,000. The investment is classified as Level 3 investment as it does not have readily determinable fair value. The Company recognized an unrealized loss of $804 based on cost minus impairment.

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7 Investments (continued)

On June 11, 2021, HERBL, Inc. ("HERBL"), an unrelated third party acquired Yaris from Slam Dunk, LLC. Included in the assets acquired and liabilities assumed by HERBL from Slam Dunk, LLC was the Blackbird Note liability. Concurrently, the Company agreed to settle the Blackbird Note with HERBL in exchange for 36,937 shares of Class B Common Stock of HERBL and cash consideration of $1,500. Based on the $7,900 fair value of the Blackbird Note, recorded by the Company immediately prior to the settlement, the Company determined the fair value of the Class B Common Stock of HERBL received to be $6,400, which is equal to the difference between the Blackbird Note fair value and $1,500 cash received.

Unrealized losses recognized on equity investments held during the years ended December 31, 2021 and 2020 were $891 and $337, respectively.

8 Intangible Assets

For the years ended December 31, 2021 and 2020, intangible assets consisted of the following:

Intangible assets	Net Balance 12/31/2020	Business acquisitions	Amortization Expense	Impairment	Net Balance 12/31/2021
Customer relationships	$ 71,905	$ —	$ (6,698)	$ —	$ 65,207
Trademarks	23,106	—	(2,947)	—	20,159
License rights	14,000	3,890	(19)	(35)	17,836
Management agreements	—	926	(43)	—	883
Patents & technologies	26,320	—	(3,290)	—	23,030
Backlog and non-competition agreements	3,306	—	(1,651)	—	1,655
Total intangible assets	**$ 138,637**	**$ 4,816**	**$ (14,648)**	**$ (35)**	**$ 128,770**

Intangible assets	Net Balance 12/31/2019	Amortization Expense	Impairment	Discontinued operations	Net Balance 12/31/2020
Customer relationships	$ 85,469	$ (7,660)	$ (1,458)	$ (4,446)	$ 71,905
Trademarks	27,196	(3,082)	(281)	(727)	23,106
License rights	34,970	(26)	—	(20,944)	14,000
Management agreements	2,460	—	(2,460)	—	—
Patents & technologies	29,610	(3,290)	—	—	26,320
Software	2,028	(243)	(492)	(1,293)	—
Backlog and non-competition agreements	4,957	(1,651)	—	—	3,306
Total intangible assets	**$ 186,690**	**$ (15,952)**	**$ (4,691)**	**$ (27,410)**	**$ 138,637**

Amortization expense for the years ended December 31, 2021 and 2020, was $14,648 and $15,952, respectively. Included within amortization expense for the year ended December 31, 2020 was $741, related to amortization charges on intangible assets of Blackbird for the eleven months ended November 30, 2020.

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8 Intangible Assets (continued)

The following table outlines the estimated future annual amortization expense related to intangible assets as of December 31, 2021:

Year ended December 31,	Estimated amortization
2022	$ 14,706
2023	13,056
2024	13,056
2025	13,056
2026	12,899
Thereafter	44,268
Total	**$ 111,041**

In connection with the sale of Blackbird in 2020, the Company re-evaluated Baker's non-core assets. Accordingly, the Company performed an assessment based on the recoverability of the assets and recorded an impairment of $2,231 of intangible assets. Impairments for Blackbird were reported within the 'Technology/ Distribution' segment of the Company for the year ended 2020. For the year ended December 31, 2021, the Company incurred an impairment loss of $35 allocated to intangible assets.

9 Goodwill

For the purposes of impairment testing, goodwill is allocated to the Company's reporting units as follows:

Goodwill	Baker	Blackbird	Jupiter	Standard Farms	Standard Farms OH	Total
Balance, December 31, 2019	$ 3,752	$ 30,505	$ 93,786	$10,306	$ —	$138,349
Impairment	(3,752)	—	(5,399)	—	—	(9,151)
Discontinued operations	—	(30,505)	—	—	—	(30,505)
Balance, December 31, 2020	**$ —**	**$ —**	**$ 88,387**	**$10,306**	**$ —**	**$ 98,693**
Business acquisitions	—	—	—	—	1,380	1,380
Impairment	—	—	(25,040)	(4,488)	—	(29,528)
Balance, December 31, 2021	**$ —**	**$ —**	**$ 63,347**	**$ 5,818**	**$ 1,380**	**$ 70,545**

During the years ended December 31, 2021 and 2020, the Company performed its annual impairment test on goodwill by assessing if the carrying value for Jupiter, Standard Farms and Standard Farms OH reporting units exceeds its fair value.

The recoverable amounts for Jupiter and Standard Farms reporting units were based on fair value, using an income approach. Where applicable, the Company uses its comparative market multiples to corroborate discounted cash flow results. The fair value measurement was categorized as a Level 3 based on inputs in the valuation technique used. The key assumptions used in the calculation of the fair value of each reporting unit include management's projections of future cash flows for a five-year period, as well as a terminal value, growth rate and discount rate based on the estimated weighted average cost of capital, that incorporates the risks specific to the reporting units.

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9 Goodwill (continued)

The following table details the key assumptions used in determining the recoverable amount as of December 31, 2021 and 2020:

	Jupiter reporting unit	Standard Farms reporting unit
Balance, December 31, 2021		
Terminal value growth rate	3.0%	3.0%
Discount rate	24.7%	31.5%
Projected revenue growth rate*	20.2%	33.6%
Fair value less cost to dispose	$ 177,733	$ 38,917

	Jupiter reporting unit	Standard Farms reporting unit
Balance, December 31, 2020		
Terminal value growth rate	3.0%	3.0%
Discount rate	22.5%	21.2%
Projected revenue growth rate*	24.6%	30.8%
Fair value less cost to dispose	$ 194,361	$ 56,412

* Projected revenue growth rate averaged over the next five years

Based on the test results for Standard Farms, the carrying amount of the reporting unit exceeded the recoverable amount by $4,488 for the year ended December 31, 2021. Consequently, an impairment loss was recorded for goodwill. For the year ended December 31, 2020, Standard Farm's recoverable amount exceeded the reporting unit's carrying value, and therefore, there was no impairment loss recognized.

Based on the test results for Standard Farms OH, the recoverable amount exceeded the reporting unit's carrying value, therefore, no impairment loss was recognized for the year ended December 31, 2021.

Based on the test results for Jupiter, the carrying amount of the reporting unit exceeded its estimated recoverable amount by $25,040 and $5,399 as of December 31, 2021 and 2020, respectively. Consequently, an impairment loss was recorded for goodwill.

As stated in the intangible note, the carrying amount of the Baker's intangible assets exceeded the fair value of zero at December 31, 2020.The Company also incurred an impairment loss of $3,752 for the Baker reporting unit related to goodwill during the year ended December 31, 2020.

The Company's accumulated impairment as of December 31, 2021 and 2020 is as follows:

Accumulated impairment	Total
Beginning balance, January 1, 2020	$ 498
Impairment recognized during the year	9,151
Closing balance, December 31, 2020	**$ 9,649**
Impairment recognized during the year	29,528
Closing balance, December 31, 2021	**$39,177**

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10 Loans Receivable

A breakdown of the loans receivable balances for the years ended December 31, 2021 and 2020 is as follows:

Loans receivable	December 31, 2021	December 31, 2020
Teneo Fund SPVi LLC note	$ 5,911	$ 20,541
Blackbird note (FVTPL)	—	7,128
Verdant note	—	2,182
Medical 420 note	1,410	1,410
A&R note	714	1,250
SSZ and Elev8 note	1,002	968
Pure Hana Synergy note	224	224
IESO note	—	161
Little beach note	423	—
Total loans receivable	**9,684**	**33,864**
Less allowance for expected credit losses	(5,559)	(16,721)
Loans receivable, net of expected credit losses	4,125	17,143
Less current portion of loan receivable	(2,453)	(2,660)
Loans receivable, long-term	**$ 1,672**	**$ 14,483**

Current expected credit losses ("CECL") are measured by the Company on a probability-weighted basis based on historical experience, current conditions and reasonable and supportable forecasts. Our assessment includes a variety of factors, including underlying credit, relative maturity dates of the notes, economics considerations, as well as ongoing legal and other regulatory developments in the industry. Loss given default parameters utilized by the Company in estimating our credit losses generally reflect the assumed recovery rate from underlying collateral, with adjustments for time value of money and estimated costs for obtaining and selling the collateral.

The Company recorded an additional provision for credit losses of $4,562 during the year ended December 31, 2021. The change in the allowance for CECL during the year is partially attributable to the write-off of three loans with Ermont ($13,380), Verdant Management Group ($2,182) and IESO ($161) having been deemed fully uncollectible. The amounts were previously fully reserved in 2020 and were included in the allowance for expected credit losses of $16,721 as of December 31, 2020.The write-off of these loan balances was recorded against the existing allowance for CECL attributable to these loan balances. Subsequent to the loan write-off the Company's allowance for CECL totaled $5,559 for the year ended December 31, 2021. See Note 20 for an analysis of the credit quality of loans receivable.

During the year ended December 31, 2020, $305 of the amount previously written off was reversed in connection with the assignment of the Herbology note to PBM.

Teneo Fund SPVi LLC note receivable (formerly Ermont, Inc. note receivable):

During June 2018, the Company entered into a secured loan agreement with Ermont (the "Ermont Note"). The Ermont Note has a maximum credit of $20,000, a maturity date of 5 years and an interest rate of 18% per year, compounded annually. During the years ended December 31, 2021 and 2020, the Company recorded $0 and $7,401 of interest income, respectively.

10 Loans Receivable (continued)

During February 2021, the Company completed the assignment of its loan with Ermont, to Teneo Funds SPVi LLC, through an arm's-length third-party transaction, in exchange for $1,250 in cash and a portion of future collections pursuant to the Ermont Note. The assignment agreement contains standard representations, warranties, and indemnifications between the parties.The Company performed the CECL analysis weighing probable scenarios in calculating the allowance for credit losses on the assignment note. The Ermont Note had recorded an CECL of $13,380 against its $20,541 loan balance as of December 31, 2021.

Blackbird note receivable:

On November 30, 2020, the Company entered into a secured convertible promissory note with Slam Dunk, LLC (the "Blackbird Note"), a Nevada limited liability corporation controlled by a Board member, related to the Company's sale of all membership interests of Blackbird (Note 19). The Blackbird Note included a principal amount of $10,000 and up to an additional $1,000 of additional funding amounts. The principal amount had a maturity date of November 30, 2023, at an annual interest rate of 10% in year one, 11% in year two and 12% in year three, payable at the maturity date. The additional funding of up to $1,000 had a maturity date of November 30, 2023, at an interest rate of 15% in year one, 16% in year two and 17% in year three, compounded quarterly. During 2020, the Company had provided a total of $1,000 additional funding amounts.

The Company recorded the Blackbird Note at fair value, estimated based on the present value of cash flows of the note, discounted using an estimated rate of 30% for the initial amount and 35% for the additional funding amounts. The discount rates were estimated with reference to venture capital rates of return commensurate with the risks underlying the notes. Included in the balance of the Blackbird Note for the period ended December 31, 2020 of $7,128 was accrued interest amounting to $91.

On June 11, 2021, HERBL, Inc. ("HERBL"), an unrelated party, acquired Yaris from Slam Dunk, LLC. Included in the assets acquired and liabilities assumed by HERBL from Slam Dunk, LLC was the Blackbird Note liability.Concurrently, the Company agreed to settle the Blackbird Note with HERBL in exchange for 36,937 shares of Class B Common Stock of HERBL and cash consideration of $1,500. Based on the $7,900 fair value of the Blackbird Note, recorded by the Company immediately prior to the settlement, the Company determined the fair value of the Class B Common Stock of HERBL received to be $6,400, which is equal to the difference between the Blackbird Note fair value and $1,500 cash received.

Verdant Medical, Inc. ("Verdant Medical") note receivable:

During September 2017, the Company entered into a secured loan agreement with Verdant Medical. The secured loan has a maximum credit of $15,000, a maturity date of September 19, 2023 and an annual interest rate of 10% compounded quarterly.

During the year ended December 31, 2021, the Company's management had deemed the aggregate loan balance outstanding of $2,182 uncollectible.As such, management wrote-off the balance of the note, recording the full amount against the existing CECL management had recorded during 2020 for the full balance of the note.

Pharma EU, LLC ("Pharma") note receivable:

During 2019, the Company entered into $1,410 promissory note agreement with Medical 420 USA, LLC. The promissory note had a maturity date of December 31, 2020 and an interest rate of 12% per year. On March 4, 2019, the obligations under the promissory note were transferred to Pharma on the same terms as the previous note and a principal of Pharma guaranteed all obligations of this promissory note.

10 Loans Receivable (continued)

A&R note receivable (formerly PBM Enterprises, LLC note receivable):

During July 2017, the Company entered into a secured loan agreement with Herbology Group Inc. (the "Herbology Note"). The secured loan had a maximum credit of $15,000, a maturity date of 6 years and an interest rate of 10% per year, payable quarterly, in cash at the election of Herbology.

During May 2020, the Company entered into a promissory note with PBM as full consideration and satisfaction of the Herbology Note (the "PBM Note"). The PBM Note includes a principal balance of $1,250, with an interest rate of zero percent and a maturity date of October 1, 2020. Payment of the PBM Note is conditioned on the approval of PBM's Change of Ownership and Control Request Application with the Massachusetts Cannabis Control Commission for a proposed transaction by and among PBM and Herbology Group Inc.

During February 2021, the Company entered into an amended and restated ("A&R Note") promissory note with PBM, amending and restating the PBM Note in its entirety. The promissory note includes a principal balance of $1,250, with an interest rate of zero percent and a maturity date of December 31, 2022. In accordance with the promissory note, $250 payment was made upon the control request application with the Massachusetts Cannabis Control Commission granted in February 2021.

For the year ended December 31, 2021, the Company received principal payments totaling $286 reducing the A&R Note's outstanding balance.

SSZ Real Estate Holding LLC ('SSZ") and Elev8 Cannabis LLC ("Elev8") note receivable:

During January 2019, the Company entered a secured loan agreement with SSZ and Elev8. The secured loan has a maximum credit of $1,000, a maturity date of 5 years and an interest rate of 8% per year, payable on the maturity date.

Trellis Solutions, Inc. ("Trellis") note receivable:

During 2018, the Company entered into a convertible promissory note with Trellis. The convertible promissory note had a maturity date of October 9, 2019 and an annual interest rate of 3.5%. On April 10, 2020, the Company converted $526 in principal and interest and received 177,238 shares of Trellis (the "Conversion"). Immediately following the Conversion, Trellis participated in a share exchange with Akerna Corporation ("Akerna") in which the shareholders of 100% of the outstanding equity in Trellis exchanged shares in Trellis for shares in Akerna. TILT received 58,293 shares of Akerna as a result of the share exchange. Accordingly, the Company changed its classification and measurement of the amounts due under the Trellis note from a loan receivable at amortized cost to an investment at fair value through profit or loss.

At December 31, 2021 and 2020, $102 and $189, respectively, within Investments on the Company's consolidated statements of financial position represented the fair value of the Company's investment in Akerna. The shares are subject to a lockup agreement and holding period under Rule 144 of the Securities Act of 1933.

CarrieBoltz, James Sparman, Benjamin Stafft, Diamond Cultivation LLC, Diamond Original LLC, AGFO LLC, Diamond Elite LLC, and Diamond Enterprises LLC ("Diamond") note receivable:

During September 2018, the Company entered into a $550 line of credit agreement with Diamond. The line of credit had an interest rate of 15% per year and a maturity date of January 1, 2021. The loan was repaid in full in December 2020.

10 Loans Receivable (continued)

Pure Hana Synergy LLC ("Pure Hana Synergy") note receivable:

During July 2018, the Company entered into a secured loan agreement with Pure Hana Synergy. The secured loan has a maximum credit of $1,500, a maturity date of August 1, 2022 and a fixed annual interest rate of 10%.

As noted above, the Company recorded an additional provision for credit loss of $6 for the year ended December 31, 2021 due to a revision of the expected return on the loan.

IESO note receivable:

During 2018, the Company entered into an unsecured financing agreement with IESO. IESO will be using the advances to obtain a license. The loan is without interest and matured in September 2021. The Company wrote off the full balance of the loan against the CECL recorded during 2020.

Little Beach Harvest note receivable:

On August 24, 2021, the Company, through its joint venture CGSF, amended and restated a secured loan agreement with Little Beach Harvest LLC (the "Little Beach Harvest Note"), a corporation wholly owned by the Shinnecock Indian Nation of New York. The Little Beach Harvest Note has a maximum credit of $18,350, a maturity date of August 24, 2036 and an interest rate of 9% per year, payable at maturity.

Advances for acquisition target (Standard Farms Ohio LLC):

During February 2019, the Company entered into a secured loan agreement with Standard Farms Ohio LLC ("Standard Farms Ohio"), an unrelated party, for a financing of $2,683, in connection with the build-out of facilities and other agreed upon pre-operational expenses as set forth in the agreement (the "Build-Out Note"). The Build-Out Note replaced a previously outstanding promissory note with Standard Farms Ohio. In April 2019, the Company entered into a second secured loan agreement with Standard Farms Ohio for additional financing in two installments for a principal amount of $3,000 (the "Loan Notes").The Loan Notes carry interest at a fixed annual rate of 5.5% and mature on April 11, 2029.

In accordance with the terms set forth in the agreements, upon closing of the first installment under the Loan Notes, holders of the Build-Out Note will have no further obligations to the Company with respect to principal and interest amounts due under the Build-Out Note and upon completion of legal formalities, including approval by the appropriate governmental authority, the amounts due under the Build-Out Note and Loan Notes would be converted into ownership interests in Standard Farms Ohio. On March 15, 2021, the Company completed the Standard Farms OH Acquisition.In accordance with the terms set forth, the amounts due under the Build-Out Note and Loan Notes were converted into 100% ownership interest in Standard Farms OH.See Note 3, Business Combinations, for further details on the business acquisition transaction.

Prior to the acquisition date, the Company had contributed additional funds of $139, resulting in an outstanding balance of $7,550 on the acquisition date.

During the year ended December 2020, the Company provided additional capital of $1,457, for operating costs incurred under the Build-Out Note. As of December 31, 2020, an aggregate of $7,411 under the Build-Out Note and Loan Notes were presented as Advance for acquisition targets on the Company's consolidated statements of financial position.

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11 Other Current Liabilities

Accounts payable and accrued liabilities consisted of the following as of December 31, 2021 and 2020:

	Years ended	
Accounts payable and accrued liabilities	**December 31, 2021**	**December 31, 2020**
Accounts Payable	$ 31,979	$ 18,416
Other Accrued Expenses	5,746	5,749
Accrued Accounts Payable	5,798	2,742
Accrued Interest Expense	2,752	2,150
Accrued Payroll	2,951	1,982
Other Current Payables/Liabilities	254	34
Credit Card Payable	2	13
Total accounts payable and accrued liabilities	**$ 49,482**	**$ 31,086**

12 Notes Payable

As of December 31, 2021 and 2020, the notes payable, unamortized portions of the debt discount and debt issuance costs are as follows:

	Years ended	
Notes payable	**December 31, 2021**	**December 31, 2020**
Balance, beginning of year	$ 71,750	$ 65,710
Proceeds from borrowing	57,081	—
Accretion of debt discount	2,667	2,227
Repayment of borrowings	(47,973)	(516)
Transaction costs related to notes issued	(469)	—
Proceeds allocated to warrants	—	—
Interest expense	6,461	6,994
Interest paid	(2,904)	(2,665)
Notes payable, end of year	86,613	71,750
Less current portion	(40,758)	(4,668)
Notes payable, long-term	**$ 45,855**	**$ 67,082**

Promissory Note

On December 10, 2019, the Company entered into a private placement agreement ("Promissory Note") for an aggregate principal amount of $903. The Promissory Note accrued interest at 2% and was due on the earlier of September 20, 2020 or the date the Company closes the sale of all or any of its interest in Standard Farms. On September 20, 2020, $216 was paid, and an amendment was signed to allow for $100 monthly payments until the remaining $700 is paid in full. The balance of the promissory note was paid in full during the year ended December 31, 2021.

Senior Secured Notes

On November 4, 2019, the Company entered into a private placement of up to $35,000 of senior secured notes from a syndicate consisting of new investors and existing shareholders, including the Company's CEO (the "Senior Notes"). The first close totaled $25,500 on November 4, 2019, and a further closing of $10,300, which was oversubscribed by $800, occurred on November 20, 2019. The financing was used specifically to

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12 Notes Payable (continued)

retire in full the Company's $20,000 bridge loan dated April 29, 2019 as well as other payables. All personal property, including inventory and equipment, as well as all proceeds have been pledged as security for the Company's Senior Secured Notes.

All Senior Notes have a maturity date of 36 months from the closing date and bear interest from their date of issue at 8.0% per annum, payable quarterly. In connection with the issuance of the Senior Notes, the Company issued 1,800 common share purchase warrants (the "Warrants") to the subscribers for each $1 principal amount of Senior Notes subscribed, for a total aggregate of approximately 64,449,020 Warrants (representing 45% warrant coverage on the aggregate gross proceeds of the Senior Notes). Each Warrant is exercisable for one Common Share at a price ranging from C$0.33 to C$0.39 per Common Share for a period of 36 months from the applicable closing date.

The Company used the residual fair value method to allocate the proceeds of the Senior Notes and the Warrants using the Black Scholes method. The Senior Notes are carried at $35,804 and the Warrants are valued at $5,906. Please see Note 14 Shareholders' Equity for more details regarding the Warrants issued. Interest amortization was $3,931 and $1,983 for the years ended December 31, 2021 and 2020, respectively. As of December 31, 2021, the outstanding balance, including accrued interest, of the Senior Notes was $34,058.

Junior Secured Notes

The previous sellers of Jupiter (the "Jupiter Sellers") agreed to restructure the $35,000 purchase consideration payable in connection with the Jupiter Acquisition plus accrued interest of $1,180. The junior secured notes mature on April 1, 2023 and bear interest at 8% per annum that accrues and is payable at maturity. Upon repayment of the Senior Notes, should any Jupiter debt be outstanding, the Jupiter Sellers will assume the same rights and security as the original financing syndicate until repaid. All personal property, including inventory and equipment, as well as all proceeds have been pledged as security for the Company's Junior Secured Notes.

Asset-based Revolving Facility

On July 21, 2021, the Company, through its subsidiary, Jupiter, entered into a two-year, $10,000 asset-based revolving credit facility with Entrepreneur Growth Capital, LLC. Borrowings under the new facility bear interest at Prime plus 3.5% and are secured by Jupiter's inventory, accounts receivable and related property. Jupiter's existing senior and junior note creditors are subordinate in their security interests in Jupiter's inventory, accounts receivable, and related property; the existing note creditors will maintain the priority of their security interests in other Jupiter collateral. The new credit facility has a two-year initial term and will continue for successive one-year terms unless terminated by either party effective at the end of the then-current term.The loan terms provide for minimum monthly interest charges, and for borrowing base eligibility requirements, advance rates, fees, events of default and default interest rates that are common features in such facilities.

Future maturities of all notes payable are as follows:

Year ended December 31,	Amount
2022	$40,758
2023	45,855
Total	**$86,613**

13 Leases

In accordance with Topic 842, the Company determines whether contractual arrangements contain a lease by evaluating whether those arrangements either implicitly or explicitly identify an asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the term of the arrangement, and whether the Company has the right to direct the use of the asset.

The Company leases properties used for dispensaries, production plants and corporate offices.Lease terms for properties generally range from 1 to 10 years.Most leases include options to renew for varying terms at the Company's sole discretion. Certain leases include escalation clauses or payment of executory costs such as property taxes, utilities, or insurance and maintenance.Rent expense for leases with escalation clauses is accounted for on a straight-line basis over the lease term.

Other leased assets include passenger vehicles and trucks, land and equipment.Lease terms for these assets generally range from 3 to 5 years.The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Company elected to apply the practical expedients permitted under the transition guidance within Topic 842, which allowed the Company to carry forward prior conclusions about lease identification, classification and initial direct costs for leases executed prior to the adoption of Topic 842.Additionally, management elected the practical expedient not to separate lease and non-lease components for all of the Company's leases.

Variable lease costs such as common area maintenance, property taxes and insurance are expensed as incurred. The Company considers variable lease costs incurred during the current period immaterial.

Short-term leases are leases with a term that is 12 months or less and do not include a purchase option or option to extend the initial term of the lease to greater than 12 months that the Company is reasonably certain to exercise. The Company has made an accounting policy election to not recognize the ROU asset and the lease liability arising from leases classified as short-term.

The discount rate for a lease is the rate implicit in the lease unless that rate cannot be readily determined. In that case, the Company is required to use their incremental borrowing rate, which is the rate the Company would have to pay to borrow, on a collateralized basis over a similar term, an amount equal to the lease payments in a similar economic environment.

Operating Leases

The Company had $5,038 and $6,572 of right-of-use assets as of December 31, 2021 and 2020, respectively. Operating lease liabilities were $5,658 and $7,254 as of December 31, 2021 and 2020, respectively. For the years ended December 31, 2021 and 2020, the Company recorded $1,231 and $1,062, respectively.

Financing Leases

The Company has entered into financing leases primarily for processing, laboratory, and retail facilities. Assets purchased under financing leases are included in "Right-of-use assets under financing leases, net" on the consolidated balance sheets. For financing leases, the associated assets are depreciated or amortized over the shorter of the relevant useful life of each asset or the lease term. Accumulated amortization of assets under financing leases totaled $2,624 and $1,653 as of December 31, 2021 and 2020, respectively.

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13 Leases (continued)

The following table provides the components of lease cost recognized in the consolidated statements of operations and comprehensive income for the years ended December 31, 2021 and 2020:

Years ended December 31,	2021	2020
Operating lease cost	$1,231	$1,062
Finance lease cost:		
Amortization of lease assets	971	1,472
Interest on lease liabilities	493	611
Finance lease costs	1,464	2,083
Total lease cost	**$2,695**	**$3,145**

Included within amortization for the year ended December 31, 2020 is $571 related to amortization charges on right-of-use assets of Blackbird for the eleven months ended November 30, 2020.

Weighted average discount rate for operating leases for the year ended December 31, 2021 was 8% and the weighted average remaining operating lease term was 5.98 years. Weighted average discount rate for finance leases for the year ended December 31, 2021 was 8% and the weighted average remaining finance lease term was 5.55 years.

The maturity of the contractual undiscounted financing and operating lease liabilities as of December 31, 2021 is as follows:

Year ended December 31,	Finance	Operating
2022	$ 1,414	$ 1,149
2023	1,452	1,180
2024	1,489	1,197
2025	1,212	1,213
2026	926	1,111
Thereafter	1,295	1,294
Total undiscounted lease liabilites	**7,788**	**7,144**
Interest on lease liabilities	(1,514)	(1,486)
Total present value of minimum lease payments	**6,274**	**5,658**
Lease liability – current portion	(955)	(731)
Lease liability	**$ 5,319**	**$ 4,927**

14 Shareholders' Equity

Authorized Share Capital

The authorized share capital of the Company is comprised of an unlimited number of common shares without par value.

The holders of the Common Shares shall be entitled to receive notice of and to vote at every meeting of the shareholders of the Company and shall have one vote for each Common Share so held. Holders of Common Shares are entitled to receive as and when declared by the directors of the Company, dividends in cash or property of the Company.

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14 Shareholders' Equity (continued)

As of December 31, 2021 and 2020, there were 330,261,380 and 323,261,294 Subordinate Voting Shares issued and outstanding, respectively.

LP Units of JJ LP

LP Units of JJ LP, a subsidiary of TILT, are exchangeable for one Common Share at any time per request of the owner of LP Units and are not saleable or transferable without the Company's authorization. In connection with the Jupiter Acquisition, the Company issued LP Units, as consideration for the Jupiter Acquisition, and were required to be held in escrow in accordance with the underlying agreement. As of 2020, the Company had 1,002,081 of the LP units held in escrow. Those shares were released to the Jupiter shareholders during the year ended December 31, 2020.

During the years ended December 31, 2021 and 2020, 100,000 and 10,992,845 LP Units were converted to Common Shares, respectively. As of December 31, 2021 and 2020, 43,821,379 and 43,921,379 LP units of JJ LP were issued and outstanding, respectively.

Warrants

In connection with the issuance of the Senior Notes in 2019, the Company issued 1,800 common share purchase warrants (the "Financing Warrants") to the subscribers for each $1 principal amount of Senior Notes subscribed, for a total aggregate of approximately 64,449,020 Warrants. See details in Note 11 — Notes Payable. Each Warrant is exercisable for one Common Share at a price ranging from C$0.33 to C$0.39 per Common Share for a period of 36 months from the applicable closing date.

As of January 1, 2021, the Company's functional currency changed from Canadian dollars to US dollars. Because of the Canadian denominated exercise price, the Financing Warrants no longer qualified to be classified within equity and were therefore classified as derivative instruments at fair value with changes in fair value charged or credited to earnings in the consolidated statements of operations and comprehensive loss.

During the year ended December 31, 2021, the Company issued 657,000 shares of its common stock from Financing Warrants exercised for cash. The Company received $174 in cash.

During 2020, the Company also issued warrants to its founders (the "Founder Warrants") for a total aggregate of 9,045,691 warrants. Each Warrant is exercisable for one Common Share at a price of C$1.05 per Common Share for a period of 36 months from the applicable closing date.

During 2020, the Company issued 1,250,000 warrants to its consultants. Each warrant is exercisable at a price ranging from C$0.33 to C$0.53 for a period of 36 or 37 months from the applicable closing date.

The Company did not issue any warrants in 2021.

Each whole warrant entitles the holder to purchase one Common Share. The warrants are not subject to vesting conditions.

A summary of the status of the warrants outstanding is as follows:

Warrants		Weighted Average Exercise Price ($C)
Balance as of December 31, 2019	**76,042,967**	**$ 2.29**
Exercised	(182,500)	0.33
Issued	500,000	0.33

TILT Holdings Inc.

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14 Shareholders' Equity (continued)

Warrants		Weighted Average Exercise Price ($C)
Expiration of warrants	(1,798,256)	5.25
Balance as of December 31, 2020	**74,562,211**	**$0.43**
Exercised	(657,000)	0.33
Balance as of December 31, 2021	**73,905,211**	**$0.44**

For the years ended December 31, 2021 and 2020, the Company recorded warrant compensation expense of $0 and $66, respectively, which is included in share-based compensation expense in the accompanying consolidated statements of operations and comprehensive loss.

The following table summarizes the warrants that remain outstanding as of December 31, 2021:

Security issued	Exercise price (C$)	Number of warrants	Expiration date
Warrants issued as part of debt offering	0.33	45,249,520	November 1, 2022
Warrants issued as part of debt offering	0.39	18,360,000	November 20, 2022
Consultant warrants	0.53	750,000	November 22, 2022
Consultant warrants	0.33	500,000	January 28, 2023
Founders separation warrants	1.05	9,045,691	September 30, 2024
		73,905,211	

The fair value of warrants issued was determined using the Black-Scholes option- pricing model. The grant date fair value of the warrants ranged between $0.05 and $0.17. The following assumptions were used in the model at the time of issuance:

Exercise price	$0.25 – 0.79
Expected dividend yield	0%
Risk free interest rate	1.55% – 1.62%
Expected life in years	2.50 – 3.00
Expected volatility	80% – 90%

The risk-free interest rate assumption for options granted is based upon observed interest rates on the United States government securities appropriate for the expected term of stock options.

Volatility was estimated by using the average historical volatility of comparable companies from a representative peer group of publicly traded cannabis companies.

The expected life in years represents the period of time that warrants are expected to be outstanding.

The dividend yield assumption is based on the Company's history and expectation of dividend payouts. The Company has never declared or paid any cash dividends on its common stock, and the Company does not anticipate paying any cash dividends in the foreseeable future.

15 Share-based Compensation

Under the Plan, the Company has reserved 60,000,000 Common Shares to be issued as awards to employees, management, directors and consultants of the Company, as designated by the Board or a

(Amounts Expressed in Thousands of United States Dollars, Except for Share and Per Share Amounts)

15 Share-based Compensation (continued)

committee of the Board. "Award" is defined under the Plan to include options, stock appreciation rights, restricted stocks, restricted stock units, performance stock units, dividend equivalents and stock-based awards.

Warrants

The Company issued 500,000 warrants to a consultant during the year December 31, 2020, at an exercise price of C$0.33. The warrants have no vesting conditions and may be exercised at any time within 3 years of issuance.

Restricted Stock Units

A summary of the status of restricted stock units outstanding is as follows:

	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2020	**6,374,246**	**$ 0.40**
Issued	1,024,104	0.29
Forfeited	—	—
Vested	(3,899,246)	0.39
Unvested as of December 31, 2020	**3,499,104**	**$ 0.38**
Issued	5,978,269	0.38
Forfeited	(577,942)	0.39
Vested	(5,272,350)	0.38
Unvested as of December 31, 2021	**3,627,081**	**$ 0.37**

The Company granted RSUs totaling 5,978,269 and 1,024,104 for the years ended December 31, 2021 and 2020, respectively. During the years ended December 31, 2021 and 2020, the Company recorded $1,361 and $1,979 of net share-based compensation relating to RSUs, respectively.

In addition, the Company recorded additional stock-based compensation expense of $372 for the year ended December 31, 2021 relating to the contingent consideration for milestone payments relating to the projects of its joint venture in CGSF.

Share Options

A summary of the status of the options outstanding is as follows:

Share options	Stock options common shares	Weighted-average exercise price	Weighted-average remaining contractual life (yrs)
Balance as of December 31, 2019	**12,525,614**	**US$1.35**	**4.66**
Granted	17,837,463	US$0.62	5.49
Exercised	(62,100)	US$0.09	—
Forfeited	(11,159,789)	US$1.14	0.55
Balance as of December 31, 2020	**19,141,188**	**US$0.63**	**6.61**

TILT Holdings Inc.

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15 Share-based Compensation (continued)

Share options	Stock options common shares	Weighted-average exercise price	Weighted-average remaining contractual life (yrs)
Granted	250,000	US$0.49	0.46
Exercised	(221,400)	US$0.06	0.03
Forfeited	(2,596,408)	US$0.53	—
Balance as of December 31, 2021	**16,573,380**	**US$0.63**	**5.42**

In accordance with its amended and restated 2019 stock incentive plan, the Company granted employees and consultants options totaling 17,837,463 at an exercise price ranging from CAD $0.39-$0.65. In accordance with the Plan's policy, the vesting period for employees is 15% as of the date of issuance, 25% vest on December 31, 2020, and 60% vest on December 31, 2021.

For founding members of the board of directors, the options were fully vested on the date of grant. For non-founding members of the board of directors, 50% of the options were vested on December 31, 2020, and 50% were vested on December 31, 2021.

For the years ended December 31, 2021 and 2020, the Company recorded $1,240 and $2,221, respectively, of net share-based compensation.

The following table summarizes the share options that remain outstanding as of December 31, 2021:

Security issuable	Number of options	Exercise price	Expiration date	Options exercisable
Legacy employees	1,754,600	US$0.32 – 1.58	February 22, 2022 – June 28, 2028	1,754,600
2020 employee grant	9,123,350	US$0.30 – 0.48	February 28, 2022 – December 1, 2030	3,599,573
Other employee grants	5,695,430	US$0.41 – 3.96	February 22, 2022 – November 21, 2029	5,695,430
Total	**16,573,380**			**11,049,603**

The fair value of share options granted at the grant-date was $0.33 and was determined using the Black-Scholes option-pricing model with the following assumptions at the time of grant:

Risk free interest rate	0.06% – 2.66%
Expected dividend yield	0%
Expected volatility	63.06% – 166.66%
Expected life in years	1.00 – 10.00
Forfeiture rate	0%

Volatility was estimated by using the average historical volatility of comparable companies from a representative peer group of publicly traded cannabis companies. The expected life in years represents the period of time that options issued are expected to be outstanding. The risk-free rate is based on U.S. Treasury bills with a remaining term equal to the expected life of the options.

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15 Share-based Compensation (continued)

Performance Stock Units ("PSUs")

A summary of the status of the performance stock units outstanding is as follows:

	Number of Performance Stock Units	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2021	**—**	**$ —**
Issued	11,843,156	0.31
Forfeited	(38,658)	0.21
Vested	—	—
Unvested as of December 31, 2021	**11,804,498**	**$ 0.31**

The Company granted PSUs totaling 11,843,156 for the year ended December 31, 2021. During the year ended December 31, 2021, the Company recorded $771 of net share-based compensation relating to PSUs.

The fair value of the Company's non-market PSU awards granted was based upon the closing price of the Company's stock on the date of grant. The fair value of awards of the Company's PSU awards containing market conditions was determined using a Monte Carlo simulation model based upon the terms of the conditions, the expected volatility of the underlying security, and other relevant factors.

A summary of the PSU awards granted containing market conditions is as follows:

PSU Grant Dates	Close Price on Grant Date	Expiration Date	Outstanding (#)
June 18th, 2021	$ 0.4941	December 31, 2024	7,487,351
September 30th, 2021	$ 0.3875	December 31, 2024	2,367,772
December 19th, 2021	$ 0.2263	December 31, 2024	549,375
Total			**10,404,498**

The fair value of PSU awards granted containing market conditions at the grant date was determined using the following assumptions:

Weighted Average 2021 PSU Valuation Inputs	
Risk-Free Interest Rate	0.59%
Dividend Yield	0.00%
Expected Stock Price Volatility	104.67%
Expected Life of Awards (Years)	3.45
Weighted Average Fair Value	$ 0.28

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16 Loss Per Share

The following is a calculation of basic and diluted earnings (loss) per share for the years ended December 31, 2021 and 2020:

	Years ended	
Loss per share	**December 31, 2021**	**December 31, 2020**
Net loss	$ (35,126)	$ (116,418)
Weighted-average number of shares and units outstanding – basic	370,002,378	364,562,929
Loss per share – basic and diluted	**$ (0.09)**	**$ (0.32)**
Loss per share – basic and diluted, from continuing operations	**$ (0.09)**	**$ (0.16)**
Loss per share, from discontinued operations	**$ —**	**$ (0.15)**

Diluted loss per share for the years ended December 31, 2021 and 2020 is the same as basic loss per share as the issuance of shares on exercise of warrants and share options is anti-dilutive.

17 Income Taxes

The Company accounts for income taxes in accordance with ASC 740 —*Income Taxes*, under which deferred tax assets and liabilities are recognized based upon anticipated future tax consequences attributable to differences between financial statement carrying values of assets and liabilities and the respective tax bases.

The Company is treated as a U.S. corporation under Section 7874 of the IRC and is expected to be subject to U.S. federal, state and local income tax. However, the Company is expected, regardless of any application of Section 7874 of the U.S. tax code, to be treated as a Canadian resident Company for Canadian income tax purposes. Due to the organizational structure and multinational operations, the Company is subject to taxation in U.S. federal, state and local and Canadian jurisdictions.

For the years ended December 31, income tax expense consisted of:

Income tax provision	**December 31, 2021**	**December 31, 2020**
Current:		
US Federal	$ (39)	$ —
US State	—	—
Foreign	—	903
Deferred		
US Federal	(9,236)	(2,202)
US State	(4,628)	2,995
Foreign	—	—
(Recovery of) provision for income taxes	**$ (13,903)**	**$ 1,696**

The differences between the effective income tax rates for the years ended December 31, and the expected income taxes based on the statutory tax rate applied to loss are as follows:

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17 Income Taxes (continued)

Income tax provision	December 31, 2021	December 31, 2020
(Loss) from continuing operations before income taxes	$ (49,029)	$ (58,232)
	21%	22%
Pre-tax (loss) at statutory rate from continuing operations	(10,356)	(12,562)
U.S. State and local taxes	(1,024)	(2,501)
IRC Section 280E	4,133	4,646
Goodwill impairment	2,198	4,472
Other impairment	(2,866)	—
Change in fair value of warrants	(1,506)	—
Stock based compensation	888	1,113
Change in valuation allowance	1,022	68
Return to provision and other	1,080	2,702
Tax rate changes	(7,492)	3,748
Other	21	10
(Recovery of) provision for income taxes	**$ (13,903)**	**$ 1,696**

Income taxes paid for the years ended December 31, 2021 and 2020 were $1,198 and $516, respectively.

As the Company operates in the cannabis industry, it is subject to the limitations of IRC Section 280E. This results in permanent differences for ordinary and necessary business expenses deemed non-allowable under IRC Section 280E for income tax purposes. Therefore, the effective tax rate can be highly variable and may not necessarily correlate with pre-tax income or loss.

Deferred taxes are provided using an asset and liability method whereby deferred tax assets and liabilities are recognized based on the rates enacted for the period they are expected to reverse. Temporary differences are the differences between financial statement carrying values of assets and liabilities and the respective tax bases. The effect on deferred tax assets and liabilities of a change in tax law or tax rates is recognized in income in the period that enactment occurs.

At December 31, the components of deferred tax assets and liabilities were as follows:

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17 Income Taxes (continued)

Deferred tax asset (liability)	December 31, 2021	December 31, 2020
Allowance for doubtful accounts	$ 1,287	$ 4,293
Lease liabilities	960	483
Acquisition costs	697	587
Fixed assets	(4,264)	2,914
Accrued payroll	361	486
Other	290	277
Interest expense carryforward	5,023	1,944
Net operating loss carryforwards	24,436	16,334
Capital loss carryforwards	9,177	7,603
Valuation allowance	(29,368)	(22,591)
Deferred tax asset recognized	8,599	12,330
Intangible assets	(5,893)	(22,571)
Goodwill	(228)	(588)
Investment in subsidiary	(2,708)	(2,676)
Right of use asset	274	(335)
Other	(128)	(109)
Net deferred tax liability	**$ (85)**	**$ (13,949)**

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company assessed all positive and negative evidence including the four sources of income to determine if sufficient future taxable income will be generated to use the existing deferred tax assets. A valuation allowance is maintained as of December 31, 2021 and 2020 in the amount of $29,368 and $22,591, respectively. The valuation allowance increased during 2021 by $6,777.

For the year ending December 31, 2021, the Company had a U.S. federal net operating loss carryforward of approximately $38,459, U.S. state and local net operating loss carryforwards of approximately $28,327, and a Canadian net operating loss carryforward of approximately $55,643. A portion of the U.S. federal net operating loss carryforwards are subject to expiration beginning in 2035, but the majority of the U.S. federal net operating loss carryforwards are not subject to expiration. A portion of the U.S. state and local net operating loss carryforwards are subject to expiration from 2027 through 2041. A portion of the U.S. state and local net operating loss carryforwards are not subject to expiration. The Canadian net operating loss carryforwards are subject to expiration between 2038 to 2041.

For the year ending December 31, 2021, the Company had a U.S. federal capital loss carryforward of approximately $31,971 and a U.S. state and local capital loss carryforward of approximately $31,971, which will expire in 2025 if unused. As of December 31, 2021, the capital loss carryforwards are not more likely than not of being realized.

The Company's U.S. income tax attributes are potentially subject to annual limitations resulting from equity shifts that constitute an ownership change as defined by Internal Revenue Code ("IRC") Section 382. Any potential annual limitations resulting from an equity shift that constitutes an ownership change under IRC Section 382 could result in additional limitation of the realization of U.S. federal, state and local income tax attributes.

(Amounts Expressed in Thousands of United States Dollars, Except for Share and Per Share Amounts)

17 Income Taxes (continued)

As of December 31, 2020 and 2021, the Company has not recorded any unrecognized tax benefits and has not reduced any net operating loss carryforwards for an unrecognized tax benefit.The Company did not record any interest expense for penalties and interest associated with uncertain tax positions for 2020 or 2021.

18 Related Party Transactions

The Company has a payable of $25,159 and $23,378 as of December 31, 2021 and 2020, respectively, to the Company's former CEO, for his portion of the amounts payable in connection with the Jupiter Acquisition. As of December 31, 2021 and 2020, $23,965 and $22,321, respectively, of the total amount was included within notes payable (see Note 12) and the remaining within accounts payable and accrued liabilities, on the consolidated balance sheets.

The Company has payables of $1,670 and $1,655 to a current Board member of the Company as of December 31, 2021 and 2020, respectively. Additionally, as of December 31, 2021 and 2020, the Company had $1,032 and $1,022, respectively, payable to Corner Health, LLC, an entity partially owned and managed by a current Board member, related to their portion of the amounts payable in connection with the senior notes (see Note 12).

The Company had a note receivable of $7,128 from Slam Dunk, LLC, a Nevada limited liability corporation controlled by a Board member, related to the Company's sale of all membership interests of Blackbird. Subsequent to Slam Dunk's sale of the assets and liabilities pertaining to Blackbird, the Company's Blackbird Note was settled on June 11, 2021 (see Note 10).

19 Commitments and Contingencies

Guarantees

A subsidiary is a guarantor in the lease agreement of one of the Massachusetts dispensaries to which the Company has extended a loan. The Company may be liable for the future minimum rental payments under this lease if the dispensary defaults as follows:

Year ended December 31,	Amount
2022	$ 434
2023	450
2024	463
2025	477
2026 and thereafter	1,520
Total	**$3,344**

Litigation

The Company has been named as a defendant in several legal actions and is subject to various risks and contingencies arising in the normal course of business. Management is of the opinion that the outcome of these uncertainties will not have a material adverse effect on the Company's financial position.

In July 2019, Richard Komaiko and Marcie Cooperman filed a suit on behalf of themselves and others similarly situated against TILT and Baker, alleging the Company violated federal law by spamming them and other customers with unsolicited text message marketing. The lawsuit, which was filed in the U.S. District

19 Commitments and Contingencies (continued)

Court for the Northern District of California, alleged that TILT and Baker violated the federal Telephone Consumer Protection Act and California's Unfair Competition Law.

The Court dismissed without prejudice the claims against TILT for lack of personal jurisdiction and denied the Plaintiffs' request for jurisdictional discovery against TILT. The Court subsequently granted Baker's motion to stay the case pending a forthcoming Supreme Court ruling and while the case was stayed, Baker and the Plaintiffs participated in a settlement conference and agreed to settle the Plaintiffs' individual claims against Baker. The lawsuit was subsequently dismissed with prejudice and the terms of the confidential settlement were finalized in January 2021. The settlement amount was accrued for as of December 31, 2020 and paid for in January 2021.

On July 14, 2020, the Company was served with a claim filed in the Ontario Superior Court of Justice against them and its former directors and officers. The plaintiff claimed and seeked to claim on behalf of a proposed class, an unspecified amount of damages for alleged misrepresentations made by the Company about its business in its public disclosure during the proposed class period of October 12, 2018, to May 1, 2019. The parties have reached a settlement of the proposed class action which is subject to approval by the court. The hearing of the plaintiff's application for approval of the settlement is scheduled for November 29, 2021.

In September 2020, the Company entered into a settlement agreement and release with O'Melveny & Myers LLP ("OMM") in respect of a previously disclosed arbitration instituted by OMM. Pursuant to initial arbitration documents, OMM claimed that the Company had failed to pay approximately $3,100 in fees, of which an amount in excess of $100 was specifically attributable to Baker. Pursuant to the settlement agreement and release, the Company agreed to pay $100 in full and final settlement of the invoices outstanding for services rendered and costs incurred in the legal representation by OMM of Baker, but not of the invoices concerning OMM's other representation of the Company. Consequently, OMM filed suit against the Company concerning its claims against the Company in British Columbia, and the Company filed suit against OMM in San Francisco concerning OMM's claims, while also asserting its own claims against OMM and certain of its partners.

OMM's British Columbia suit has now been stayed as having been brought in an inconvenient forum. The Company's complaint has proceeded in San Francisco, with a trial date having been set for August 2022.

On February 2, 2021, the Haze Corp. (the "Plaintiff") filed a complaint in Clark County, Nevada against Brand Canna Growth Partners, Inc. ("BCGP"), Michael Orr, SVH and SVT. SVH and SVT are wholly owned subsidiaries of the Company.The Plaintiff alleged that it entered into a Finders' Fee Agreement with BCGP in 2017 and under that agreement is owed payments for acquisitions that it facilitated. The Plaintiff also alleged that BCGP is influenced and governed by SVH and SVT because they had the same principal, Defendant Michael Orr, and SVH and SVT are liable for BCGP's or Orr's obligations under the Finders' Fee Agreement. SVH and SVT moved for dismissal. On May 13, 2021, the court granted the motion without prejudice.

The Plaintiff recently moved for leave to amend its complaint, again naming SVH and SVT as defendants. That motion to amend was granted. SVH and SVT have again moved to dismiss.That motions to dismiss were denied without prejudice and the court has set a hearing to consider the scope of limited jurisdictional discovery before entertaining renewed motions to dismiss.

VPR Brands, LP ("VPR") filed a lawsuit against Jupiter in the United States District Court in the District of Arizona. VPR claims infringement of several claims in United States Patent Number 8,205,622. Jupiter, through its counsel, has analyzed the claims and intends to defend against the claims vigorously. This lawsuit is presently in the discovery phase.

(Amounts Expressed in Thousands of United States Dollars, Except for Share and Per Share Amounts)

20 Financial Instruments and Capital Risk Management

Financial and Capital Risk Management

The Company examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include market risk, interest rate risk, liquidity risk, currency risk, and credit risk. Where significant, these risks are reviewed and monitored by the Board.

The Board has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due.

The following are the remaining contractual maturities of financial liabilities for the year ended December 31, 2021:

		Contractual cash flows			
December 31, 2021	**Carrying amount**	**Total**	**< 6 months**	**6 – 12 months**	**1 – 5 years**
Accounts payable and accrued liabilities	$ 49,482	$ (49,482)	(40,208)	(189)	(9,085)
Notes payable	86,613	(87,105)	(10,704)	(38,629)	(37,772)
Total	**$ 136,095**	**$(136,587)**	**$ (50,912)**	**$ (38,818)**	**$(46,857)**

Information about payments for lease commitments are disclosed in Note 12 above.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As interest on the cash held with financial institutions is negligible and the Company does not have any variable interest rate instruments, the Company considers interest rate risk to be immaterial.

Currency Risk

The operating results and financial position of the Company are reported in U.S. dollars. Some of the Company's financial transactions are denominated in currencies other than the U.S. dollar. The Company's exposure to currency risk is minimal.

For the years ended December 31, 2021 and 2020, the Company had no hedging agreements in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables, advances for acquisition targets and loans receivable. The carrying amounts for these financial assets represent their maximum credit exposure to the Company.

(Amounts Expressed in Thousands of United States Dollars, Except for Share and Per Share Amounts)

20 Financial Instruments and Capital Risk Management (continued)

Trade Receivables

The Company provides credit to its customers in the normal course of business and has established credit evaluation and monitoring processes to mitigate credit risk. Accounts receivable related to online sales are held in reputable merchant accounts and are typically received within a short period of time between 45-60 days. Additionally, the Company assesses the risk that accounts may not be collectible and has an allowance for doubtful accounts that reflects our assessment of the current expected credit loss as of the reporting date.

As of December 31, 2021 and 2020, the Company was not exposed to any significant credit risk related to counterparty non-performance on any of our outstanding trade receivables.

Loans Receivable

The Company manages its exposure to credit risk arising from loans receivable by obtaining collateral in the form of guarantees and security interest in the underlying assets of the counterparty, including intangible assets such as cannabis licenses, which would allow the Company to foreclose on the loans or force a sale of the assets in the event of default by the counterparty.

At each reporting date, the Company assesses whether loans receivables are credit impaired by applying the guidance in ASC 326. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit impairment is based on observable data such as significant financial difficulty of the debtor and a breach of contract such as a default or being past due.

Current expected credit losses (CECLs) are measured by the Company on a probability-weighted basis based on historical experience with losses and forward-looking information, which includes considerations of ongoing legal and regulatory developments in the industry. Loss given default parameters utilized by the Company in estimating CECL generally reflect the assumed recovery rate from underlying collateral, with adjustments for time value of money and estimated costs for obtaining and selling the collateral. Given the repayment profile and underlying terms of such loans, CECLs are generally estimated over the contractual term of the loan.

The following tables present an analysis of the credit quality of loans receivable, together with impairment losses recognized based on lifetime CECLs, for the years ended December 31, 2021 and 2020:

	Year ended December 31, 2021		
Nature of collateral	**Gross amounts**	**Loan losses**	**Net**
Security interest in assets of counterparty	$ 8,050	$ (4,556)	**$3,494**
Third party guarantee	1,410	(882)	**528**
No collateral	224	(121)	**103**
Net loans receivable	**$ 9,684**	**$ (5,559)**	**$4,125**

	Year ended December 31, 2020		
Nature of collateral	**Gross amounts**	**Loan losses**	**Net**
Security interest in assets of counterparty	$ 32,069	$ (15,563)	**$16,506**
Third party guarantee	1,410	(882)	**528**
No collateral	385	(276)	**109**
Net loans receivable	**$ 33,864**	**$ (16,721)**	**$17,143**

20 Financial Instruments and Capital Risk Management (continued)

Cash and Cash Equivalents

Notwithstanding that a majority of states have legalized medical marijuana, there has been no change in U.S. federal banking laws related to the deposit and holding of funds derived from activities related to the marijuana industry. Given that U.S. federal law provides that the production and possession of cannabis is illegal, there is a strong argument that banks cannot accept for deposit funds from businesses involved with the marijuana industry. Consequently, businesses involved in the marijuana industry often have difficulty accessing the U.S. banking system and traditional financing sources. The inability to open bank accounts with certain institutions may make it difficult to operate the businesses of the Company, its subsidiaries and investee companies, and leaves their cash holdings vulnerable.

Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company maintains its cash accounts at various financial institution in the United States and Canada. Federal Deposit Insurance Corporation ("FDIC") provides insurance of up to $250 for cash accounts held in the banks in the United States. Canadian Deposit Insurance Corporation ("CDIC") provides insurance of up to C$100 for cash accounts held in the banks in Canada. From time to time, the Company's balances may exceed this limit. The Company has not experienced any losses on its cash deposits. Credit risk exposure is limited through maintaining cash with high-credit quality financial institutions and management considers this risk to be minimal for all cash assets based on changes that are reasonably possible at each reporting period.

Capital Management

The Company's objectives when managing capital are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funding to support its ongoing operations and development such that it can continue to provide returns to shareholders and benefits for other shareholders.

The capital structure of the Company consists of items included in shareholders' equity and debt. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. The Company plans to use existing funds, as well as funds from the future sale of products, to fund operations and expansion activities. As of December 31, 2021 and 2020, the Company is not subject to externally imposed capital requirements.

Financial Instruments and Fair Value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for the year ended December 31, 2021 and 2020:

(Amounts Expressed in Thousands of United States Dollars, Except for Share and Per Share Amounts)

20 Financial Instruments and Capital Risk Management (continued)

	Year Ended December 31, 2021		
	Fair value hierarchy		
Fair value of assets and liabilities	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 6,952	$ —	$ —
Trade receivables and others	32,393	—	—
Other loans receivable	4,125	—	—
Investments	102	—	6,596
Accounts payable and accrued liabilities	49,482	—	—
Warrant liability[(1)]	—	—	2,394
Notes payable	86,613	—	—
Total	**$179,667**	**$ —**	**$8,990**

	Year Ended December 31, 2020		
	Fair value hierarchy		
Fair value of assets and liabilities	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 8,859	$ —	$ —
Trade receivables and others	14,568	—	—
Blackbird loan receivable	—	—	7,128
Other loans receivable	10,015	—	—
Investments	—	189	1,000
Accounts payable and accrued liabilities	31,086	—	—
Notes payable	71,750	—	—
Total	**$136,278**	**$ 189**	**$8,128**

(1) During the year ended December 31, 2021, the Company recorded a gain of $6,001, on the change in fair value of the warrant liability within other income (expense) on the consolidated statements of operations.

The following table summarizes the significant assumptions used in determining the fair value of the warrant liability as of December 31, 2021:

Exercise Price	$0.26 – 0.30
Risk-Free Annual Interest Rate	0.13% – 0.39%
Expected Share Price Volatility	60% – 80%
Expected Life of Warrants	0.38 – 0.83 years

The carrying amounts of all financial assets and liabilities measured at amortized cost, other than notes payable, approximate their fair values. There were no transfers between the levels of fair value hierarchy during the years ended December 31, 2021 and 2020.

COVID-19 Pandemic

COVID-19 was identified in China in late 2019 and has spread globally. The rapid spread has resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter in place orders and shutdowns. Even though the Company is considered a U.S. federally

20 Financial Instruments and Capital Risk Management (continued)

designated essential critical business, these measures have impacted and may further impact all or portions of the Company's workforce and operations, customers, and the operations of respective vendors and suppliers. There is considerable uncertainty regarding such measures and potential future measures.

Restrictions on the Company's access to facilities or workforce, or similar limitations for suppliers, and restrictions or disruptions of transportation, could limit the Company's ability to meet customer demand and have a material adverse effect on financial condition, cash flows and results of operations.There is no certainty that measures taken by governmental authorities will be sufficient to mitigate the risks posed by the virus, and our ability to perform critical functions could be harmed.

The ultimate magnitude of COVID-19, including the extent of its impact on our financial and operational results, which could be material, will be determined by the length of time that the pandemic continues, its effect on the demand for our products and services and the supply chain, as well as the effect of governmental regulations imposed in response to the pandemic. The Company cannot at this time predict the impact of the COVID-19 pandemic, but it could have a material adverse effect on our business, financial condition, results of operations and/or cash flows.

21 Segment Information

Prior to 2021, the Company operated in five reportable segments: cannabis segment (SVH, Standard Farms and Standard Farms OH), technology/distribution (Baker and Blackbird), accessories (Jupiter) and other (White Haven).During 2020, the Company sold all of the assets and liabilities related to Blackbird, the most significant piece of the technology/distribution segment rolling up into holding company Baker. Subsequent to the sale of Blackbird (see Note 4), the Company realigned the Baker holding company to focus on the cannabis cultivation and extraction business, with the Baker business unit becoming part of the Company's cannabis operating segment.

As of 2021, the Company operates in four reportable segments: cannabis segment (SVH, Standard Farms, Standard Farms OH and Baker), accessories (Jupiter) and other (White Haven, SFNY, and CGSF). The cannabis segment includes production, cultivation, extraction and sale of cannabis products and accessories includes the manufacturing and distribution of electronic, non-nicotine (i.e., cannabis) devices and systems.

Information related to each segment is set out below. Segment net income (loss) is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

The following tables presents the Company's segments as of and for the years ended December 31, 2021 and 2020, respectively:

TILT Holdings Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of United States Dollars, Except for Share and Per Share Amounts)

21 Segment Information (continued)

	As of and for the year ended December 31, 2021					
	Technology/Distribution	Cannabis	Accessories	Corporate & Elim	Other	Total
Revenue	$ —	$ 41,923	$ 161,662	$ —	$ —	$203,585
Inter-segment revenue	—	—	(880)	—	—	(880)
Net revenue	$ —	$ 41,923	$ 160,782	$ —	$ —	$202,705
Share-based compensation	—	—	—	3,804	—	3,804
Depreciation and amortization	—	2,313	14,750	141	653	17,857
Wages and benefits	—	3,775	4,881	8,751	—	17,407
Impairment loss		4,987	25,040	371	—	30,398
Interest expense	—	660	424	9,283	—	10,367
Loan losses	—	—	—	4,562	—	4,562
Net income (loss)	—	(3,277)	(25,074)	(6,207)	(568)	(35,126)
Total assets	—	125,103	237,445	11,530	7,270	381,348
Total liabilities	—	12,856	61,804	81,023	—	155,683

	As of and for the year ended December 31, 2020					
	Technology/ Distribution	Cannabis	Accessories	Corporate & Elim	Other	Total
Revenue	$ 54	$ 37,901	$ 122,042	$ —	$ —	$ 159,997
Inter-segment revenue	—	—	(1,588)	—	—	(1,588)
Net revenue	$ 54	$ 37,901	$ 120,454	$ —	$ —	$ 158,409
Share-based compensation	—	—	384	3,816	—	4,200
Depreciation and amortization	898	2,413	14,431	—	614	18,356
Wages and benefits	95	2,478	3,685	6,669	—	12,927
Impairment loss	6,478	9,604	5,399	2,460	—	23,941
Interest expense	184	744	180	8,282	—	9,390
Loan losses	—	1,158	—	15,258	—	16,416
Net income (loss) from continued operations	(8,203)	(6,981)	(19,214)	(24,829)	(701)	(59,928)
Loss on discontinued operations, net of tax	(56,490)	—	—	—	—	(56,490)
Net income (loss)	(64,693)	(6,981)	(19,214)	(24,829)	(701)	(116,418)
Total assets	8,118	118,980	249,909	17,410	7,657	402,074
Total liabilities	(2,376)	17,177	46,673	75,904	11	137,389

The Company entered an Expense Sharing and Cost Allocation Agreement on September 10, 2020, amongst their respective subsidiaries. Effective as of January 1, 2019, the Company's affiliates incurred costs

(Amounts Expressed in Thousands of United States Dollars, Except for Share and Per Share Amounts)

21 Segment Information (continued)

and expenses in support of certain service departments and functions which benefit from its mutual covenants. Segments as of December 31, 2020 are disclosed within the Expense Sharing and Cost Allocation Agreement in effect.

Geographic Areas

The following table presents financial information relating to geographic areas in which the Company operated for the years ended December 31, 2021 and 2020:

	Year ended December 31, 2021			
	USA	Canada	Other	Total
Revenue	$189,194	$13,222	$289	$202,705
Gross profit	46,535	3,555	113	50,203
Total current assets	100,804	82	—	100,886
Total non-current assets	280,462	—	—	280,462
Total liabilities	155,674	9	—	155,683

	Year ended December 31, 2020			
	USA	Canada	Other	Total
Revenue	$148,793	$9,121	$495	$158,409
Gross profit	43,310	2,644	185	46,139
Total current assets	70,488	73	—	70,561
Total non-current assets	330,964	549	—	331,513
Total liabilities	136,695	694	—	137,389

22 Disaggregation of Revenue

The following table presents revenue for the years ended December 31, 2021 and 2020, disaggregated by major products, service lines and timing of revenue recognition.

	Year ended December 31, 2021			
	Technology/Distribution	Cannabis	Accessories	Total
Cannabis (ii)	$ —	$41,923	$ —	$ 41,923
Vaporization and inhalation devices (ii)	—	—	160,782	160,782
Other (ii)	—	—	—	—
	$ —	$41,923	$ 160,782	$202,705

	Year ended December 31, 2020			
	Technology/Distribution	Cannabis	Accessories	Total
Cannabis (ii)	$—	$37,901	$ —	$ 37,901
Vaporization and inhalation devices (ii)	—	—	120,454	120,454
Other (ii)	54	—	—	54
	$ 54	$37,901	$ 120,454	$158,409

22 Disaggregation of Revenue (continued)

Timing of revenue recognition:

(i) Rateably over contract term, with respect to license and set up fees and at a point in time with respect to usage-type fees.

(ii) At a point in time.

Deferred Revenue

Deferred revenue relates to advance consideration received from customers primarily for the sale of vaporization and inhalation devices. The amount of $5,093 included in deferred revenue as of December 31, 2019 has been recognized in revenue in 2020.The amount of $6,140 included in deferred revenue as of December 31, 2020 has been recognized in revenue in 2021.

23 Subsequent Events

On February 8, 2022, the Company entered into a definitive agreement (the "Purchase Agreement") through its subsidiary, CAC, to exercise its purchase option for ownership of its Taunton, Massachusetts facility for a purchase price of approximately $13,000. The Company paid an initial deposit of $50 into escrow upon execution of the Purchase Agreement and will pay an additional $150 deposit into escrow if the Company elects to proceed with its acquisition of the facility after its due diligence review. The Taunton facility is comprised of two condominium units (Unit A and Unit B). The Company has until May 15, 2022 to elect to purchase both Unit A and Unit B or solely Unit A. If the Company elects to purchase Unit A only, the purchase price shall be reduced to approximately $4,600.

On March 11, 2022, the Company entered into an amendment to the Purchase Agreement (the "Taunton Purchase Amendment"). Pursuant to the terms of the Taunton Purchase Amendment, TILT paid $200 to extend the closing of the transactions contemplated by the Purchase Agreement to a date that is on or before May 31, 2022. The Taunton Purchase Amendment also extends the due diligence period and the deadline to determine whether TILT will acquire both Unit A and Unit B of the condominium comprising the Taunton facility until May 15, 2022.

TILT HOLDINGS INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Thousands of United States Dollars Unless Otherwise Stated)

FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

TILT HOLDINGS INC.

Unaudited Interim Condensed Consolidated Balance Sheets
As of March 31, 2022 and December 31, 2021
(Amounts Expressed in Thousands of United States Dollars, Except for Share and Per Share Amounts)

	March 31, 2022	December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 9,232	$ 6,952
Trade receivables and others	28,854	32,393
Inventories	49,614	55,583
Loans receivable, current portion	2,453	2,453
Prepaid expenses and other current assets	2,969	3,005
Assets held for sale	500	500
Total current assets	**93,622**	**100,886**
Non-current assets		
Property, plant and equipment, net	60,200	62,360
Right-of-use assets – finance, net	5,121	5,379
Right-of-use assets – operating, net	4,868	5,038
Investments	6,653	6,698
Intangible assets, net	125,094	128,770
Loans receivable	1,446	1,672
Deferred tax asset	1,746	—
Goodwill	70,545	70,545
TOTAL ASSETS	**$ 369,295**	**$ 381,348**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 45,980	$ 49,482
Warrant liability	4,557	2,394
Income taxes payable	407	—
Deferred revenue	3,591	5,177
Finance lease liability, current portion	988	955
Operating lease liability, current portion	753	731
Notes payable, current portion, net of discount	42,297	40,758
Total current liabilities	**98,573**	**99,497**
Non-current liabilities		
Finance lease liability	5,063	5,319
Operating lease liability	4,728	4,927
Notes payable, net of discount	45,673	45,855
Deferred tax liability	—	85
TOTAL LIABILITIES	**154,037**	**155,683**
Shareholders' equity		
Common stock, no par value, unlimited shares authorized as of March 31, 2022 and December 31, 2021, 375,303,227 and 374,082,759 issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	856,097	854,952
Additional paid-in capital	224,916	224,835
Warrants	952	952
Accumulated other comprehensive income	1,000	999
Accumulated deficit	(867,877)	(856,248)
Non-controlling interest	170	175
TOTAL SHAREHOLDERS' EQUITY	**215,258**	**225,665**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 369,295**	**$ 381,348**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

TILT HOLDINGS INC.

Unaudited Interim Condensed Consolidated Statements of Operations and Comprehensive Loss
For the Three Months Ended March 31, 2022 and 2021
(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

	March 31, 2022	March 31, 2021
Revenues, net	**$ 42,352**	**$ 46,817**
Cost of goods sold	(32,999)	(33,272)
Gross profit	**9,353**	**13,545**
Operating expenses:		
Wages and benefits	5,168	4,083
General and administrative	4,779	4,317
Sales and marketing	407	155
Share-based compensation	1,226	882
Depreciation and amortization	4,558	4,432
Impairment loss	697	—
Total operating expenses	**16,835**	**13,869**
Loss from operations	**(7,482)**	**(324)**
Other income (expense):		
Interest income	18	603
Other income	3	44
Change in fair value of warrant liability	(2,163)	(13,916)
Gain (loss) on sale of assets	1	(67)
Unrealized loss on investment	(45)	(705)
Loan receivable losses	(517)	—
Loss on termination of lease	—	(259)
Interest expense, net	(2,781)	(2,455)
Total other income (expense)	**(5,484)**	**(16,755)**
Loss from operations before income tax and non-controlling interest	**(12,966)**	**(17,079)**
Income taxes		
Income tax benefit	1,332	22
Net loss before non-controlling interest	**(11,634)**	**(17,057)**
Less: Net loss attributable to non-controlling interest	5	—
Net loss attributable to TILT Holdings Inc.	**$ (11,629)**	**$ (17,057)**
Other comprehensive (loss) income		
Net loss	$ (11,634)	$ (17,057)
Foreign currency translation differences	1	(2)
Comprehensive loss before non-controlling interest	**$ (11,633)**	**$ (17,059)**
Less: Net loss attributable to non-controlling interest	5	—
Comprehensive loss attributable to TILT Holdings Inc.	**$ (11,628)**	**$ (17,059)**
Weighted average number of shares outstanding:		
Basic	**371,738,863**	**365,809,870**
Net loss per common share attributable to TILT Holdings Inc.		
Basic and diluted	**$ (0.03)**	**$ (0.05)**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

TILT HOLDINGS INC.

Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders' Equity
For the Three Months Ended March 31, 2022 and 2021
(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

	Common Stock		Additional Paid in Capital	Warrants	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Non-Controlling Interest	Shareholders' Equity Total
	Shares	Amount						
Balance – January 1, 2021	**367,182,673**	**$851,851**	**$ 223,499**	**$ 6,757**	**$ 1,014**	**$ (818,436)**	**$ —**	**$ 264,685**
Share-based compensation	—	—	625	—	—	—	—	625
Warrants exercised	567,000	149	—	—	—	—	—	149
Warrants reclassified to liability	—	—	—	(5,805)	—	(2,686)	—	(8,491)
Issuance and vesting of restricted share units	825,000	257	—	—	—	—	—	257
Comprehensive loss for the period	—	—	—	—	(2)	(17,057)	—	(17,059)
Balance – March 31, 2021	**368,574,673**	**$852,257**	**$ 224,124**	**$ 952**	**$ 1,012**	**$ (838,179)**	**$ —**	**$ 240,166**
Balance – January 1, 2022	**374,082,759**	**$854,952**	**$ 224,835**	**$ 952**	**$ 999**	**$ (856,248)**	**$ 175**	**$ 225,665**
Share-based compensation	—	—	81	—	—	—	—	81
Issuance and vesting of restricted share units	1,220,468	888	—	—	—	—	—	888
Shares reserved for contingent consideration	—	257	—	—	—	—	—	257
Comprehensive loss for the period	—	—	—	—	1	(11,629)	(5)	(11,633)
Balance – March 31, 2022	**375,303,227**	**$856,097**	**$ 224,916**	**$ 952**	**$ 1,000**	**$ (867,877)**	**$ 170**	**$ 215,258**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

TILT HOLDINGS INC.

Unaudited Interim Condensed Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2022 and 2021
(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

	March 31, 2022	March 31, 2021
Cash flows from operating activities:		
Net loss	$ (11,634)	$ (17,057)
Adjustments to reconcile net loss to net cash used in operating activities:		
Unrealized loss on investments	45	705
(Gain) Loss on disposal of property and other	(1)	47
Loss on terimination of lease	—	258
Depreciation and amortization	5,888	5,289
Amortization of operating lease right of use assets	280	336
Change in allowance for doubtful accounts	(115)	(2)
Non-cash interest income	(18)	(420)
Deferred tax	(1,831)	751
Share-based compensation	1,226	882
Accretion of debt discount	771	583
Loan receivable losses	517	—
Impairment loss	697	—
Change in fair value of derivatives	2,163	13,916
Non-cash interest expense	1,225	753
Net change in working capital items:		
Trade receivables and others, net	3,654	871
Inventories	5,969	(1,878)
Prepaid expenses and other current assets	46	368
Accounts payable and accrued liabilities	(3,500)	(4,038)
Income tax payable	407	30
Operating lease liability	—	(204)
Deferred revenue	(1,586)	1,551
Net cash provided by operating activities	**4,203**	**2,741**
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(491)	(1,302)
Proceeds from sale of property	3	—
Net repayment (advances) on loan receivables	(287)	952
Cash acquired in acquisition	—	21
Net cash (used in) investing activities	**(775)**	**(329)**
Cash flows from financing activities:		
Payments on lease liability	(632)	(731)
Principal payments on notes payable	(32,529)	(300)
Proceeds from notes payable	32,012	—
Proceeds from options and warrants exercised	—	149
Net cash (used in) financing activities	**(1,149)**	**(882)**
Effect of foreign exchange on cash and cash equivalents	1	(2)
Net change in cash and cash equivalents	**2,280**	**1,528**
Cash and cash equivalents, beginning of year	6,952	8,859
Cash and cash equivalents, end of year	**$ 9,232**	**$ 10,387**
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 1,044	$ 855
Other non-cash investing and financing activities		
Additions to rights of use assets	$ —	$ 199

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

TILT HOLDINGS INC.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
For the Three Months Ended March 31, 2022 and 2021
(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

1 Nature of Operations

TILT Holdings, Inc. ("TILT" or the "Company") is a business solutions provider to the global cannabis industry offering a diverse range of value-added products and services to industry participants. Through a portfolio of companies providing technology, hardware, cultivation and production, TILT services brands and cannabis retailers across 37 states in the U.S., as well as Canada, Israel, Mexico, South America and the European Union ("EU").

TILT was incorporated on June 22, 2018. The common shares, in the capital of Tilt (the "Common Shares"), began trading on the Canadian Securities Exchange ("CSE") under the symbol "TILT" on December 6, 2018. The Company's office address is 745 Thurlow Street, #2400 Vancouver, BC V6C 0C5 Canada and its head office in the United States of America ("U.S.") is in Phoenix, Arizona.

On March 15, 2021, TILT acquired all assets and assumed all liabilities of Standard Farms Ohio, LLC ("Standard Farms OH"), a medical cannabis provider focused on cultivation processing and CO2 extraction for the State of Ohio's operating dispensaries. The acquisition of Standard Farms OH (the "Standard Farms OH Acquisition") further expands the Company's footprint into a new market, thus providing access to additional customers. The Company's consideration for the Standard Farms OH Acquisition consisted of $7,550 settled indebtedness to the Company, transferred into ownership interest.

On August 24, 2021, TILT acquired 100% of the Class A membership interests in Standard Farms New York, LLC ("SFNY") through its newly formed wholly owned subsidiary SFNY Holdings, Inc. The acquisition of SFNY allowed for the Company to enter into a joint venture with Conor Green Consulting, LLC ("Conor Green"), under the newly formed entity CGSF Group, LLC ("CGSF") with SFNY holding 75% interest in CGSF. The acquisition of membership interest in both SFNY and CGSF, through the Company's subsidiary SFNY Holdings, Inc., expanded the Company's presence into a new market as the joint venture was formed for the express purpose of creating a partnership with the Shinnecock Indian Nation ("Shinnecock" or the "Nation") to establish vertical cannabis operations on their tribal territory on Long Island, New York. The Company paid a total of $751, with $400 being paid in cash and $351 in Common Shares, in the acquisition of its interests in SFNY and CGSF. Additionally, upon the achievement of certain milestones, the Company will provide for additional consideration of up to 5,673,844 Common Shares, valued at $2,657 upon closing, in share-based payments to Conor Green.

On October 27, 2021, TILT closed on the sale of substantially all of the assets of Santé Veritas Therapeutics Inc., ("SVT") an inactive wholly owned subsidiary of Santé Veritas Holdings, Inc. ("SVH") to Meridian 125W Cultivation Ltd. For C$75 in cash and C$825 in forgiveness and release of existing liabilities, resulting in a gain on sale of $118.

Liquidity

The Company has experienced operating losses since its inception and expects to continue to incur losses in the development of its business. The Company incurred a comprehensive loss of $11,628 during the period ended March 31, 2022 and has an accumulated deficit as of March 31, 2022, of $867,877. As of March 31, 2022, the Company had negative working capital of $4,951 (compared to positive working capital of $1,389 as of December 31, 2021). The Company's liquidity will depend, in large part, on its ability to raise adequate financing or refinance the debt maturities occurring in November 2022; generate expected positive cash flow; and minimize the anticipated net loss during the 12 months from the date of this filing: all of which are uncertain and outside the control of the Company.

Based on the Company's operating plans for the next 12 months which includes (i) revenue growth from the sale of existing products and the introduction of new products across all operating segments, (ii) reduced production costs as a result of maturing efficiencies in cannabis operations, (iii) reduced supply chain costs, (iv) increased cash inflows from the Q4 2021 activation of two adult-use retail dispensary licenses and the

1 Nature of Operations (continued)

2022 activation of a further medical dispensary license, (v) cash inflows from the monetization of certain assets, (vi) line of credit and other financing with major bank and (vii) complete the refinancing of debt obligations and extension of maturities with banking partners and note holders, we believe that we have adequate resources to fund our operations during the next 12 months from the date of filing these unaudited interim condensed consolidated financial statements. Refer to Note 22 — Subsequent Events for further detail regarding recent financing developments. If the Company is unable to complete these actions, it may be unable to meet its operating cash flow needs and its obligations beyond the next 12 months.

2 Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and the rules of the Securities and Exchange Commission (the "SEC"). Accordingly, certain information, footnotes and disclosures normally included in the annual financial statements, prepared in accordance with GAAP, have been condensed or omitted in accordance with SEC rules and regulations.

The financial data included in the unaudited interim condensed consolidated financial statements contain all normal and recurring adjustments necessary to state fairly the consolidated financial condition, results of operations, statements of shareholder's equity, and cash flows of the Company for the interim periods of March 31, 2022 and 2021. Operating results for the three months ended March 31, 2022 are not necessarily indicative of the results that may be expected for the current year ending December 31, 2022. The financial data presented herein should be read in conjunction with the audited consolidated financial statements and accompanying notes as of and for the years ended December 31, 2021 and 2020 (the "2021 audited consolidated financial statements").

Use of estimates

The preparation of these unaudited interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates.

Significant Accounting Policies

There have been no changes to the Company's significant accounting policies as described in Note 2 of the Company's 2021 audited consolidated financial statements.

Recently Issued Accounting Pronouncements

Recent accounting pronouncements, other than those below, issued by the FASB, the AICPA and the SEC did not or are not believed by management to have a material effect on the Company's present or future financial statements.

Recently Adopted Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06 *Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40) — Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, which is intended to simplify

2 Basis of Presentation and Summary of Significant Accounting Policies (continued)

the recognition of convertible instruments and contracts in an entity's own equity. ASU 2020-06 reduces the number of accounting models for convertible debt instruments and convertible preferred stock, revises the derivatives scope exception, and makes targeted improvements to improve the related earnings per share guidance. ASU 2020-06 became effective for the Company in the first quarter of 2022. The adoption of this standard did not have any impact on the Company's unaudited interim condensed consolidated financial statements.

In May 2021, the FASB issued ASU 2021-04, *Earnings per Share* (Topic 260), Debt-Modifications and Extinguishments (Subtopic 470-50), *Compensation-Stock Compensation (Topic 718), and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40) — Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options*. ASU 2021-04 clarifies whether an issuer should account for a modification or an exchange of freestanding equity-classified written calls options that remain equity classified after modification or exchange as (1) an adjustment to equity and if so, the related earnings per share effects, if any, or (2) an expense, and if so, the manner and pattern of recognition. ASC 2021-04 is effective for the Company beginning January 1, 2022. ASU 2021-04 became effective for the Company in the first quarter of 2022. The adoption of this standard did not have an impact on the Company's unaudited interim condensed consolidated financial statements.

In July 2021, the FASB issued ASU 2021-05, *Leases (Topic 842) — Lessors — Certain Leases with Variable Lease Payments*. ASU 2021-05 requires that a lessor classify and account for a lease with variable leased payments that do not depend on a reference index or rate as an operating lease if both of the following criteria are met: (1) the lease would have been classified as a sales-type lease or a direct financing lease in accordance with the criteria set forth in ASC 842 and (2) the lessor would have otherwise recognized a day one loss. ASU 2021-05 became effective for the Company in the first quarter of 2022. The adoption of this standard did not have an impact on the Company's unaudited interim condensed consolidated financial statements.

Recently Issued Accounting Pronouncements

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805) — Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. ASU 2021-08 requires that an entity (acquirer) recognize and measure contract assets and contract liabilities in accordance with Topic 606 (Revenue from Contracts with Customers) as if the entity had originated the contracts. ASU 2021-08 is effective for the Company beginning January 1, 2023. The Company is currently evaluating the effect of adopting this ASU on the Company's consolidated financial statements.

3 Business Combinations

Standard Farms OH

On March 15, 2021, the Company acquired 100% of the assets of Standard Farms OH. Standard Farms OH's purpose-built facility utilizes CO2 extraction to produce high-quality medical cannabis products including tinctures, vape cartridges, syringes and topicals. The facility is located just outside of Cleveland, Ohio, providing ready access to the state's 52 operating dispensaries. The Company expects to expand product offerings at Standard Farms OH to include concentrates and edibles inspired by the Company's operations in Massachusetts and Pennsylvania. The Company provided and settled an aggregate of $7,550 under the Build-Out Note (as defined herein) and Loan Notes (as defined herein) presented as Advance for acquisition targets on the Company's condensed interim consolidated statement of financial position leading up to the Company's acquisition of Standard Farms OH.

(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

3 Business Combinations (continued)

The acquisition was recorded as a business combination in accordance with Accounting Standards Codification ("ASC") 805, *Business Combinations*, and related operating results are included in the accompanying consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and statements of cash flows for periods subsequent to the acquisition date.

Goodwill arose because the consideration paid for the business acquisition reflected the benefit of expected revenue growth and future market development. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Goodwill is deductible subject to the limits of the Internal Revenue Code ("IRC") Section 280E.

The following table summarizes the allocation of consideration exchanged for the estimated fair value of tangible and identifiable intangible assets acquired and liabilities assumed:

Consideration	
Settlement of pre-existing indebtedness	$7,550
Fair value of consideration exchanged	
Recognized amounts of identifiable assets acquired and liabiliteis assumed:	
Cash and cash equivalents	$ 21
Trade receivables	10
Inventory	502
Prepaid expenses and other current assets	29
Property, plant and equipment	1,935
Intangible assets:	
License	3,890
Right of use assets	120
Goodwill	1,380
Accounts payable and other current liabilities	(204)
Lease liabilities	(133)
Identifiable net assets	$7,550

SFNY

On August 24, 2021, a subsidiary of the Company acquired 100% of the Class A membership units of SFNY which holds a 75% interest in CGSF, a joint venture formed with Conor Green (Note 1). The purpose of this acquisition is to acquire the management service agreement CGSF has with Little Beach Harvest, a Registered Tribal Organization of the Shinnecock Indian Nation. The Company paid a total of $751, with $400 being paid in cash and $351 in Common Shares, in the acquisition of its interests in SFNY and CGSF. The Company determined that the net assets acquired did not meet the definition of a business in accordance with ASC 805, Business Combinations, and was therefore accounted for as an asset acquisition. Operating results of the acquired entity are included in the accompanying consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for periods subsequent to the acquisition date.

(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

3 Business Combinations (continued)

The following table summarizes the allocation of consideration exchanged for the estimated fair value of tangible and identifiable intangible assets acquired and liabilities assumed:

Consideration:	
Cash and cash equivalents	$400
Shares issued upon issuance	351
Fair value of consideration exchanged	$751
Non-controlling interest	$175
Recognized amounts of identifiable assets acquired and liabilities assumed:	
Management agreement	$926
Total net assets acquired	$926

4 Inventory

The Company's inventory as of March 31, 2022 and December 31, 2021 consisted of the following:

	March 31, 2022	December 31, 2021
Raw Material – cannabis plants	$ 3,465	$ 3,206
Raw Material – other materials	1,302	1,116
Work in progress	5,684	6,327
Finished goods	37,656	43,776
Supplies and accessories	1,507	1,158
Total Inventory	**$ 49,614**	**$ 55,583**

5 Property, Plant and Equipment

The property, plant and equipment at March 31, 2022 and December 31, 2021 consisted of the following:

	March 31, 2022	December 31, 2021
Land	$ 169	$ 169
Land improvements	460	460
Machinery & equipment	12,170	12,450
Furniture & fixtures	788	788
Buildings	6,891	6,845
Greenhouse-agricultural structure	8,195	8,195
Leasehold improvements	46,689	46,587
Construction in progress	3,083	3,391
Autos & trucks	256	214
Total cost	78,701	79,099
Less: accumulated depreciation	(18,501)	(16,739)
Total property, plant and equipment	**$ 60,200**	**$ 62,360**

(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

5 Property, Plant and Equipment (continued)

For the three months ended March 31, 2022 and 2021, the Company recognized depreciation expense of $1,952 and $1,406, respectively.

During the three months ended March 31, 2022 the Company recorded a gain on disposal of asset of $1. During the three months ended March 31, 2021, the Company recorded a loss on disposal of assets of $67.

In connection with management's ongoing multi-phase plans to produce high-quality flowers, during the three months ended March 31, 2022, the Company installed new market-standard LED lights in additional rooms. As a result, the Company recorded an impairment loss in the amount of $697 (carrying value of existing lights).

6 Investments

The Company holds equity interest in privately held cannabis companies as of March 31, 2022 and December 31, 2021. In addition, the Company holds an equity interest in the publicly traded entity, Akerna.

The Company's investments included the following on March 31, 2022 and December 31, 2021:

Investment	March 31, 2022	December 31, 2021
Investment in HERBL, Inc.	$ 6,400	$ 6,400
Investment in Big Toe Ventures LLC	196	196
Investment in Akerna	57	102
Total Investments	**6,653**	**6,698**

The Company has classified the Akerna investment as a Level 1 investment in the fair value hierarchy as the fair value of the investment can be readily determined.

The Company has classified the investments in HERBL, Inc. and Big Toe Ventures, LLC as Level 3 investments in the fair value hierarchy as the Company does not have significant influence over either investment and the fair value of the investments cannot be readily determined. The Company records the investment in HERBL, Inc. and Big Toe Ventures LLC in accordance with the measurement alternative prescribed by ASU 2016-01 — *Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities.* The measurement alternative allows the Company to record the Level 3 investments at cost, less impairment, if any, and subsequently adjust for observable price changes of identical or similar investments of the same issuer.

For the three months ended March 31, 2022 and 2021 the Company recorded an unrealized loss on investment of $45 and $705, respectively.

See Note 19 — Financial Instruments and Capital Management for more details.

TILT HOLDINGS INC.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
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(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

7 Intangible Assets

At March 31, 2022 and December 31, 2021, intangible assets consisted of the following:

Intangible assets	Net Balance 12/31/2021	Business acquisitions	Amortization Expense	Impairment	Net Balance 3/31/2022
Customer relationships	$ 65,207	$ —	$ (1,674)	$ —	$ 63,533
Trademarks	20,159	—	(737)	—	19,422
License rights[1]	17,836	—	(4)	—	17,832
Management agreements	883	—	(25)	—	858
Patents & technologies	23,030	—	(823)	—	22,207
Backlog and non-competition agreements	1,655	—	(413)	—	1,242
Total intangible assets	**$ 128,770**	**$ —**	**$ (3,676)**	**$ —**	**$ 125,094**

Intangible assets	Net Balance 12/31/2020	Business acquisitions	Amortization Expense	Impairment	Net Balance 12/31/2021
Customer relationships	$ 71,905	$ —	$ (6,698)	$ —	$ 65,207
Trademarks	23,106	—	(2,947)	—	20,159
License rights[1]	14,000	3,890	(19)	(35)	17,836
Management agreements	—	926	(43)	—	883
Patents & technologies	26,320	—	(3,290)	—	23,030
Backlog and non-competition agreements	3,306	—	(1,651)	—	1,655
Total intangible assets	**$ 138,637**	**$ 4,816**	**$ (14,648)**	**$ (35)**	**$ 128,770**

(1) License rights include indefinite-lived intangible assets amounting to $17,729. These indefinite-lived intangible assets, pertaining to licenses for cultivation and processing, are not subject to amortization and are tested annually for impairment. Refer to Note 2 — Summary of Significant Accounting Policies of the Company's 2021 audited consolidated financial statements for further information pertaining to the Company's accounting policies for its intangible assets.

Amortization expense for the three months ended March 31, 2022 and 2021, was $3,676 and $3,652, respectively.

The following table outlines the estimated future annual amortization expense related to intangible assets as of March 31, 2022:

Years ended December 31,	Estimated amortization
Remainder of 2022	$ 11,030
2023	13,056
2024	13,056
2025	13,056
2026	12,899
Thereafter	44,268
	$ 107,365

TILT HOLDINGS INC.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
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8 Goodwill

For the purposes of impairment testing, goodwill is allocated to the Company's reporting units as follows:

Reporting Unit	March 31, 2022	December 31, 2021
Jupiter	$ 63,347	$ 63,347
Standard Farms	5,818	5,818
Standard Farms OH	1,380	1,380
Goodwill	**$ 70,545**	**$ 70,545**

The Company tested for impairment in the fourth quarter of the year ended December 31, 2021.

9 Loans Receivable

A breakdown of the loans receivable balances as of March 31, 2022 and December 31, 2021 are as follows:

Loans receivable	March 31, 2022	December 31, 2021
Teneo Fund SPVi LLC note	$ 5,911	$ 5,911
Pharma EU, LLC note	1,410	1,410
A&R note	714	714
SSZ and Elev8 note	1,002	1,002
Pure Hana Synergy note	224	224
Little Beach Harvest note	714	423
Total loans receivable	**$ 9,975**	**$ 9,684**
Less allowance for expected credit losses	(6,076)	(5,559)
Loans receivable, net of expected credit losses	3,899	4,125
Less current portion of loan receivable	(2,453)	(2,453)
Loans receivable, long-term	**$ 1,446**	**$ 1,672**

Current expected credit losses ("CECL") are measured by the Company on a probability-weighted basis based on historical experience, current conditions and reasonable and supportable forecasts. Our assessment includes a variety of factors, including underlying credit, relative maturity dates of the notes, economics considerations, as well as ongoing legal and other regulatory developments in the industry. Loss given default parameters utilized by the Company in estimating our credit losses generally reflect the assumed recovery rate from underlying collateral, with adjustments for time value of money and estimated costs for obtaining and selling the collateral. Given the repayment profile and underlying terms of such loans, CECL's are generally estimated over the contractual term of the loan. The Company recorded an additional allowance for expected credit loss of $517 for the three months ended March 31, 2022.

Teneo Fund SPVi LLC note receivable (formerly Ermont, Inc. note receivable):

During June 2018, the Company entered into a secured loan agreement with Ermont (the "Ermont Note"). The Ermont Note has a maximum credit of $20,000, a maturity date of 5 years and an interest rate of 18% per year, compounded annually. During the years ended December 31, 2021 and 2020, the Company recorded $0 and $7,401 of interest income, respectively.

During February 2021, the Company completed the assignment of its loan with Ermont, to Teneo Funds SPVi LLC, through an arm's-length third-party transaction, in exchange for $1,250 in cash and a portion of

9 Loans Receivable (continued)

future collections pursuant to the Ermont Note. The assignment agreement contains standard representations, warranties, and indemnifications between the parties. The Company performed the CECL analysis weighing probable scenarios in calculating the allowance for credit losses on the assignment note.

Pharma EU, LLC note receivable ("Pharma" formerly Medical 420 USA, LLC note receivable):

During 2019, the Company entered into $1,410 promissory note agreement with Medical 420 USA, LLC. The promissory note had a maturity date of December 31, 2020 and an interest rate of 12% per year. On March 4, 2019, the obligations under the promissory note were transferred to Pharma on the same terms as the previous note and a principal of Pharma guaranteed all obligations of this promissory note.

A&R note receivable (formerly PBM Enterprises, LLC ("PBM") note receivable):

During July 2017, the Company entered into a secured loan agreement with Herbology Group Inc. (the "Herbology Note"). The secured loan had a maximum credit of $15,000, a maturity date of 6 years and an interest rate of 10% per year, payable quarterly, in cash at the election of Herbology.

During May 2020, the Company entered into a promissory note with PBM as full consideration and satisfaction of the Herbology Note (the "PBM Note"). The PBM Note includes a principal balance of $1,250, with an interest rate of zero percent and a maturity date of October 1, 2020. Payment of the PBM Note was conditioned on the approval of PBM's Change of Ownership and Control Request Application with the Massachusetts Cannabis Control Commission for a proposed transaction by and among PBM and Herbology Group Inc.

During February 2021, the Company entered into a promissory note with PBM, amending and restating in its entirety, the original note entered during May 2020. The promissory note includes a principal balance of $1,250, with an interest rate of zero percent and a maturity date of December 31, 2022. In accordance with the promissory note, $250 payment was made upon the control request application with the Massachusetts Cannabis control Commission granted in February 2021.

SSZ Real Estate Holding LLC ("SSZ") and Elev8 Cannabis LLC ("Elev8") note receivable:

During January 2019, the Company entered a secured loan agreement with SSZ and Elev8. The secured loan has a maximum credit of $1,000, a maturity date of 5 years and an interest rate of 8% per year, payable on the maturity date.

Pure Hana Synergy LLC ("Pure Hana Synergy") note receivable:

During July 2018, the Company entered into a secured loan agreement with Pure Hana Synergy. The secured loan has a maximum credit of $1,500, a maturity date of August 1, 2022 and a fixed annual interest rate of 10%.

Little Beach Harvest note receivable:

On August 24, 2021, the Company, through its joint venture CGSF, amended and restated a secured loan agreement with Little Beach Harvest LLC (the "Little Beach Harvest note"), a corporation wholly owned by the Shinnecock Indian Nation of New York. The Little Beach Harvest Note has a maximum credit of $18,350, a maturity date of August 24, 2036, and an interest rate of 9% per year, payable at maturity.

TILT HOLDINGS INC.

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10 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consisted of the following as of March 31, 2022 and December 31, 2021:

Accounts payable and accrued liabilities	March 31, 2022	December 31, 2021
Accounts payable	$ 30,258	$ 31,979
Other accrued expenses	6,495	5,746
Accrued accounts payable	2,655	5,798
Accrued interest expense	2,820	2,752
Accrued payroll	3,531	2,951
Other current payables/liabilities	221	254
Credit card payable	—	2
Total accounts payable and accrued liabilities	**$ 45,980**	**$ 49,482**

11 Notes Payable

As of March 31, 2022 and December 31, 2021, the notes payable, unamortized portions of the debt discount and debt issuance costs are as follows:

Notes payable	March 31, 2022	December 31, 2021
Balance, beginning of year	$ 86,613	$ 71,750
Proceeds from borrowing	32,012	57,081
Accretion of debt discount	771	2,667
Repayment of borrowings	(32,339)	(47,973)
Transaction costs related to notes issued	—	(469)
Interest expense	1,835	6,461
Interest paid	(922)	(2,904)
Notes payable, end of period	87,970	86,613
Less current portion	(42,297)	(40,758)
Notes payable, long-term	**$ 45,673**	**$ 45,855**

Senior Secured Notes

On November 4, 2019, the Company entered into a private placement of up to $35,000 of senior secured notes from a syndicate consisting of new investors and existing shareholders, including the Company's CEO (the "Senior Secured Notes"). The first close totaled $25,500 on November 4, 2019, and a further closing of $10,300, which was oversubscribed by $800, occurred on November 20, 2019. The financing was used specifically to retire in full the Company's $20,000 bridge loan dated April 29, 2019 as well as other payables. All personal property, including inventory and equipment, as well as all proceeds have been pledged as security for the Company's Senior Secured Notes.

All Senior Secured Notes have a maturity date of 36 months from the closing date and bear interest from their date of issue at 8.0% per annum, payable quarterly. In connection with the issuance of the Senior Secured Notes, the Company issued 1,800 common share purchase warrants (the "Warrants") to the subscribers for each $1 principal amount of Senior Secured Notes subscribed, for a total aggregate of approximately

(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

11 Notes Payable (continued)

64,449,020 Warrants (representing 45% warrant coverage on the aggregate gross proceeds of the Senior Secured Notes). Each Warrant is exercisable for one Common Share at a price ranging from C$0.33 to C$0.39 per Common Share for a period of 36 months from the applicable closing date.

The Company used the residual fair value method to allocate the proceeds of the Senior Secured Notes and the Warrants using the Black Scholes method. The Senior Secured Notes are carried at $35,804 and the Warrants are valued at $5,906. Please see Note 13 Shareholders' Equity for more details regarding the Warrants issued. Interest amortization for the three months ended March 31, 2022 and 2021 was $4,479 and $2,391, respectively. As of March 31, 2022 and December 31, 2021, the outstanding balance, including accrued interest, of the Senior Notes was $34,738 and $34,058, respectively.

Junior Secured Notes

The previous sellers of Jupiter (the "Jupiter Sellers") agreed to restructure the $35,000 purchase consideration payable in connection with the Jupiter Acquisition plus accrued interest of $1,180. The junior secured notes (the "Junior Secured Notes") mature on January 1, 2023 and bear interest at 8% per annum that accrues and is payable at maturity. Upon repayment of the Senior Secured Notes, should any Jupiter debt be outstanding, the Jupiter Sellers will assume the same rights and security as the original financing syndicate until repaid. All personal property, including inventory and equipment, as well as all proceeds have been pledged as security for the Company's Junior Secured Notes.

Asset-based Revolving Facility

On July 21, 2021, the Company, through its subsidiary, Jupiter, entered into a two-year, $10,000 asset-based revolving credit facility with Entrepreneur Growth Capital, LLC. Borrowings under the new facility bear interest at Prime plus 3.5% and are secured by Jupiter's inventory, accounts receivable and related property. Jupiter's existing Senior Secured Note and Junior Secured Note creditors are subordinate in their security interests in Jupiter's inventory, accounts receivable, and related property; the existing note creditors will maintain the priority of their security interests in other Jupiter collateral. The new credit facility has a two-year initial term and will continue for successive one-year terms unless terminated by either party effective at the end of the then-current term. The loan terms provide for minimum monthly interest charges, and for borrowing base eligibility requirements, advance rates, fees, events of default and default interest rates that are common features in such facilities.

Future maturities of all notes payable as of March 31, 2022 are as follows:

Year ended December 31,	Amount
Remainder of 2022	$42,297
2023	45,673
Total	$87,970

(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

12 Leases

The following table provides the components of lease cost recognized in the unaudited interim condensed consolidated statements of operations and comprehensive income for three months ended March 31, 2022 and 2021:

	March 31, 2022	March 31, 2021
Operating lease cost	$ 280	$ 336
Finance lease cost:		
Amortization of lease assets	258	233
Interest on lease liabilities	122	123
Finance lease costs	380	356
Total lease cost	$ 660	$ 692

Weighted average discount rate for operating leases for the three months ended year ended March 31, 2022 was 8% and the weighted average remaining operating lease term was 5.74 years. Weighted average discount rate for finance leases for the three months ended March 31, 2021 was 8% and the weighted average remaining finance lease term was 5.33 years.

The maturity of the contractual undiscounted lease liabilities as of March 31, 2022 is as follows:

Year ended December 31,	Finance	Operating
Remainder of 2022	$ 1,069	$ 864
2023	1,452	1,180
2024	1,489	1,197
2025	1,212	1,213
2026	926	1,111
Thereafter	1,294	1,292
Total undiscounted lease liabilites	7,442	6,857
Interest on lease liabilities	(1,391)	(1,376)
Total present value of minimum lease payments	6,051	5,481
Lease liability – current portion	(988)	(753)
Lease liability	$ 5,063	$ 4,728

13 Shareholders' Equity

Authorized Share Capital

The authorized share capital of the Company is comprised of an unlimited number of common shares without par value.

The holders of the Common Shares shall be entitled to receive notice of and to vote at every meeting of the shareholders of the Company and shall have one vote for each Common Share so held. Holders of Common Shares are entitled to receive as and when declared by the directors of the Company, dividends in cash or property of the Company.

As of March 31, 2022 and December 31, 2021, there were 331,481,848 and 330,261,380 Subordinate Voting Shares issued and outstanding, respectively.

(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

13 Shareholders' Equity (continued)

LP Units of JJ LP

LP Units of JJ LP, a subsidiary of TILT, are exchangeable for one Common Share at any time per request of the owner of LP Units and are not saleable or transferable without the Company's authorization. In connection with the acquisition of Jupiter (the "Jupiter Acquisition"), the Company issued LP Units, as consideration for the Jupiter Acquisition, and were required to be held in escrow in accordance with the underlying agreement. Those shares were released to Jupiter's former shareholders during December 2020.

During the three months ended March 31, 2022 and 2021, there were no LP units converted to Common Shares. As of March 31, 2022 and December 31, 2021, 43,821,379 LP units of JJ LP were issued and outstanding, respectively.

Warrants

In connection with the issuance of the Senior Secured Notes (as defined herein) in 2020, the Company issued 1,800 common share purchase warrants (the "Financing Warrants") to the subscribers for each $1 principal amount of Senior Secured Notes subscribed, for a total aggregate of approximately 64,449,020 Warrants. See details in Note 11 — Notes Payable. Each Warrant is exercisable for one Common Share at a price ranging from C$0.33 to C$0.39 per Common Share for a period of 36 months from the applicable closing date.

As of January 1, 2021, the Company's functional currency changed from Canadian dollars to US dollars. Because of the Canadian denominated exercise price, the Financing Warrants no longer qualified to be classified within equity and were therefore classified as derivative instruments at fair value with changes in fair value charged or credited to earnings in the consolidated statements of operations and comprehensive loss.

During the three months ended March 31, 2021, the Company issued 567,000 shares of its common stock from Financing Warrants exercised for cash. The Company received $149 in cash.

During 2020, the Company also issued warrants to its founders (the "Founder Warrants") for a total aggregate of 9,045,691 warrants. Each Warrant is exercisable for one Common Share at a price of C$1.05 per Common Share for a period of 36 months from the applicable closing date.

During 2020, the Company issued 1,250,000 warrants to its consultants. Each warrant is exercisable at a price ranging from C$0.33 to C$0.53 for a period of 36 or 37 months from the applicable closing date.

The Company did not issue any warrants for the three months ended March 31, 2022 and 2021, respectively.

Each whole warrant entitles the holder to purchase one Common Share. The warrants are not subject to vesting conditions.

A summary of the status of the warrants outstanding is as follows:

Warrants	Number of warrants	Weighted-average exercise price
Balance as of January 1, 2022	**73,905,211**	**CAD$0.44**
Exercised	—	—
Balance as of March 31, 2022	**73,905,211**	**CAD$0.44**

(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

13 Shareholders' Equity (continued)

The following table summarizes the warrants that remain outstanding as of March 31, 2022:

Security issued	Exercise price (C$)	Number of warrants	Expiration date
Warrants issued as part of debt offering	0.33	45,249,520	November 1, 2022
Warrants issued as part of debt offering	0.39	18,360,000	November 20, 2022
Consultant warrants	0.53	750,000	November 22, 2022
Consultant warrants	0.33	500,000	January 28, 2023
Founders separation warrants	1.05	9,045,691	September 30, 2024
		73,905,211	

14 Share-based Compensation

Under the Amended and Restated 2019 Stock Incentive Plan (the "Plan"), the Company has reserved 60,000,000 Common Shares to be issued as awards to employees, management, directors and consultants of the Company, as designed by the Board or a committee of the Board. "Award" is defined in the Plan to include options, stock appreciation rights, restricted stocks, restricted stock units, performance stock units, dividend equivalents and stock-based awards.

Restricted Stock Units ("RSUs")

A summary of the status of the restricted stock units outstanding is as follows:

Restricted stock units	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2022	**3,627,081**	**0.37**
Forfeited	(48,582)	0.33
Vested	(520,468)	0.33
Unvested as of March 31, 2022	**3,058,031**	**$ 0.38**

The Company did not grant RSUs for the three months ended March 31, 2022 and 2021, respectively. During the three months ended March 31, 2022 and 2021, the Company recorded $262 and $257 of net share-based compensation relating to RSUs, respectively.

In addition, the Company recorded additional share-based compensation expense of $257 and $0 for the three months ended March 31, 2022 and 2021, respectively, relating to the contingent consideration for milestone payments relating to projects of its joint venture in CGSF.

Share Options

A summary of the status of the options outstanding is as follows:

Share options	Stock options common shares	Weighted-average exercise price	Weighted-average remaining contractual life (yrs)
Balance as of January 1, 2022	**16,573,380**	**US $0.63**	**5.42**
Forfeited	(3,484,588)	US $0.90	—
Balance as of March 31, 2022	**13,088,792**	**US $0.56**	**6.28**

(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

14 Share-based Compensation (continued)

In accordance with the Plan, the Company granted employees and consultants options totaling 17,837,463 at an exercise price ranging from CAD $0.39-$0.65. In accordance with the Plan's policy, the vesting period for employees is 15% as of the date of issuance, 25% vest on December 31, 2020, and 60% vest on December 31, 2021.

For founding members of the board of directors, the options were fully vested on the date of grant. For non-founding members of the board of directors, 50% of the options were vested on December 31, 2020, and 50% were vested on December 31, 2021.

For the three months ended March 31, 2022 and 2021, the Company recorded $81 and $625, respectively, of net share-based compensation.

The following table summarizes the share options that remain outstanding as of March 31, 2022:

Security issuable	Number of options	Exercise price	Expiration date	Options exercisable
Legacy employees	190,000	US$1.58	June 28, 2028	190,000
2020 employee grant	8,566,194	US$0.30-0.48	February 28, 2022 – December 1, 2030	3,542,842
Other employee grants	4,332,598	US$0.41-3.96	June 17, 2022 – November 21, 2029	4,332,598
Total	**13,088,792**			**8,065,440**

Performance Stock Units ("PSUs")

A summary of the status of the performance stock units outstanding is as follows:

Performance Stock Units	Number of Performance Stock Units	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2022	**11,804,498**	**$ 0.31**
Issued	—	—
Forfeited	(7,198)	0.16
Vested	(700,000)	0.51
Unvested as of March 31, 2022	**11,097,300**	**0.29**

The Company did not grant PSUs for the three months ended March 31, 2022 and 2021, respectively. During the three months ended March 31, 2022 and 2021, the Company recorded $626 and $0 of net share-based compensation relating to PSUs, respectively.

A summary of the PSU awards granted containing market conditions is as follows:

PSU Grant Dates	Close Price on Grant Date	Expiration Date	Outstanding (#)
June 18th, 2021	$ 0.49	December 31, 2024	7,487,351
September 30th, 2021	$ 0.39	December 31, 2024	2,367,772
December 19th, 2021	$ 0.23	December 31, 2024	549,375
Total			**10,404,498**

TILT HOLDINGS INC.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
For the Three Months Ended March 31, 2022 and 2021
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15 Loss Per Share

The following is a calculation of basic and diluted loss per share for the three months ended March 31, 2022 and 2021:

Loss per share	March 31, 2022	March 31, 2021
Net loss attributable to TILT	$ (11,629)	$ (17,057)
Weighted-average number of shares and units outstanding – basic and diluted	371,738,863	365,809,870
Loss per share – basic and diluted	**$ (0.03)**	**$ (0.05)**

Diluted loss per share for the three months ended March 31, 2022 and 2021 is the same as basic loss per share as the issuance of shares on exercise of warrants and share options is anti-dilutive.

16 Income Taxes

The following table summarizes the Company's income tax expense and effective tax rates for the three months ended March 31, 2022 and 2021:

	March 31, 2022	March 31, 2021
Loss before Income Taxes	$ (12,966)	$ (17,079)
Income tax benefit	1,332	22
Effective Tax rate	-10.27%	-0.13%

The Company is treated as a U.S. corporation under Section 7874 of the IRC and is expected to be subject to U.S. federal, state and local income tax. However, the Company is expected, regardless of any application of Section 7874 of the U.S. tax code, to be treated as a Canadian resident Company for Canadian income tax purposes. Due to the organizational structure and multinational operations, the Company is subject to taxation in U.S. federal, state and local and Canadian jurisdictions.

As the Company operates in the cannabis industry, it is subject to the limitations of IRC Section 280E. This results in permanent differences for ordinary and necessary business expenses deemed non-allowable under IRC Section 280E for income tax purposes. Therefore, the effective tax rate can be highly variable and may not necessarily correlate with pre-tax income or loss.

The Company's U.S. income tax attributes are potentially subject to annual limitations resulting from equity shifts that constitute an ownership change as defined by IRC Section 382. Any potential annual limitations resulting from an equity shift that constitutes an ownership change under IRC Section 382 could result in additional limitation of the realization of U.S. federal, state and local income tax attributes.

17 Related Party Transactions

The Company has a payable of $25,627 and $25,519 as of March 31, 2022 and December 31, 2021, respectively, to the Company's CEO, for his portion of the amounts payable in connection with the Jupiter Acquisition. As of March 31, 2022 and December 31, 2021, $24,452 and $23,965, respectively, of the total amount was included within notes payable (see Note 11) and the remaining within accounts payable and accrued liabilities, on the consolidated balance sheets.

The Company has payables of $1,708 and $1,670 to a current Board member of the Company as of March 31, 2022 and December 31, 2021, respectively. Additionally, as of March 31, 2022 and December 31, 2021, the Company had $1,055 and $1,032, respectively, payable to Corner Health, LLC, an entity partially owned and managed by a current Board member, related to their portion of the amounts payable in connection with the Senior Secured Notes (see Note 11).

(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

18 Commitments and Contingencies

Guarantees

A subsidiary is a guarantor in the lease agreement of one of the Massachusetts dispensaries to which the Company has extended a loan. The Company may be liable for the future minimum rental payments under this lease if the dispensary defaults as follows:

Year ended December 31,	Amount
Remainder of 2022	$ 325
2023	450
2024	463
2025	477
2026 and thereafter	1,520
Total	**$3,235**

Litigation

The Company has been named as a defendant in several legal actions and is subject to various risks and contingencies arising in the normal course of business. Management is of the opinion that the outcome of these uncertainties will not have a material adverse effect on the Company's financial position.

On July 14, 2020, the Company was served with a claim filed in the Ontario Superior Court of Justice against it and certain of its former directors and officers. The plaintiff claimed and sought to claim on behalf of a proposed class, an unspecified amount of damages for alleged misrepresentations made by the Defendants about the Company's business in its public disclosure during the proposed class period of October 12, 2018 to May 1, 2019. Prior to any hearings in the matter, the parties reached a settlement of the proposed class action. The settlement was approved by the Ontario Court, on behalf of a defined certified class of investors, by Order dated November 29, 2021. The plan for the distribution of the settlement funds is ongoing.

In September 2020, the Company entered into a settlement agreement and release with O'Melveny & Myers LLP ("OMM") in respect of a previously disclosed arbitration instituted by OMM. Pursuant to initial arbitration documents, OMM claimed that the Company had failed to pay approximately $3,100 in fees, of which an amount in excess of $100 was specifically attributable to Baker. Pursuant to the settlement agreement and release, the Company agreed to pay $100 in full and final settlement of the invoices outstanding for services rendered and costs incurred in the legal representation by OMM of Baker, but not of the invoices concerning OMM's other representation of the Company. Consequently, OMM filed suit against the Company concerning its claims against the Company in British Columbia, and the Company filed suit against OMM in San Francisco concerning OMM's claims, while also asserting its own claims against OMM and certain of its partners.

OMM's British Columbia suit has now been stayed as having been brought in an inconvenient forum. The Company's complaint has proceeded in San Francisco, with a trial date having been set for August 2022.

On February 2, 2021, the Haze Corp. (the "Plaintiff") filed a complaint in Clark County, Nevada against Brand Canna Growth Partners, Inc. ("BCGP"), Michael Orr, Santé Veritas Holdings, Inc. and Santé Veritas Therapeutics Inc. SVH and SVT are wholly owned subsidiaries of the Company. The Plaintiff alleges that it entered into a Finders' Fee Agreement with BCGP in 2017 and under that agreement is owed payments for acquisitions that it facilitated. The Plaintiff alleges that BCGP is influenced and governed by SVH and SVT because they had the same principal, Defendant Michael Orr, and SVH and SVT are liable for BCGP's or Orr's obligations under the Finders' Fee Agreement. SVT and SVH moved for dismissal. On May 13, 2021,

(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

18 Commitments and Contingencies (continued)

the court granted the motion without prejudice. The Plaintiff recently moved for leave to amend its complaint, again naming SVT and SVH as defendants. That motion to amend was granted. SVT and SVH have again moved to dismiss. The motions to dismiss were denied without prejudice and the court has set a hearing to consider the scope of limited jurisdictional discovery before entertaining renewed motions to dismiss. The parties are in the process of outlining a stipulated discovery plan for limited jurisdictional discovery.

VPR Brands, LP ("VPR") filed a lawsuit against Jupiter in the United States District Court in the District of Arizona. VPR claims infringement of several claims in United States Patent Number 8,205,622. This lawsuit is presently in the discovery phase. Jupiter, through its counsel, has analyzed the claims and is vigorously defending the lawsuit. Jupiter has also filed an Inter Partes Review ("IPR") as AIA Review No.:IPR2022-00299 alleging that the patent claims involved in the suit are invalid. A request was also filed to suspend the lawsuit while the IPR is being considered as it may invalidate the relevant patent claims and preclude any need to continue the suit.

19 Financial Instruments and Capital Risk Management

Financial and Capital Risk Management

The Company examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include market risk, interest rate risk, liquidity risk, currency risk and credit risk. Where significant, these risks are reviewed and monitored by the Board.

The Board has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due.

The following are the remaining contractual maturities of financial liabilities as of March 31, 2022:

		Contractual cash flows			
March 31, 2022	**Carrying amount**	**Total**	**< 6 months**	**6 – 12 months**	**1 – 5 years**
Accounts payable and accrued liabilities	$ 45,980	$ (45,980)	$ (36,711)	$ (184)	$ (9,085)
Notes payable	87,970	(86,373)	(11,604)	(37,927)	(36,842)
Total	**$133,950**	**$(132,353)**	**$ (48,315)**	**$ (38,111)**	**$(45,927)**

Loans Receivable

The Company manages its exposure to credit risk arising from loans receivable by obtaining collateral in the form of guarantees and security interest in the underlying assets of the counterparty, including intangible assets such as cannabis licenses, which would allow the Company to foreclose on the loans or force a sale of the assets in the event of default by the counterparty.

At each reporting date, the Company assesses whether loans receivables are credit impaired by applying the guidance in ASC 326. A financial asset is 'credit impaired' when one or more events that have a detrimental

(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

19 Financial Instruments and Capital Risk Management (continued)

impact on the estimated future cash flows of the financial asset have occurred. Credit impairment is based on observable data such as significant financial difficulty of the debtor and a breach of contract such as a default or being past due.

CECLs are measured by the Company on a probability-weighted basis based on historical experience with losses and forward-looking information, which includes considerations of ongoing legal and regulatory developments in the industry. Loss given default parameters utilized by the Company in estimating CECL generally reflect the assumed recovery rate from underlying collateral, with adjustments for time value of money and estimated costs for obtaining and selling the collateral. Given the repayment profile and underlying terms of such loans, CECLs are generally estimated over the contractual term of the loan.

The following tables present an analysis of the credit quality of loans receivable, together with impairment losses recognized based on lifetime CECLs, for the periods ended March 31, 2022 and December 31, 2021:

	As of March 31, 2022		
Nature of collateral	**Gross amounts**	**Loan losses**	**Net**
Security interest in assets of counterparty	$ 8,341	$ (5,008)	**$3,333**
Third party guarantee	1,410	(882)	**528**
No collateral	224	(186)	**38**
Net loans receivable	**$ 9,975**	**$ (6,076)**	**$3,899**

	As of December 31, 2021		
Nature of collateral	**Gross amounts**	**Loan losses**	**Net**
Security interest in assets of counterparty	$ 8,050	$ (4,556)	**$3,494**
Third party guarantee	1,410	(882)	**528**
No collateral	224	(121)	**103**
Net loans receivable	**$ 9,684**	**$ (5,559)**	**$4,125**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities that are required to be recorded at fair value, the Company considers all related factors of the asset by market participants in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions and credit risk.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

19 Financial Instruments and Capital Risk Management (continued)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy as of March 31, 2022 and December 31, 2021:

	As of March 31, 2022		
	Fair value hierarchy		
Fair value of assets	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 9,232	$ —	$ —
Trade receivables and others	28,854	—	—
Other loans receivable	3,899	—	—
Investments	57	—	6,596
Accounts payable and accrued liabilities	45,980	—	—
Warrant liability[1]	—	—	4,557
Notes payable	87,970	—	—
Total	**$175,992**	**$ —**	**$11,153**

	As of December 31, 2021		
	Fair value hierarchy		
Fair value of assets	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 6,952	$ —	$ —
Trade receivables and others	32,393	—	—
Other loans receivable	4,125	—	—
Investments	102	—	6,596
Accounts payable and accrued liabilities	49,482	—	—
Warrant liability[1]	—	—	2,394
Notes payable	86,613	—	—
Total	**$179,667**	**$ —**	**$8,990**

(1) During the three months ended March 31, 2022 and 2021, the Company recorded a loss of $2,163 and $13,916, respectively, on the change in fair value of the warrant liaibility within other income (expense) on the unaudited interim condensed consolidated statements of operations.

The following table summarizes the significant assumptions used in the determining the fair value of the warrant liability as of March 31, 2022:

Exercise price	$0.26 – 0.30
Risk free interest rate	1.06%
Expected Share Price Volatility	67% – 69%
Expected Life of Warrant (years)	0.58 – 0.83

The carrying amounts of all financial assets and liabilities measured at amortized cost, other than notes payable, approximate their fair values. There were no transfers between the levels of fair value hierarchy during the three months ended March 31, 2022 and 2021.

(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

19 Financial Instruments and Capital Risk Management (continued)

COVID-19 Pandemic and Global Conflicts

In March 2020, the World Health Organization categorized coronavirus disease 2019 ("COVID-19") as a global pandemic. COVID-19 continues to spread throughout the U.S. and other countries across the world, and the duration and severity of its effects are currently unknown. The Company continues to implement and evaluate actions to strengthen its financial position and support the continuity of its business and operations.

The impact of the COVID-19 pandemic and geopolitical conflicts, including the recent war in Ukraine, has created much uncertainty in the global marketplace. There are many uncertainties regarding these events, and the Company is closely monitoring the ongoing impact of the pandemic and the recent events in Ukraine on all aspects of its business, including how it will impact its services, customers, employees, vendors and business partners now and in the future. While the pandemic and recent geopolitical conflicts did not materially adversely affect the Company's financial results and business operations in the three months ended March 31, 2022, or in the fiscal years ended December 31, 2021 or 2020, the Company is unable to predict the impact that COVID-19 and recent geopolitical conflicts will have on its future financial position and operating results due to numerous uncertainties.

20 Segment Information

The Company operates in four reportable segments: cannabis segment (SVH, Standard Farms, Standard Farms OH and Baker), accessories (Jupiter) and other (White Haven, SFNY, and CGSF). The cannabis segment includes production, cultivation, extraction and sale of cannabis products and accessories includes the manufacturing and distribution of electronic, non-nicotine (i.e., cannabis) devices and systems.

Information related to each segment is set out below. Segment net loss is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

The following tables presents the Company's segments as of March 31, 2022 and December 31, 2021 and for the three months ended March 31, 2022 and 2021, respectively:

	For the three months ended March 31, 2022				
	Cannabis	**Accessories**	**Corporate & Elim**	**Other**	**Total**
Revenue	$11,259	$ 31,624	$ —	$ —	$ 42,883
Inter-segment revenue	—	(531)	—	—	(531)
Net revenue	$11,259	$ 31,093	$ —	$ —	$ 42,352
Share-based compensation	—	—	969	257	1,226
Depreciation and amortization	648	3,700	14	196	4,558
Wages and benefits	1,532	1,168	2,468	—	5,168
Impairment loss	697	—	—	—	697
Interest expense	87	238	2,456	—	2,781
Loan losses	—	—	517	—	517
Net (loss)	(1,221)	(4,701)	(5,380)	(332)	(11,634)

(Amounts Expressed in Thousands of United States Dollars, Except for Unit, Share and Per Share Amounts)

20 Segment Information (continued)

	For the three months ended March 31, 2021				
	Cannabis	Accessories	Corporate & Elim	Other	Total
Revenue	$11,734	$ 35,301	$ —	$ —	$ 47,035
Inter-segment revenue	—	(218)	—	—	(218)
Net revenue	$11,734	$ 35,083	$ —	$ —	$ 46,817
Share-based compensation	—	—	882	—	882
Depreciation and amortization	560	3,667	50	155	4,432
Wages and benefits	814	1,180	2,089	—	4,083
Interest Expense	394	43	2,018	—	2,455
Net income (loss)	1,983	(1,563)	(17,447)	(30)	(17,057)

Geographic Areas

The following table presents financial information relating to geographic areas in which the Company operated for the three months ended March 31, 2022 and 2021, respectively.

	Three months ended March 31, 2022			
	USA	Canada	Other	Total
Revenue	$39,907	$2,295	$150	$42,352
Gross profit	8,627	669	57	9,353

	Three months ended March 31, 2021			
	USA	Canada	Other	Total
Revenue	$44,496	$2,239	$82	$46,817
Gross profit	13,220	260	65	13,545

21 Disaggregation of Revenue

The following table presents revenue for the three months ended March 31, 2022 and 2021, disaggregated by major products, service lines and timing of revenue recognition.

	Three months ended March 31, 2022				
	Cannabis	Accessories	Corporate/Elim	Other	Total
Cannabis (ii)	$11,259	$ —	$ —	$ —	$11,259
Vaporization and inhalation devices (ii)	—	31,093	—	—	31,093
	$11,259	$ 31,093	$ —	$ —	$42,352

	Three months ended March 31, 2021				
	Cannabis	Accessories	Corporate/Elim	Other	Total
Cannabis (ii)	$11,734	$ —	$ —	$ —	$11,734
Vaporization and inhalation devices (ii)	—	35,083	—	—	35,083
	$11,734	$ 35,083	$ —	$ —	$46,817

21 Disaggregation of Revenue (continued)

Timing of revenue recognition:

(i) Rateably over contract term, with respect to license and set up fees and at a point in time with respect to usage-type fees.

(ii) At a point in time.

Deferred Revenue

Deferred revenue relates to advance consideration received from customers primarily for the sale of vaporization and inhalation devices. The amount of $4,598 included in deferred revenue as of December 31, 2021 has been recognized as revenue for the three months ended March 31, 2022. The amount of $5,564 included in deferred revenue as of December 31, 2021 has been recognized as revenue for the three months ended March 31, 2021.

22 Subsequent Events

On May 16, 2022, through its subsidiary Commonwealth Alternative Care, Inc. (“CAC”), the Company completed the previously announced acquisition of its facility located in Taunton, MA (the “Taunton Purchase”). Concurrent with the acquisition, CAC closed on the sale of the Taunton facility (the “Massachusetts Sale” and, with the Taunton Purchase, the “Massachusetts Transaction”) to Innovative Industrial Properties, Inc. (“IIP”). The purchase price for the property in the Massachusetts Sale was $40,000. The all-cash net proceeds of the Massachusetts Transaction of approximately $27,000 will be used by TILT to pay down the outstanding corporate debt. Concurrent with the closing of the Massachusetts Sale, IIP entered into a long-term, triple-net lease agreement for the property with CAC for a term of 20 years, with two 5- year extensions exercisable at the tenant’s discretion. CAC anticipates no disruption to its operations as a result of the transaction.

In addition to the Massachusetts Transaction, the Company entered into a definitive purchase and sale agreement between TILT’s subsidiary, White Haven RE, LLC, and an affiliate of IIP, providing for the sale and leaseback of TILT’s cultivation and production facility in White Haven, PA (the “Pennsylvania Transaction”) in exchange for $15,000 cash. In accordance with the terms of the Pennsylvania Transaction, TILT’s subsidiary, Standard Farms LLC (“Standard Farms PA”) will also execute a long-term, triple-net lease agreement. The term of the lease agreement will be 20 years, with two 5-year extensions exercisable at the tenant’s discretion. Standard Farms PA anticipates no disruption to its operations as a result of the transaction. The Pennsylvania Transaction is subject to various closing conditions, including standard property/title inspections and appraisals and is scheduled to close before the end of the second quarter of 2022.

Exhibit 2.1

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

BAKER TECHNOLOGIES, INC.

AND

BRITESIDE HOLDINGS, LLC

AND

SEA HUNTER THERAPEUTICS, LLC

AND

SANTÉ VERITAS HOLDINGS INC.

AND

1167411 B.C. LTD.

BUSINESS COMBINATION AGREEMENT

DATED JULY 9, 2018

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BUSINESS COMBINATION AGREEMENT

THIS BUSINESS COMBINATION AGREEMENT dated July 9, 2018 AMONG:

BAKER TECHNOLOGIES, INC., a corporation existing under the Laws of the State of Delaware ("**Baker**")

- and –

BRITESIDE HOLDINGS, LLC, a limited liability company existing under the Laws of the State of Tennessee ("**Briteside**")

- and -

SEA HUNTER THERAPEUTICS, LLC, a limited liability company existing under the Laws of the State of Delaware ("**Sea Hunter**")

- and -

SANTÉ VERITAS HOLDINGS INC., a corporation existing under the Laws of Canada ("**SVT**")

- and -

1167411 B.C. LTD., a corporation existing under the Laws of the Province of British Columbia ("**Finco**")

RECITALS:

A. The Parties seek to combine their respective companies, all to be owned by the Resulting Issuer (as defined herein);

B. The Parties intend to carry out the transactions contemplated in this Agreement by way of arrangement under the provisions of the BCBCA, as applicable.

C. Each of the SVT Board, Baker Board, Briteside Board, Sea Hunter Board, and Finco Board has determined, after receiving financial and legal advice that the consideration to be received by their respective shareholders or members, as applicable, directly or indirectly, pursuant to the Business Combination is fair and that the Business Combination is in the best interests of the respective shareholders or members, as applicable, of SVT, Baker, Briteside, Sea Hunter, and Finco.

D. Contemporaneous with the execution and delivery hereof, the following documents were also executed and delivered:

i) the Briteside Contribution Agreement;

ii) the Sea Hunter Contribution Agreement;

iii) the Baker Agreement and Plan of Merger;

iv) the Nevada Holdco Contribution Agreement;

v) the Nevada Holdco Agreement and Plan of Conversion;

vi) the Nevada Holdco Stock Repurchase Agreement;

vii) the SVT Shareholder Voting Agreements;

viii) the Baker Shareholders Voting Agreements;

ix) the Briteside Members Voting Agreements; and

x) the Sea Hunter Voting Agreement.

THIS AGREEMENT WITNESSES THAT in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto covenant and agree as follows:

ARTICLE 1

INTERPRETATION

1.1 **Definitions**

In this Agreement, unless the context otherwise requires:

"**Acquisition Securities**" has the meaning ascribed thereto in Section 4.13(b);

"**Acquisition Proposal**" means, other than the transactions contemplated by this Agreement and other than any transaction involving only a Transacting Party and/or one or more of its wholly-owned Subsidiaries, any offer, proposal or inquiry from any Person or group of Persons, whether or not in writing and whether or not delivered to the shareholders or members, as the case may be, of a Transacting Party, after the date hereof and prior to the Effective Date relating to: (a) any acquisition or purchase, direct or indirect, of: (i) the assets of that Transacting Party and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of that Transacting Party and its Subsidiaries, taken as a whole, or which contribute 20% or more of the consolidated revenue of a Transacting Party and its Subsidiaries, taken as a whole, or (ii) subject to Section 4.6, 20% or more of any voting or equity securities or membership interests of that Transacting Party or any one or more of its Subsidiaries that, in the case of such Subsidiaries, individually or in the aggregate, contribute 20% or more of the consolidated revenues or constitute 20% or more of the consolidated assets of that Transacting Party and its Subsidiaries, taken as a whole; (b) any take-over bid, tender offer or exchange offer that, if consummated, would result in such Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities or membership interests of that Transacting Party; or (c) a plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving that Transacting Party and/or any of its Subsidiaries whose assets or revenues, individually or in the aggregate, constitute 20% or more of the consolidated assets or revenues, as applicable, of that Transacting Party and its Subsidiaries, taken as a whole; provided, however, that in no event shall a proposal or offer regarding a bona fide financing transaction conducted primarily for capital raising purposes be deemed to constitute an Acquisition Proposal**;**

"**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity;

"**Acquisition**" means any acquisition made by a Transacting Party whereby any of the following forms of consideration is issued for such acquisition: (a) cash; (b) securities, including convertible securities which may be convertible into Resulting Issuer Common Shares or Resulting Issuer Compressed Shares, as the case may be, upon consummation of the Business Combination; (c) debt securities or other indebtedness of such Transacting Party or any of its Subsidiaries; (d) non-cash assets of such Transacting Party or its Subsidiaries; or (e) any combination of the foregoing;

"**Affiliate**" or "**affiliate**" means, with respect to any two Persons, one Person is a Subsidiary of the other or each of the two Persons is controlled by the same Person;

"**Agreement**" means this business combination agreement, including all schedules annexed hereto, together with the SVT Disclosure Letter, Baker Disclosure Letter, Briteside Disclosure Letter, and Sea Hunter Disclosure Letter as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof;

"**Associate**" has the meaning ascribed thereto in Rule 12b-2 under the U.S. Exchange Act;

"**Baker Agreement and Plan of Merger**" means the agreement and plan of merger dated as of the date hereof, entered into among Nevada Holdco, Nevada MergeCo, and Baker, pursuant to which Nevada MergeCo will merge with and into Baker, and the holders of Baker Shares will exchange each of their Baker Shares for the Baker Nevada Holdco Consideration, all in accordance with Section 92A.190 of the NRS and Section 252 of the DGCL;

"**Baker Balance Sheet**" has the meaning ascribed thereto in Schedule "D", Section (k);

"**Baker Benefit Plan**" has the meaning ascribed thereto in Section (u)(i) of Schedule "D";

"**Baker Board**" means the board of directors of Baker as the same is constituted from time to time;

"**Baker Board Nominee**" has the meaning ascribed thereto in Section 4.5(b)(ii)(B);

"**Baker Capital Stock**" means the Baker Shares and the Baker Preferred Stock, as applicable.

"**Baker Change in Recommendation for Briteside**" has the meaning ascribed thereto in Section 5.2(a)(iv)(B);

"**Baker Change in Recommendation for Sea Hunter**" has the meaning ascribed thereto in Section 5.2(a)(v)(B);

"**Baker Change in Recommendation for SVT**" has the meaning ascribed thereto in Section 5.2(a)(vi)(A);

"**Baker Convertible Instruments**" means any convertible notes, SAFEs, or other instruments convertible directly or indirectly into Baker Shares, in each case excluding (i) Baker Preferred Stock, (ii) Baker Options, and (iii) Baker Warrants.

"**Baker Disclosure Letter**" means the disclosure letter delivered by Baker to SVT, Briteside, and Sea Hunter concurrently with the execution of this Agreement;

"**Baker Locked-up Shareholders**" means those holders of Baker Shares, Baker Options, and Baker SAFEs, as applicable, as set forth in Section 1.1 of the Baker Disclosure Letter, each of whom will sign a Baker Shareholders Voting Agreement;

"**Baker Material Adverse Effect**" means any one or more changes, effects, events, occurrences or states of fact with respect to Baker or its Subsidiaries, either individually or in the aggregate, (i) that is, or would reasonably be expected to be, material and adverse to, the assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operations, results of operations, capital, property, obligations (whether absolute, accrued, conditional or otherwise) or financial condition of the Resulting Issuer and its Subsidiaries taken as a whole, other than changes, effects, events, occurrences or states of fact resulting from: (a) any changes affecting the cannabis industry generally; (b) any change in the market price of cannabis; (c) general economic, financial, currency exchange, securities or commodity market conditions in Canada or the United States; (d) any change in U.S. GAAP or IFRS occurring after the date hereof; (e) any change in applicable Laws or in the interpretation thereof by any Governmental Entity occurring after the date hereof; (f) the commencement, occurrence or continuation of any war, armed hostilities or acts of terrorism; or (g) any natural disaster, provided, however, that such changes do not relate primarily to the Resulting Issuer and its Subsidiaries, taken as a whole, or do not have a disproportionate effect on the Resulting Issuer and its Subsidiaries, taken as a whole, compared to other companies of similar size operating in the cannabis industry and references in this Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a "Baker Material Adverse Effect" has occurred; or (ii) that is, or would reasonably be expected to, prevent or materially delay the ability of Baker to consummate the transactions contemplated hereby;

"**Baker Material Contracts**" has the meaning ascribed thereto in Section (x) of Schedule "D";

"**Baker Merger**" means the merger of Nevada MergeCo with and into Baker with the Baker Shareholders receiving the Baker Nevada Holdco Consideration pursuant to the Baker Agreement and Plan of Merger;

"**Baker Multiemployer Plan**" has the meaning ascribed thereto in Section (u)(ii) of Schedule "D";

"**Baker Nevada Holdco Consideration**" means the Nevada Holdco Class A Shares issued to the holders of Baker Shares in the Baker Merger, as set forth on Schedule "O";

"**Baker Options**" means the outstanding options to purchase Baker Shares;

"**Baker Preferred Stock**" means the issued and outstanding shares of preferred stock, par value $0.01 per share, of Baker, including the series seed preferred stock, par value $0.01 per share, and series A preferred stock, par value $0.01 per share, of Baker;

"**Baker Proposed Agreement**" has the meaning ascribed thereto in Section 4.2(e);

"**Baker Qualified Benefit Plan**" has the meaning ascribed thereto in Section (u)(ii) of Schedule "D";

"**Baker SAFEs**" means the simple agreements for future equity to acquire Baker Capital Stock, as issued and outstanding from time to time;

"**Baker Shareholders Voting Agreements**" means the voting agreements (including all amendments thereto) signed by the Baker Locked-up Shareholders setting forth the terms and conditions upon which they have agreed, among other things, to vote their Baker Shares and Nevada Holdco Class A Shares in favour of the Continuance, the Business Combination and the transactions contemplated in the Baker Agreement and Plan of Merger;

"**Baker Shares**" means the issued and outstanding shares of common stock of Baker;

"**Baker Termination Fee Event**" has the meaning ascribed thereto in Section 5.3(d);

"**Baker Warrants**" means warrants to acquire Baker Capital Stock;

"**BCBCA**" means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**Briteside Balance Sheet**" has the meaning ascribed thereto in Schedule "E", Section (k);

"**Briteside Benefit Plan**" has the meaning ascribed thereto in Section (u)(i) of Schedule "E";

"**Briteside Board**" means the board of managers or other governing body of Briteside as the same is constituted from time to time;

"**Briteside Board Nominee**" has the meaning ascribed thereto in Section 4.5(b)(ii)(D);

"**Briteside Change in Recommendation for Baker**" has the meaning ascribed thereto in Section 5.2(a)(iii)(B);

"**Briteside Change in Recommendation for Sea Hunter**" has the meaning ascribed thereto in Section 5.2(a)(v)(C);

"**Briteside Change in Recommendation for SVT**" has the meaning ascribed thereto in Section 5.2(a)(vi)(B);

"**Briteside Contribution**" means the contribution of Briteside Membership Interests to Nevada Holdco in exchange for the Briteside Nevada Holdco Consideration pursuant to the Briteside Contribution Agreement;

"**Briteside Contribution Agreement**" means the contribution agreement dated as of the date hereof entered into between Nevada Holdco, Nevada MergeCo, Briteside, and all holders of Briteside Membership Interests, Briteside Options, and Briteside Warrants, pursuant to which members of Briteside will contribute all of the issued and outstanding Briteside Membership Interests to Nevada Holdco in exchange for the Briteside Nevada Holdco Consideration;

"**Briteside Convertible Instruments**" means any convertible notes, SAFEs, or other instruments convertible directly or indirectly into Briteside Membership Interests, in each case excluding (i) Briteside Options, and (ii) Briteside Warrants;

"**Briteside Disclosure Letter**" means the disclosure letter executed by Briteside and delivered to SVT, Baker, and Sea Hunter concurrently with the execution of this Agreement;

"**Briteside Locked-up Members**" means those holders of Briteside Membership Interests, Briteside Options, and Briteside Warrants, as set forth in Section 1.1 of the Briteside Disclosure Letter, each of whom will sign a Briteside Members Voting Agreement;

"**Briteside Material Adverse Effect**" means any one or more changes, effects, events, occurrences or states of fact with respect to Briteside or its Subsidiaries, either individually or in the aggregate, (i) that is, or would reasonably be expected to be, material and adverse to the assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operations, results of operations, capital, property, obligations (whether absolute, accrued, conditional or otherwise) or financial condition of the Resulting Issuer and its Subsidiaries taken as a whole, other than changes, effects, events, occurrences or states of fact resulting from: (a) any changes affecting the cannabis industry generally; (b) any change in the market price of cannabis; (c) general economic, financial, currency exchange, securities or commodity market conditions in Canada or the United States; (d) any change in U.S. GAAP or IFRS occurring after the date hereof; (e) any change in applicable Laws or in the interpretation thereof by any Governmental Entity occurring after the date hereof; (f) the commencement, occurrence or continuation of any war, armed hostilities or acts of terrorism; or (g) any natural disaster, provided, however, that such changes do not relate primarily to the Resulting Issuer and its Subsidiaries, taken as a whole, or do not have a disproportionate effect on the Resulting Issuer and its Subsidiaries, taken as a whole, compared to other companies of similar size operating in the cannabis industry and references in this Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a "Briteside Material Adverse Effect" has occurred; or (ii) that is, or would reasonably be expected to, prevent or materially delay the ability of Briteside to consummate the transactions contemplated hereby;

"**Briteside Material Contracts**" has the meaning ascribed thereto in Section (x) of Schedule "E";

"**Briteside Members Voting Agreements**" means the voting agreements (including all amendments thereto) signed by the Briteside Locked-up Members setting forth the terms and conditions upon which they have agreed, among other things, to vote their Briteside Membership Interests and Nevada Holdco Class A Shares in favour of the Continuance, the Business Combination and the transactions contemplated in the Briteside Contribution Agreement;

"**Briteside Membership Interests**" means the Class A and Class B limited liability company equity interests authorized under the Briteside Operating Agreement, including, without limitation, the Class A membership interests and Class B membership interests referred to therein;

"**Briteside Multiemployer Plan**" has the meaning ascribed thereto in Section (u)(ii) of Schedule "E";

"**Briteside Nevada Holdco Consideration**" means the Nevada Holdco Class A Shares issued to the members of Briteside in the Briteside Contribution, as set forth on Schedule "O";

"**Briteside Operating Agreement**" means the limited liability company operating agreement of Briteside dated January 1, 2017;

"**Briteside Options**" means the outstanding options to purchase Briteside Membership Interests;

"**Briteside Proposed Agreement**" has the meaning ascribed thereto in Section 4.3(e);

"**Briteside Qualified Benefit Plan**" has the meaning ascribed thereto in Section (u)(ii) of Schedule "E";

"**Briteside Termination Fee Event**" has the meaning ascribed thereto in Section 5.3(e);

"**Briteside Warrants**" means warrants to acquire Briteside Membership Interests;

"**Business Combination**" means the business combination under the provisions of Section 288 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 5.4 hereof or the Plan of Arrangement or made at the direction of the Court in the Final Order (provided that any such amendment or variation is acceptable to the Transacting Parties, each acting reasonably);

"**Business Day**" means any day, other than a Saturday, a Sunday or a statutory or civic holiday in any of Vancouver, British Columbia; Toronto, Ontario; Tennessee; Massachusetts; Delaware; or Colorado;

"**CBCA**" means the *Canada Business Corporations Act* and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**CBCA Director**" means the director appointed under Section 260 of the CBCA;

"**Circular**" means the notice of the Nevada Holdco Meeting, the notice of the SVT Meeting, and the accompanying joint management information circular, including all schedules, appendices and exhibits thereto and enclosures therewith, as amended, supplemented or otherwise modified from time to time, to be sent to the Nevada Holdco Shareholders in connection with the Nevada Holdco Meeting and to be sent to the SVT Shareholders in connection with the SVT Meeting,

"**Claim**" means any demand, action, cause of action, investigation, suit, proceeding, claim, complaint, arbitration, charge, prosecution, assessment or reassessment, including any appeal or application for review, judgment, arbitration, award, grievance, settlement or compromise;

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

"**Confidentiality Agreements**" means: (i) the confidentiality agreement dated November 20, 2017 entered into among SVT, Baker, and Briteside; (ii) the non-disclosure agreement dated January 29, 2018 entered into between SVT and Sea Hunter; (iii) the non-disclosure agreement dated January 29, 2018 entered into between Baker and Sea Hunter; and (iv) the non-disclosure agreement dated January 29, 2018 entered into between Briteside and Sea Hunter;

"**Consideration**" means: (i) the consideration to be received by the Nevada Holdco Shareholders (other than a Nevada Holdco Dissenting Shareholder) pursuant to the Plan of Arrangement as consideration for the exchange of Nevada Holdco Class A Shares for Resulting Issuer Compressed Shares in accordance with the Nevada Holdco Share Exchange Ratio, being such number and class of shares, in each case as set forth on Schedule "P"; (ii) the consideration to be received by the SVT Shareholders (other than an SVT Dissenting Shareholder) pursuant to the Plan of Arrangement as consideration for the exchange of SVT Shares for Resulting Issuer Common Shares in accordance with the SVT Share Exchange Ratio, being such number and class of shares, in each case as set forth on Schedule "P"; and (iii) the consideration to be received by the Finco Shareholders pursuant to the Plan of Arrangement as consideration for the exchange of their Finco Common Shares and Finco Class A Shares (which are to be issued pursuant to the terms and conditions of their Finco Subscription Receipts at the Effective Time) for Resulting Issuer Common Shares or

Resulting Issuer Compressed Shares, as the case may be, being such number and class of shares, in each case as set forth on Schedule "P";

"**Contemporaneous Agreements**" means collectively, the Briteside Contribution Agreement, the Sea Hunter Contribution Agreement, the Baker Agreement and Plan of Merger, the Nevada Holdco Contribution Agreement, the Nevada Holdco Agreement and Plan of Conversion, the Nevada Holdco Stock Repurchase Agreement, the SVT Shareholder Voting Agreements, the Baker Shareholders Voting Agreements, the Briteside Members Voting Agreements, and the Sea Hunter Voting Agreement**;**

"**Continuance**" means the continuance of Nevada Holdco from the jurisdiction of the State of Nevada to the Province of British Columbia pursuant to Section 302 of the BCBCA and Sections 92A.105 and 92A.195 of the NRS;

"**Contract"** means any legally binding contract, agreement, license, franchise, lease, arrangement, commitment, understanding, joint venture, partnership or other right or obligation (written or oral) to which a Party or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or affected or to which any of their respective properties or assets is subject;

"**Control**" means, with respect to any two Persons, a Person (referred to in this definition as the "**first Person**") is considered to control another Person (referred to in this definition as the "second Person") if (i) the first Person beneficially owns or directly or indirectly exercises control or direction over the securities of the second Person (A) representing a majority of the outstanding economic interest in such second Person, assuming exercise or conversion, as applicable of all derivative securities or rights to acquire equity securities in such second Person, (B) representing a majority of the issued and outstanding voting power of such second Person, or (C) carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors or members of the governing body of the second Person, unless that first Person holds the voting securities only to secure an obligation, or (ii) the first Person otherwise has the right or ability to direct the corporate policy of such second Person whether by contract, or otherwise;

"**Court**" means the Supreme Court of British Columbia;

"**CSE**" means the Canadian Securities Exchange;

"**Depository**" means any one or more Canadian trust companies, banks or other financial institutions agreed to in writing by the Parties for the purpose of, among other things, (i) exchanging certificates of Briteside Membership Interests, Sea Hunter Membership Interests and Baker Shares which are deemed to represent Nevada Holdco Class A Shares for certificates representing Resulting Issuer Compressed Shares; (ii) exchanging certificates representing SVT Shares for certificates representing Resulting Issuer Common Shares; and (iii) exchanging Finco Subscription Receipts for certificates representing Resulting Issuer Common Shares or Resulting Issuer Compressed Shares, as the case may be;

"**Designated Director**" has the meaning ascribed thereto in Section 4.5(b)(ii)(D);

"**Designated Representatives**" has the meaning ascribed thereto in Section 4.5(b)(iii);

"**DGCL**" means the General Corporation Law of the State of Delaware;

"**Effective Date**" has the meaning ascribed thereto in the Plan of Arrangement;

"**Effective Time**" has the meaning ascribed to such term in the Plan of Arrangement;

"**Employee Options**" means any stock options outstanding under the equity incentive plans, stock option plans, or any other similar plans or arrangements of Baker, Briteside, and Sea Hunter Holdings;

"**Environmental Laws**" means all Laws, imposing obligations, responsibilities, liabilities or standards of conduct for or relating to the regulation or control of pollution, contamination, activities, materials, substances or wastes in connection with or for the protection of human health or safety, the environment or natural resources (including climate, air, surface water, groundwater, wetlands, land surface, subsurface strata, wildlife, aquatic species and vegetation);

"**Escrow**" means, unless more restrictive terms of escrow are required by the CSE, the voluntary escrow of the securities of the Resulting Issuer held by the Escrow Holders pursuant to the Escrow Agreements, whereby such securities will be held in escrow and released as follows: 25% on the Effective Date; 25% on the date that is six months after the Effective Date; 25% on the date that is twelve months after the Effective Date; and 25% on the date that is 18 months after the Effective Date;

"**Escrow Agent**" means Odyssey Trust Company, or such other trust company as may be agreed to in writing by the Parties, acting reasonably;

"**Escrow Agreement**" means the escrow agreement entered into between Escrow Agent, the Resulting Issuer, the Escrow Agent, and the Escrow Holders;

"**Escrow Holders**" means those individuals set forth in Schedule "B" hereto whose securities of the Resulting Issuer will be subject to Escrow, that, for the avoidance of doubt, shall not include Sea Hunter Holdings;

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

"**ERISA Affiliate**" means all employers (whether or not incorporated) that would be treated together with the Seller or any of its Affiliates as a "single employer" within the meaning of Section 414 of the Code or Section 4001 of ERISA;

"**Final Order**" means the final order of the Court pursuant to Section 291 of the BCBCA, in a form acceptable to SVT, Baker, Briteside and Sea Hunter, each acting reasonably, approving the Business Combination, as such order may be amended by the Court (with the consent of SVT, Baker, Briteside and Sea Hunter which consent shall not be unreasonably withheld, conditioned or delayed) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to SVT, Baker, Briteside and Sea Hunter, each acting reasonably) on appeal;

"**Finco Amalgamation**" means the statutory amalgamation of Finco Subco and Finco pursuant to the provisions of the BCBCA, with Finco as the survivor of such amalgamation under applicable Law;

"**Finco Board**" means the board of directors or other governing body of Finco as the same is constituted from time to time;

"**Finco Class A Share**" means a class A share in the capital of Finco;

"**Finco Common Share**" means a common share in the capital of Finco;

"**Finco Component of the Business Combination**" means the part of the Business Combination and the Plan of Arrangement that entails, the amalgamation of Finco Subco with Finco and, as approved pursuant to Section 4.6(b), the resulting issuance of Resulting Issuer Common Shares or Resulting Issuer Compressed Shares, as the case may be, to former Finco Subscription Receipt Holders;

"**Finco Material Adverse Effect**" means any one or more changes, effects, events, occurrences or states of fact with respect to Finco or its Subsidiaries, either individually or in the aggregate, (i) that is, or would reasonably be expected to be, material and adverse to the assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operations, results of operations, capital, property, obligations (whether absolute, accrued, conditional or otherwise) or financial condition of the Resulting Issuer and its Subsidiaries taken as a whole, other than changes, effects, events, occurrences or states of fact resulting from: (a) any changes affecting the cannabis industry generally; (b) any change in the market price of cannabis; (c) general economic, financial, currency exchange, securities or commodity market conditions in Canada or the United States; (d) any change in U.S. GAAP or IFRS occurring after the date hereof; (e) any change in applicable Laws or in the interpretation thereof by any Governmental Entity occurring after the date hereof; (f) the commencement, occurrence or continuation of any war, armed hostilities or acts of terrorism; or (g) any natural disaster, provided, however, that such changes do not relate primarily to the Resulting Issuer and its Subsidiaries, taken as a whole, or do not have a disproportionate effect on the Resulting Issuer and its Subsidiaries, taken as a whole, compared to other companies of similar size operating in the cannabis industry and references in this Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a "Finco Material Adverse Effect" has occurred; or (ii) that is, or would reasonably be expected to, prevent or materially delay the ability of Finco to consummate the transactions contemplated hereby;

"**Finco Material Contract**" has the meaning ascribed thereto in Section (i) of Schedule "G";

"**Finco Shareholder**" means a holder of Finco Common Shares or Finco Class A Shares, as the case may be;

"**Finco Subco**" means 1167416 B.C. Ltd., a corporation existing under the laws of the Province of British Columbia, as a wholly-owned subsidiary of Nevada Holdco;

"**Finco Subscription Receipt**" means a subscription receipt of Finco which will convert to Resulting Issuer Common Shares or Resulting Issuer Compressed Shares, as the case may be, on the Effective Date;

"**Finco Subscription Receipt Holder**" means a holder of a Finco Subscription Receipt;

"**Governmental Entity**" means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) any stock exchange, including the CSE; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any jurisdiction, regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

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

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**HSR Filings**" means all filings required by the HSR Act in relation to the Business Combination;

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board;

"**In-The-Money Amount**" in respect of a stock option means the amount, if any, by which the aggregate fair market value at that time of the securities subject to the option exceeds the aggregate exercise price of the options;

"**including**" means including without limitation, and "include" and "includes" have a corresponding meaning;

"**Indemnified Parties**" has the meaning ascribed thereto in Section 4.11(a);

"**Indemnifying Parties**" has the meaning ascribed thereto in Section 4.11(b);

"**Intellectual Property"** means all intellectual property and industrial property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing, however arising, pursuant to the Laws of any jurisdiction throughout the world, whether registered or unregistered, including any and all: (a) trademarks, service marks, trade names, brand names, logos, trade dress and design rights, together with the goodwill connected with the use of and symbolized by, and all registrations, applications and renewals for, any of the foregoing; (b) internet domain names, whether or not trademarks, registered in any top-level domain by any authorized private registrar or Governmental Entity, web addresses, web pages, websites and related content, and URLs; (c) works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer, moral and neighboring rights, and all registrations, applications for registration and renewals of such copyrights; (d) inventions, discoveries, trade secrets, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein; (e) patents (including all reissues, divisionals, provisionals, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications, and other patent rights and any other Governmental Entity-issued indicia of invention ownership (including inventor's certificates, petty patents and patent utility models); (f) software and firmware, including data files, source code, object code, application programming interfaces, architecture, files, records, schematics, computerized databases and other related specifications and documentation; (g) royalties, fees, income, payments and other proceeds now or hereafter due or payable with respect to any and all of the foregoing; and (h) all rights to any Actions of any nature available to or being pursued by the relevant Party to the extent related to the foregoing, whether accruing before, on or after the date hereof, including all rights to and claims for damages, restitution and injunctive relief for infringement, dilution, misappropriation, violation, misuse, breach or default, with the right but no obligation to sue for such legal and equitable relief, and to collect, or otherwise recover, any such damages;

"**Intellectual Property Agreements**" means all licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, permissions and other Contracts (including any right to receive or obligation to pay royalties or any other consideration), whether written or oral, relating to any Intellectual Property that is used in or necessary for the conduct of the business of the relevant Party as currently conducted or as planned to be conducted to which such Party is a party, beneficiary or otherwise bound other than off-the-shelf offerings available on standard commercial terms at a cost below $25,000;

"**Intellectual Property Assets**" means collectively all Owned Intellectual Property Assets and Licensed Intellectual Property Assets;

"**Interim Order**" means the interim order of the Court contemplated by Section 2.2 of this Agreement and made pursuant to Section 291 of the BCBCA, in a form acceptable to SVT, Baker, Briteside and Sea Hunter, each acting reasonably, providing for, among other things, the calling and holding of the Nevada Holdco Meeting and the SVT Meeting and, as the same may be amended by the Court (with the consent of SVT, Baker, Briteside and Sea Hunter, each acting reasonably);

"**Interim Period**" means the period from the date of execution of this Agreement by the Parties until the Effective Date;

"**Investment Canada Act**" means the *Investment Canada Act* and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**Key Employees**" means Michael Orr, Justin Junda, Robert Leidy, Kevin McCluskey, Alexander Coleman, Joel Milton, and Geoff Hamm;

"**Law**" or "**Laws**" means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, rulings, ordinances, Governmental Orders or other requirements, whether domestic or foreign, including but not limited to, all applicable requirements of state, provincial and municipal laws, rules and regulations regarding regulated medical and adult use cannabis businesses and activities, and the terms and conditions of any Permit of or from any Governmental Entity or self-regulatory authority (including the CSE), but excluding provisions of U.S. federal law that prohibit the cultivation, processing, sale or possession of cannabis and provisions of U.S. federal law that may be violated due to the federal illegality of cannabis including, but not limited to U.S. federal money laundering laws (Title 18 U.S.C. § 1956 and § 1957), and the term "**applicable**" with respect to such Laws and in a context that refers to a Party, means such Laws as are applicable to such Party and/or its Subsidiaries or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party and/or its Subsidiaries or its or their business, undertaking, property or securities;

"**Liability**" means any losses, damages, interests, fines, costs or expenses, liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise;

"**Licensed Intellectual Property Assets**" means all Intellectual Property licensed by any person or entity to the relevant Party, excluding any commercially available off-the-shelf software;

"**Liens**" means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

"**Loan Facility**" means the Loan Agreement, dated as of June 7, 2018, pursuant to which Baker may borrow up to an original principal amount of US$3,000,000 from Sea Hunter Holdings and Briteside, on the terms and conditions set forth therein, including any convertible promissory notes issued pursuant thereto in respect of any borrowings thereunder;

"**Loss**" or "**Losses**" means any and all loss, liability, damage, cost, expense, charge, fine, penalty or assessment, interest charges, punitive damages, fines, penalties and reasonable professional fees and disbursements, including in connection with any Claim;

"**Mailing Deadline**" means September 28, 2018;

"**Major Decisions**" means any decisions relating to: (a) the acquisition of any business or entity by the Resulting Issuer or any of its Subsidiaries (other than direct or indirect wholly-owned Subsidiaries of the Resulting Issuer) in which the aggregate value of the consideration paid by the Resulting Issuer or such Subsidiaries exceeds $25,000,000; (b) any material change in the corporate purpose of the Resulting Issuer from that set forth in its respective organizational documents; (c) any dissolution, liquidation, winding up of the Resulting Issuer or its Subsidiaries (other than Subsidiaries that are directly or indirectly wholly-owned by the Resulting Issuer), or other distribution of assets by the Resulting Issuer or such Subsidiaries for the purpose of winding up; (d) the merger, consolidation or amalgamation of the Resulting Issuer with or into, or a share exchange with any other company, partnership or similar entity or the entry into any joint venture by the Resulting Issuer or its Subsidiaries; (e) the entry into any contracts between the Resulting Issuer or its Subsidiaries, on the one hand, and an officer, director or Associate of the Resulting Issuer or any of its Subsidiaries, on the other hand; (f) the sale, surrender, transfer or pledge of any material asset of the Resulting Issuer or its Subsidiaries with a book value in excess of $25,000,000; (g) the incurring of indebtedness for borrowed money by the Resulting Issuer or its Subsidiaries in an aggregate amount in excess of $25,000,000; (h) the granting of any Lien over any of the Resulting Issuer's or its Subsidiaries' assets with an aggregate book value in excess of $25,000,000; (i) the entry into any contracts with a value above $25,000,000; and (j) any amendment to the organizational documents of the Resulting Issuer;

"**material fact**" and "**material change**" have the meanings ascribed thereto in the Securities Act;

"**Meeting Deadline**" means October 26, 2018;

"**misrepresentation**" has the meaning ascribed thereto in the Securities Act;

"**Multiemployer Plan**" means any multiemployer plan within the meaning of Section 3(37) of ERISA or other applicable Law.

"**Nevada Holdco**" means TILT Holdings, Inc., a corporation organized and incorporated by SVT under the Laws of the State of Nevada, to effect the transactions contemplated in the Business Combination and Plan of Arrangement;

"**Nevada Holdco Agreement and Plan of Conversion**" means the agreement and plan of conversion as of the date hereof, entered into among Nevada Holdco, Baker, Briteside, Sea Hunter and SVT, pursuant to which Nevada Holdco will continue as a corporation from the jurisdiction of Nevada to the jurisdiction of British Columbia pursuant to a conversion under Sections 92A, 105 and 92A of the NRS and Section 302 of the BCBCA;

"**Nevada Holdco Board**" means the board of directors of Nevada Holdco, initially consisting of Michael Orr, Alexander Coleman, Justin Junda and Joel Milton, as the same is constituted from time to time;

"**Nevada Holdco Business Combination Resolution**" means collectively: (i) the special resolution of the Nevada Holdco Shareholders approving the Business Combination and the Plan of Arrangement which is to be considered at the Nevada Holdco Meeting; and (ii) the resolution of the shareholders of Nevada Holdco providing minority approval as defined in and contemplated by OSC Rule 56-501 (assuming that closing under the Contemporaneous Agreements has occurred and all holders of Baker Convertible Instruments, Briteside Convertible Instruments, and Sea Hunter Convertible Instruments have converted such convertible securities into Nevada Holdco Class A Shares) approving the Business Combination and the Plan of Arrangement which is to be considered at the Nevada Holdco Meeting;

"**Nevada Holdco Class A Shares**" means, at the applicable time, the issued and outstanding class A shares of Nevada Holdco;

"**Nevada Holdco Class B Shares**" means, at the applicable time, the issued and outstanding class B shares of Nevada Holdco;

"**Nevada Holdco Closing**" means the consummation of (i) the Baker Merger, (ii) the Briteside Contribution, and (iii) the Sea Hunter Contribution as contemplated by the respective Contemporaneous Agreements governing such transactions;

"**Nevada Holdco Continuance Resolution**" means the special resolution of Nevada Holdco Shareholders approving the Continuance which is to be considered at the Nevada Holdco Meeting;

"**Nevada Holdco Contribution**" means the contribution of the Briteside Membership Interests and the Sea Hunter Membership Interests to Baker following the completion of the Baker Merger;

"**Nevada Holdco Contribution Agreement**" means the contribution agreement to be entered into among Nevada Holdco, Nevada MergeCo, and Baker, pursuant to which Nevada Holdco will contribute all of the Briteside Membership Interests and all of the Sea Hunter Membership Interests to Baker;

"**Nevada Holdco Dissent Rights**" means the rights of dissent exercisable by the Nevada Holdco Shareholders in respect of the Continuance granted as contractual rights in the Nevada Holdco Agreement and Plan of Conversion in a manner consistent with Sections 92A.300 through 92A.500 of the NRS and the Business Combination pursuant to Section 238 of the BCBCA, Article 4 of the Plan of Arrangement and the Interim Order;

"**Nevada Holdco Dissenting Shareholder**" means a registered Nevada Holdco Shareholder who duly exercises its Nevada Holdco Dissent Rights granted as contractual rights in the Nevada Holdco Agreement and Plan of Conversion in a manner consistent with Sections 92A.300 through 92A.500 of the NRS with respect to the Continuance, or pursuant to Section 238 of the BCBCA, Article 4 of the Plan of Arrangement and the Interim Order with respect to the Business Combination, and who has not withdrawn or been deemed to have withdrawn such exercise of Nevada Holdco Dissent Rights;

"**Nevada Holdco Fairness Opinion**" means the formal written fairness opinion of Inverness Advisors and addressed to the Nevada Holdco Board (a copy of which has been provided to the Parties prior to the execution of this Agreement) to the effect that, as of the date of such opinion and subject to the assumptions, limitations and qualifications set out therein, the Consideration to be received by the Nevada Holdco Shareholders (who will be shareholders holding Resulting Issuer Compressed Shares) pursuant to the Business Combination is fair, from a financial point of view, to such Nevada Holdco Shareholders;

"**Nevada Holdco Meeting**" means the special meeting of Nevada Holdco Shareholders, including any adjournment thereof, to be called and held for the purpose of obtaining the approval of the Continuance, the Nevada Holdco Business Combination Resolution, the Resulting Issuer Equity Incentive Plan, and other related matters, in accordance with the Interim Order as applicable;

"**Nevada Holdco Optionholders**" means the holders of the Nevada Holdco Replacement Options;

"**Nevada Holdco Replacement Options**" means options to purchase Nevada Holdco Class A Shares to be issued in exchange for any issued and outstanding Employee Options, the terms and conditions of such options, including the term to expiry, conditions to and manner of exercising, will be the same as the Employee Option, for which it was exchanged, subject to proportional adjustment to the exercise price and number of Nevada Holdco Class A Shares subject to each such option and taking into account the requirements of Section 409A of the Code;

"**Nevada Holdco Share Exchange Ratio**" means the number of Resulting Issuer Compressed Shares per Nevada Holdco Class A Share, as set out on Schedule "P" reflecting the Proportionate Interests of each of Baker, Briteside and Sea Hunter set forth opposite such Party's name;

"**Nevada Holdco Shareholder Approval**" has the meaning ascribed thereto in Section 2.2(c);

"**Nevada Holdco Shareholders**" means the holders of Nevada Holdco Class B Shares and the holders of Baker Shares, Briteside Membership Interests and Sea Hunter Membership Interests that will be exchanged for Nevada Holdco Class A Shares and which have been granted voting rights pursuant to the Nevada Holdco Agreement and Plan of Conversion to vote as holders of Nevada Holdco Class A Shares at the Nevada Holdco Meeting;

"**Nevada Holdco Stock Repurchase Agreement**" means the stock repurchase agreement as of the date hereof, entered into between Nevada Holdco and SVT, pursuant to which SVT will sell its 1,000 Nevada Holdco class B common shares back to Nevada Holdco at a price of US$1.00 per class B common share, and Nevada Holdco will repurchase and redeem from SVT all such class B common shares;

"**Nevada Holdco Subco**" means 1167407 B.C. Ltd., a corporation initially organized and incorporated by Nevada Holdco under the BCBCA, as a wholly-owned subsidiary of Nevada Holdco, to effect certain transactions contemplated in the SVT Component of the Business Combination and Plan of Arrangement;

"**Nevada MergeCo**" means TILT Holdings US, Inc., a corporation initially organized and incorporated by Nevada Holdco under the Laws of the State of Nevada, as a wholly-owned subsidiary of Nevada Holdco to effect certain transactions contemplated in the Baker Agreement and Plan of Merger;

"**Notices**" means any written notice, request, direction, or other document that a Party can or must make or give under this Agreement

"**NRS**" means the Nevada Revised Statutes and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**ordinary course of business**", "**ordinary course of business consistent with past practice**", or any similar reference, means, with respect to an action taken by a Person, that such action is substantially consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day business and operations of such Person;

"**OSC Rule 56-501**" means Ontario Securities Commission Rule 56-501 – *Restricted Shares*;

"**Outside Date**" means October 31, 2018, or such later date as may be agreed to in writing by the Parties;

"**Owned Intellectual Property Assets**" means all Intellectual Property owned or purported to be owned, in whole or in part, by the relevant Party;

"**Owned Intellectual Property Registrations**" means all Owned Intellectual Property Assets that are subject to any issuance, registration, application or other filing by, to or with any Governmental Entity or authorized private registrar in any jurisdiction, including registered trademarks, assumed names, DBAs, and fictitious corporate names, domain names and copyrights, issued and reissued patents and pending applications for any of the foregoing;

"**Parties**" means SVT, Baker, Briteside, Sea Hunter and Finco, and "**Party**" means any of them;

"**Permit**" means any license, permit, certificate, consent, grant, approval, agreement, classification, restriction, registration, filing, notification or other authorization of, to, from or required by any Governmental Entity, including, but not limited to, all licenses, permits, and approvals necessary and required by applicable state, provincial and municipal Governmental Entities for the conduct of regulated medical and adult use cannabis businesses and activities;

"**Permitted Liens**" means (a) Liens for Taxes that are not yet due and payable or that may hereafter be paid without material penalty or that are being contested in good faith, (b) statutory Liens of landlords and workers', carriers', materialmen's, suppliers' and mechanics' or other like Liens incurred in the ordinary course of business, (c) Liens and encroachments which do not materially interfere with the present use of the properties they affect, (d) Liens that will be released prior to or as of the Closing, and (e) Liens in respect of any obligations as lessee under capitalized leases;

"**Person**" includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

"**Plan of Arrangement**" means the plan of arrangement of Nevada Holdco, SVT, Nevada Holdco Subco, and Finco, substantially in the form of Schedule "A" hereto, and any amendments or variations thereto made in accordance with the Plan of Arrangement or upon the direction of the Court in the Final Order with the consent of SVT, Baker, Briteside, Sea Hunter, and Finco, each acting reasonably;

"**Proportionate Interest**" means, relative to each other Transacting Party, (a) with respect to SVT, 15.00%, (b) with respect to Baker, 15.59%, (c) with respect to Briteside, 24.43%, and (d) with respect to Sea Hunter, 44.98 %, excluding Acquisition Securities issued pursuant to Section 4.13(b), and irrespective of any additional securities which may be issued by any one of the Transacting Parties, as permitted by the Business Combination Agreement, or the issuance by Finco of Finco Subscription Receipts pursuant to Section 4.6(b) of the Business Combination Agreement;

"**Registrar**" means the Registrar of Companies appointed under Section 400 of the BCBCA;

"**Regulatory Approvals**" means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the waiver or lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities, including any of the foregoing required in order to comply with the HSR Act;

"**Reorganization Transactions**" shall have the meaning ascribed thereto in Section 2.15;

"**Required Regulatory Approvals**" shall mean those Regulatory Approvals set forth on Schedule "N";

"**Resulting Issuer**" means TILT Holdings, Inc., the successor corporation to Nevada Holdco following the completion of the transactions contemplated by the Business Combination and Plan of Arrangement, with such corporation being the direct parent entity of Baker and SVT, and the indirect parent entity of Sea Hunter and Briteside;

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer as constituted at the Effective Time, in accordance with Section 4.5;

"**Resulting Issuer Common Shares**" means the common shares in the capital of the Resulting Issuer;

"**Resulting Issuer Compressed Shares**" means the compressed shares in the capital of the Resulting Issuer, with special rights and restrictions as set forth in Schedule "M" hereto;

"**Resulting Issuer Equity Incentive Plan**" means the equity incentive plan of the Resulting Issuer, the form of which is to be agreed upon among the Transacting Parties, each acting reasonably, and acceptable to the CSE and which is to be approved at the Nevada Holdco Meeting;

"**Resulting Issuer Replacement Options for Common Shares**" means the options to acquire Resulting Issuer Common Shares to be issued to the holders of SVT Options by the Resulting Issuer pursuant to the Resulting Issuer Equity Incentive Plan;

"**Resulting Issuer Replacement Options for Compressed Shares**" means the options to acquire Resulting Issuer Compressed Shares to be issued to the holders of Nevada Holdco Replacement Options by the Resulting Issuer pursuant to the Resulting Issuer Equity Incentive Plan;

"**SAFE**" means a simple agreement for future equity;

"**Sea Hunter Balance Sheet**" has the meaning ascribed thereto in Schedule "F", Section (k);

"**Sea Hunter Benefit Plan**" has the meaning ascribed thereto in Section (u)(i) of Schedule "F";

"**Sea Hunter Board**" means the board of managers or other governing body of Sea Hunter as the same is constituted from time to time;

"**Sea Hunter Board Nominees**" has the meaning ascribed thereto in Section 4.5(b)(ii)(A);

"**Sea Hunter Change in Recommendation for Baker**" has the meaning ascribed thereto in Section 5.2(a)(iii)(C);

"**Sea Hunter Change in Recommendation for Briteside**" has the meaning ascribed thereto in Section 5.2(a)(iv)(C);

"**Sea Hunter Change in Recommendation for SVT**" has the meaning ascribed thereto in Section 5.2(a)(vi)(C);

"**Sea Hunter Contribution**" means the contribution of the Sea Hunter Membership Interests to Nevada Holdco in exchange for the Sea Hunter Nevada Holdco Consideration pursuant to the Sea Hunter Contribution Agreement;

"**Sea Hunter Contribution Agreement**" means the contribution agreement dated as of the date hereof, entered into between Nevada Holdco, Sea Hunter, and Sea Hunter Holdings, pursuant to which Sea Hunter Holdings will contribute all of the issued and outstanding Sea Hunter Membership Interests to Nevada Holdco in exchange for the Sea Hunter Nevada Holdco Consideration;

"**Sea Hunter Convertible Instruments"** means any convertible notes, SAFEs or other instruments convertible directly or indirectly into Sea Hunter Membership Interests, in each case excluding (i) Sea Hunter Options, and (ii) Sea Hunter Warrants.

"**Sea Hunter Disclosure Letter**" means the disclosure letter executed by Sea Hunter and delivered to SVT, Baker, and Briteside concurrently with the execution of this Agreement;

"**Sea Hunter Holdings**" means Sea Hunter Holdings, LLC, a Delaware limited liability company, and the sole member of Sea Hunter;

"**Sea Hunter Holdings Membership Interests**" means the equity interests authorized under the Amended and Restated Operating Agreement, of Sea Hunter Holdings;

"**Sea Hunter Holdings Options**" means the outstanding options to purchase Sea Hunter Holdings Membership Interests;

"**Sea Hunter Material Adverse Effect**" means any one or more changes, effects, events, occurrences or states of fact with respect to Sea Hunter or its Subsidiaries, either individually or in the aggregate, (i) that is, or would reasonably be expected to be, material and adverse to the assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operations, results of operations, capital, property, obligations (whether absolute, accrued, conditional or otherwise) or financial condition of the Resulting Issuer and its Subsidiaries taken as a whole, other than changes, effects, events, occurrences or states of fact resulting from: (a) any changes affecting the cannabis industry generally; (b) any change in the market price of cannabis; (c) general economic, financial, currency exchange, securities or commodity market conditions in Canada or the United States; (d) any change in U.S. GAAP or IFRS occurring after the date hereof; (e) any change in applicable Laws or in the interpretation thereof by any Governmental Entity occurring after the date hereof; (f) the commencement, occurrence or continuation of any war, armed hostilities or acts of terrorism; or (g) any natural disaster, provided, however, that such changes do not relate primarily to the Resulting Issuer and its Subsidiaries, taken as a whole, or do not have a disproportionate effect on the Resulting Issuer and its Subsidiaries, taken as a whole, compared to other companies of similar size operating in the cannabis industry and references in this Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a "Sea Hunter Material Adverse Effect" has occurred; or (ii) that is, or would reasonably be expected to, prevent or materially delay the ability of Sea Hunter to consummate the transactions contemplated hereby on a timely basis;

"**Sea Hunter Material Contracts**" has the meaning ascribed thereto in Section (x) of Schedule "F";

"**Sea Hunter Membership Interests**" the limited liability company equity interests authorized under the Sea Hunter Operating Agreement;

"**Sea Hunter Multiemployer Plan**" has the meaning ascribed thereto in Section (u)(ii) of Schedule "F";

"**Sea Hunter Nevada Holdco Consideration**" means the Nevada Holdco Class A Shares issued to Sea Hunter Holdings in the Sea Holder Contribution, as set forth on Schedule "O";

"**Sea Hunter Operating Agreement**" means the limited liability company operating agreement of Sea Hunter dated July 18, 2017;

"**Sea Hunter Proposed Agreement**" has the meaning ascribed thereto in Section 4.4(e);

"**Sea Hunter Options**" means the outstanding options to purchase Sea Hunter Membership Interests;

"**Sea Hunter Qualified Benefit Plan**" has the meaning ascribed thereto in Section (u)(ii) of Schedule "F";

"**Sea Hunter Termination Fee Event**" has the meaning ascribed thereto in Section 5.3(f);

"**Sea Hunter Voting Agreement**" means the voting agreement (including all amendments thereto) signed by Sea Hunter Holdings setting forth the terms and conditions upon which it has agreed, among other things, to vote its Nevada Holdco Class A Shares in favour of the Continuance and the Business Combination and the transactions contemplated in the Sea Hunter Contribution Agreement;

"**Secretary of State**" means the Nevada Secretary of State;

"**Section 3(a)(10) Exemption**" has the meaning ascribed thereto in Section 2.14;

"**Section 351 Transactions**" means the Baker Merger, the Briteside Contribution, the Sea Hunter Contribution, the SVT Amalgamation and the Finco Amalgamation;

"**Securities Act**" means the *Securities Act* (British Columbia) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**Securities Laws**" means the Securities Act and the U.S. Securities Act, together with all other applicable state, federal and provincial securities Laws, rules and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Subsidiary**" means a Person that is controlled directly or indirectly by another Person and includes a subsidiary of that subsidiary;

"**Superior Proposal**" means an unsolicited *bona fide* Acquisition Proposal made by a third party to a Transacting Party or its equity holders that is communicated to the board of directors or other governing body of such Transacting Party in writing since the date upon which SVT, Baker, Briteside, and Sea Hunter Holdings signed a binding letter of intent relating to the Business Combination on May 15, 2018 and prior to the Effective Date: (i) to purchase or otherwise acquire, directly or indirectly, by means of a merger, take-over bid, amalgamation, plan of arrangement, business combination, consolidation, recapitalization, liquidation, winding-up or similar transaction, all of such Transacting Party's shares, membership interests, or other equity securities, as applicable; (ii) that is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal; (iii) is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to be available to the satisfaction of the board of directors of such Transacting Party, acting in good faith (after receipt of advice from its financial advisors and outside legal counsel); (iv) which is not subject to a due diligence and/or access condition; (v) that did not result from a breach of Section 4.1, Section 4.2, Section 4.3 or Section 4.4 as the case may be, by the receiving Transacting Party or its representatives; (vi) is made available to all holders of such Transacting Party's shares or membership interests or other equity securities, as applicable, on the same terms and conditions; (vii) in respect of which the board of directors or other governing body of such Transacting Party determines in good faith (after receipt of advice from its outside legal counsel with respect to (x) below and financial advisors with respect to (y) below) that (x) failure to recommend such Acquisition Proposal to its shareholders or members or other equity holders would be inconsistent with its fiduciary duties and (y) which would, taking into account all of the terms and conditions of such Acquisition Proposal, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to its shareholders or members from a financial point of view than the Business Combination (including any adjustment to the terms and conditions of the Business Combination proposed by the other Transacting Parties pursuant to Subsection 4.1(f), Subsection 4.2(f), Subsection 4.3(f) or Subsection 4.4(f) as the case may be and after taking into account the impact of such Transacting Party of paying the Termination Fee);

"**SVT Amalgamation**" means, after the SVT Continuance, the statutory amalgamation of Nevada Holdco Subco and SVT pursuant to the provisions of the BCBCA with SVT, as the survivor of such amalgamation under applicable Law;

"**SVT Benefit Plan**" has the meaning ascribed thereto in Section (u)(i) of Schedule "C";

"**SVT Board**" means the board of directors of SVT as the same is constituted from time to time;

"**SVT Board Nominees**" has the meaning ascribed thereto in Section 4.5(b)(ii)(C);

"**SVT Change in Recommendation for Baker**" has the meaning ascribed thereto in Section 5.2(a)(iii)(A);

"**SVT Change in Recommendation for Briteside**" has the meaning ascribed thereto in Section 5.2(a)(iv)(A);

"**SVT Change in Recommendation for Sea Hunter**" has the meaning ascribed thereto in Section 5.2(a)(v)(A);

"**SVT Component of the Business Combination**" means the part of the Plan of Arrangement that entails the approval of the Business Combination and the Plan of Arrangement, the amalgamation of Nevada Holdco Subco with SVT and the issuance of Resulting Issuer Common Shares to former holders of SVT Shares;

"**SVT Component of the Business Combination Resolution**" means collectively (i) the special resolution of the SVT Shareholders approving the SVT Component of the Business Combination which is to be considered at the SVT Meeting; and (ii) the resolution of the shareholders of SVT providing minority approval, as defined and contemplated in OSC Rule 56-501, approving the Business Combination and the Plan of Arrangement which is to be considered at the SVT Meeting;

"**SVT Continuance**" means the continuance of SVT from the jurisdiction of Canada to the Province of British Columbia pursuant to Section 302 of the BCBCA and Section 188 of the CBCA;

"**SVT Continuance Resolution**" means the special resolution of the SVT Shareholders approving the SVT Continuance which is to be considered at the SVT Meeting as provided for in Section 2.2(i);

"**SVT Convertible Instruments**" means any convertible notes, SAFEs, or other instruments convertible directly or indirectly into SVT Shares, in each case excluding (i) SVT Options, and (ii) SVT Warrants;

"**SVT CSE Approval**" means the conditional approval of the CSE in respect of the Continuance, the Business Combination and the listing of the Resulting Issuer Common Shares;

"**SVT Disclosure Letter**" means the disclosure letter executed by SVT and delivered to Baker, Briteside, and Sea Hunter concurrently with the execution of this Agreement;

"**SVT Dissent Rights**" means the rights of dissent exercisable by the SVT Shareholders in respect of the SVT Continuance pursuant to Section 190 of the CBCA and the SVT Component of the Business Combination pursuant to Section 238 of the BCBCA, Article 4 of the Plan of Arrangement and the Interim Order;

"**SVT Dissenting Shareholder"** means a registered SVT Shareholder who duly exercises its SVT Dissent Rights pursuant to Section 190 of the CBCA with respect to the Continuance, or pursuant to Section 238 of the BCBCA, Article 4 of the Plan of Arrangement and the Interim Order with respect to the SVT Component of the Business Combination, and who has not withdrawn or been deemed to have withdrawn such exercise of SVT Dissent Rights;

"**SVT Fairness Opinion**" means a formal written fairness opinion of Echelon Wealth Partners and addressed to the SVT Board to the effect that, as of the date of such opinion and subject to the assumptions, limitations and qualifications related to its opinion, the Consideration to be received by the SVT Shareholders (who will be shareholders holding Resulting Issuer Common Shares) pursuant to the SVT Component of the Business Combination is fair, from a financial point of view, to such SVT Shareholders;

"**SVT Locked-up Shareholders**" means those holders of SVT Shares as set forth in Section 1.1 of the SVT Disclosure Letter, each of whom will sign an SVT

"**SVT Material Adverse Effect**" means any one or more changes, effects, events, occurrences or states of fact with respect to SVT or its Subsidiaries, either individually or in the aggregate, that is, or would reasonably be expected to be, material and adverse to, (i) the assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operations, results of operations, capital, property, obligations (whether absolute, accrued, conditional or otherwise) or financial condition of the Resulting Issuer and its Subsidiaries taken as a whole, other than changes, effects, events, occurrences or states of fact resulting from: (a) a change in the market price of the SVT Shares following and reasonably attributable to the public announcement of the execution of this Agreement and the transactions contemplated hereby; (b) any changes affecting the cannabis industry generally; (c) any change in the market price of cannabis; (d) general economic, financial, currency exchange, securities or commodity market conditions in Canada or the United States; (e) any change in U.S. GAAP or IFRS occurring after the date hereof; (f) any change in applicable Laws or in the interpretation thereof by any Governmental Entity occurring after the date hereof; (g) the commencement, occurrence or continuation of any war, armed hostilities or acts of terrorism; or (h) any natural disaster, provided, however, that with respect to clauses (b) to (h), such changes do not relate primarily to the Resulting Issuer and its Subsidiaries, taken as a whole, or do not have a disproportionate effect on the Resulting Issuer and its Subsidiaries, taken as a whole, compared to other companies of similar size operating in the cannabis industry and references in this Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a "SVT Material Adverse Effect" has occurred; or (ii) that is, or would reasonably be expected to, prevent or materially delay the ability of Briteside to consummate the transactions contemplated hereby;

"**SVT Material Contracts**" has the meaning ascribed thereto in Section (x) of Schedule "C";

"**SVT Meeting**" means the special meeting of SVT Shareholders, including any adjournment or postponement thereof, to be called and held for the purpose of obtaining the approval of the SVT Continuance, the SVT Component of the Business Combination Resolution and other related matters, in accordance with the Interim Order as applicable;

"**SVT Multiemployer Plan**" has the meaning ascribed thereto in Section (u)(ii) of Schedule "C";

"**SVT Option Plan**" means the 2018 stock option plan of SVT, approved by SVT Shareholders on May 30, 2018;

"**SVT Options**" means the outstanding options to purchase SVT Shares, including those granted under the SVT Option Plan, if any;

"**SVT Optionholders**" means the holders of SVT Options;

"**SVT Proposed Agreement**" has the meaning ascribed thereto in Section 4.1(e);

"**SVT Public Documents**" means all documents and information filed by SVT under applicable Securities Laws on SEDAR, during the two years prior to the date hereof;

"**SVT Share Exchange Ratio**" means the number of Resulting Issuer Common Shares per SVT Share, as set out on Schedule "P", reflecting the Proportionate Interest of SVT set forth on such Schedule "P" which shall not exceed in any case 15.00% of the voting power of the Resulting Issuer immediately following the Business Combination relative to the other Transacting Parties taken collectively;

"**SVT Shareholder Approval**" has the meaning ascribed thereto in Section 2.2(h);

"**SVT Shareholders**" means the holders of SVT Shares;

"**SVT Shares**" means the issued and outstanding common shares of SVT;

"**SVT Shareholder Voting Agreements**" means the voting agreements (including all amendments thereto) signed by the SVT Locked-up Shareholders setting forth the terms and conditions upon which they have agreed, among other things, to vote their SVT Shares in favour of the SVT Continuance Resolution and SVT Component of the Business Combination Resolution;

"**SVT Termination Fee Event**" has the meaning ascribed thereto in Section 5.3(c);

"**SVT Warrantholders**" means holders of the SVT Warrants;

"**SVT Warrants**" means the warrants to acquire SVT Shares;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**Taxes**" means all taxes, duties, fees, premiums, assessments, imposts, levies, expansion fees and other charges of any kind whatsoever imposed by any Governmental Entity, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, windfall, royalty, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada and other pension plan premiums or contributions imposed by any Governmental Entity, and any transferee liability in respect of any of the foregoing;

"**Tax Returns**" means all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, required by a Governmental Entity to be made or filed in accordance with applicable Laws in respect of Taxes;

"**Transacting Parties**" means SVT, Baker, Briteside, and Sea Hunter, and "**Transacting Party**" means any of them;

"**Termination Fee**" means US$5.0 million;

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder;

"**U.S. GAAP**" means generally accepted accounting principles in the United States of America;

"**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended and the rules and regulations promulgated thereunder; and

1.2 **Interpretation Not Affected by Headings**

The division of this Agreement into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Unless the contrary intention appears, references in this Agreement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Agreement.

1.3 **Number and Gender**

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa, and words importing gender include all genders.

1.4 **Date for Any Action**

If the date on which any action is required to be taken hereunder by a Party is not a business day, such action shall be required to be taken on the next succeeding day which is a business day.

1.5 **Currency**

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada and "$" refers to Canadian dollars. References to US$ refer to United States dollars.

1.6 **Knowledge**

(a) In this Agreement, references to "the knowledge of SVT" means the actual knowledge of Michael Orr, in each case, after making due enquiries regarding the relevant matter.

(b) In this Agreement, references to "the knowledge of Baker" means the actual knowledge of Joel Milton, in each case, after making due enquiries regarding the relevant matter.

(c) In this Agreement, references to "the knowledge of Briteside" means the actual knowledge of Justin Junda, in each case, after making due enquiries regarding the relevant matter.

(d) In this Agreement, references to "the knowledge of Sea Hunter" means the actual knowledge of Alexander Coleman, in each case, after making due enquiries regarding the relevant matter.

(e) In this Agreement, references to "the knowledge of Finco" means the actual knowledge of Michael Orr, Joel Milton, Justin Junda, and Alexander Coleman, in each case, after making due enquiries regarding the relevant matter.

1.7 **Schedules**

The following Schedules are annexed to this Agreement and are incorporated by reference into this Agreement and form a part hereof:

Schedule A	-	Form of Plan of Arrangement
Schedule B	-	Escrow Holders
Schedule C	-	Representations and Warranties of SVT
Schedule D	-	Representations and Warranties of Baker
Schedule E	-	Representations and Warranties of Briteside
Schedule F	-	Representations and Warranties of Sea Hunter
Schedule G	-	Representations and Warranties of Finco
Schedule H	-	Covenants of SVT
Schedule I	-	Covenants of Baker
Schedule J	-	Covenants of Briteside
Schedule K	-	Covenants of Sea Hunter
Schedule L	-	Covenants of Finco
Schedule M	-	Special Rights and Restrictions for Resulting Issuer Compressed Shares
Schedule N	-	Consents, Waivers, and Required Regulatory Approvals
Schedule O	-	Nevada Holdco Class A Shares Allocation
Schedule P	-	Capitalization Table
Schedule Q	-	Acquisitions

1.8 **Representations and Warranties**

(a) SVT makes those representations and warranties set forth in Schedule "C" and does hereby acknowledge and agree that the other Parties are relying thereon in executing and delivering this Agreement.

(b) Baker makes those representations and warranties set forth in Schedule "D" and does hereby acknowledge and agree that the other Parties are relying thereon in executing and delivering this Agreement.

(c) Briteside makes those representations and warranties set forth in Schedule "E" and does hereby acknowledge and agree that the other Parties are relying thereon in executing and delivering this Agreement.

(d) Sea Hunter makes those representations and warranties set forth in Schedule "F" and does hereby acknowledge and agree that the other Parties are relying thereon in executing and delivering this Agreement.

(e) Finco makes those representations and warranties set forth in Schedule "G" and does hereby acknowledge and agree that the other Parties are relying thereon in executing and delivering this Agreement.

(f) Each Party acknowledges that it has conducted to its satisfaction an independent investigation and verification of the financial condition, results of operations, assets, liabilities, properties, and projected operations of the other Parties and their respective Subsidiaries and, in making its determination to proceed with the transactions contemplated by this Agreement, each Party has relied solely on (i) the results of its own independent investigation and verification and (ii) the representations and warranties of such other Party expressly and specifically set forth in the applicable Schedules hereto, as qualified by the applicable Disclosure Letter, and has not relied on anything else. The representations and warranties of each Party in the applicable Schedules hereto, as qualified by the applicable Disclosure Letter, constitute the sole and exclusive representations and warranties of such Party to the other Parties in connection with the transactions contemplated hereby. Each of the Parties understands, acknowledges, and agrees that all other representations and warranties of any kind or nature expressed or implied (including as to the accuracy or completeness of any of the information provided to such Party in the due diligence process, or any information relating to the future or historical financial condition, results of operations, assets, or liabilities of any Party's or its Subsidiaries' assets, or relating to any other information provided to such Party) are specifically disclaimed by the Parties and their respective affiliates, and their respective officers, directors, partners, members, employees, agents, representatives, successors, and permitted assigns have not and will not rely on any such information or other representations and warranties, and such information and such other representations and warranties shall not (except as otherwise expressly represented and warranted to this Agreement) form the basis of any claim against the Parties, their respective affiliates, or any of their respective officers, directors, partners, members, employees, agents, representatives, successors, and permitted assigns with respect thereto or with respect to any related matter. With respect to any projection or forecast delivered by or on behalf of any Party or its Subsidiaries to any other Party, each Party acknowledges that (i) there are uncertainties inherent in attempting to make such projections and other forecasts and plans, and such Party is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections, and other forecasts and plans so furnished to it, including the reasonableness of the assumptions underlying such estimates, projections, and forecasts, (ii) the accuracy and correctness of such projections and forecasts may be affected by information that may become available through discovery or otherwise after the date of such projections and forecasts, (iii) it is familiar with each of the foregoing, and (iv) no other Party, its affiliates, or any of their respective officers, directors, partners, members, employees, agents, representatives, successors, or permitted assigns is making any representation or warranty with respect to such projections or forecasts, including the reasonableness of the assumptions underlying such projections or forecasts.

(g) No Party shall assert a breach of any representation or warranty of any other Party contained in this Agreement (including, without limitation, in connection with a claim that a condition precedent to the Business Combination has not be satisfied or in connection with exercising any right of termination set forth in Article 5) if such Party had knowledge of such inaccuracy or breach.

1.9 **Covenants**

(a) SVT makes those covenants set forth in Schedule "H" and does hereby acknowledge and agree that the other Parties are relying thereon in executing and delivering this Agreement.

(b) Baker makes those covenants set forth in Schedule "I" and does hereby acknowledge and agree that the other Parties are relying thereon in executing and delivering this Agreement.

(c) Briteside makes those covenants set forth in Schedule "J" and does hereby acknowledge and agree that the other Parties are relying thereon in executing and delivering this Agreement.

(d) Sea Hunter makes those covenants set forth in Schedule "K" and does hereby acknowledge and agree that the other Parties are relying thereon in executing and delivering this Agreement.

(e) Finco makes those covenants set forth in Schedule "L" and does hereby acknowledge and agree that the other Parties are relying thereon in executing and delivering this Agreement.

1.10 **Actions by Finco.**

Each Party agrees that any actions required or permitted to be taken by Finco under this Agreement or any other agreement contemplated hereby or in connection with the Business Combination, including under the termination provisions of this Agreement and the offer, sale or issuance of Finco Subscription Receipts or other securities in Finco, or any other material action by Finco, must be unanimously approved by the Finco Board and mutually agreed to by all of the Transacting Parties, acting reasonably.

ARTICLE 2

THE BUSINESS COMBINATION

2.1 **Business Combination**

SVT, Baker, Briteside, Sea Hunter, and Finco agree that the Business Combination will be implemented in accordance with and subject to the terms and conditions contained in this Agreement and the Plan of Arrangement.

2.2 **Interim Order**

As soon as reasonably practicable following the execution of this Agreement, and in any event in sufficient time to hold the Nevada Holdco Meeting in accordance with Section 2.3 and the SVT Meeting in accordance with Section 2.4, Nevada Holdco and SVT shall apply to the Court in a manner and on terms acceptable to the other, acting reasonably, pursuant to the BCBCA and prepare, file and diligently pursue an application for the Interim Order, which shall provide, among other things:

(a) for the class of Persons to whom notice is to be provided in respect of the Business Combination, the Nevada Holdco Meeting and the SVT Meeting, and for the manner in which such notice is to be provided;

(b) for confirmation of the record date for the purposes of determining: (i) the Nevada Holdco Shareholders entitled to receive materials for and vote at the Nevada Holdco Meeting referred to in Section 2.3(a); and (ii) the holders of SVT Shares entitled to receive materials for and vote at the SVT Meeting referred to in Section 2.4(a);

(c) that the requisite approval for the Nevada Holdco Business Combination Resolution (the "**Nevada Holdco Shareholder Approval**") shall be: (i) 66 2/3% of the votes cast on the Nevada Holdco Business Combination Resolution by Nevada Holdco Shareholders; and (ii) majority of the votes cast by minority shareholders of Nevada Holdco approving the Business Combination and the Plan of Arrangement as contemplated by OSC Rule 56501;

(d) that, in all other respects, the terms, conditions and restrictions of the Nevada Holdco organizational documents, including quorum requirements and other matters, shall apply in respect of the Nevada Holdco Meeting;

(e) for the grant of certain Nevada Holdco Dissent Rights as contemplated in the Plan of Arrangement;

(f) that the Nevada Holdco Meeting may be adjourned from time to time by Nevada Holdco, subject to the terms of this Agreement, without the need for additional approval of the Court;

(g) that the record date for Nevada Holdco Shareholders entitled to notice of and to vote at the Nevada Holdco Meeting will not change in respect of any adjournment(s) of the Nevada Holdco Meeting, except such change as may be required by applicable Law;

(h) that the requisite approval for the SVT Component of the Business Combination Resolution (the "**SVT Shareholder Approval**") shall be: (i) 66 2/3% of the votes cast on the SVT Component of the Business Combination Resolution by SVT Shareholders; and (ii) majority of the votes cast by minority shareholders of SVT approving the Business Combination and the Plan of Arrangement, as contemplated by OSC Rule 56-501;

(i) that, in all other respects, the terms, conditions and restrictions of the SVT organizational documents, including quorum requirements and other matters, shall apply in respect of the SVT Meeting;

(j) for the grant of certain SVT Dissent Rights as contemplated in the Plan of Arrangement;

(k) that the SVT Meeting may be adjourned from time to time by SVT, subject to the terms of this Agreement, without the need for additional approval of the Court;

(l) that the record date for SVT Shareholders entitled to notice of and to vote at the SVT Meeting will not change in respect of any adjournment(s) of the SVT Meeting, except such change as may be required by applicable Law;

(m) that it is Nevada Holdco's, SVT's, and Finco's intention to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the issuance of the Resulting Issuer Compressed Shares, the Resulting Issuer Common Shares, the Resulting Issuer Replacement Options for Compressed Shares, and the Resulting Issuer Replacement Options for Common Shares, as applicable, to be issued pursuant to the Business Combination based on the Court's approval of the Business Combination;

(n) for the notice requirements with respect to the presentation of the application to the Court for the Final Order; and

(o) for such other matters as Nevada Holdco, SVT, or Finco may reasonably require, subject to obtaining the prior consent of Nevada Holdco, SVT, Baker, Briteside, Sea Hunter, and Finco, as applicable, such consent not to be unreasonably withheld or delayed.

2.3 **Nevada Holdco Meeting**

Subject to the terms of this Agreement, SVT shall procure that (and none of Baker, Briteside, Sea Hunter, nor Finco shall interfere with or object to the following):

(a) Nevada Holdco shall convene and conduct the Nevada Holdco Meeting in accordance with the Interim Order, Nevada Holdco's organizational documents and applicable Law as soon as reasonably practicable, and in any event on or before the Meeting Deadline. Briteside, Baker, Sea Hunter and SVT agree that they shall agree upon a record date for determining the Nevada Holdco Shareholders entitled to receive notice of and vote at the Nevada Holdco Meeting in accordance with the Interim Order and SVT will cause Nevada Holdco's Board of Directors to fix and publish such record date. The SVT Meeting and the Nevada Holdco Meeting shall be held on the same day.

(b) Subject to Sections 4.2, 4.3 and 4.4 except as required for quorum purposes or otherwise permitted under this Agreement, Nevada Holdco shall not adjourn (except as required by Law), postpone or cancel or propose or permit the adjournment (except as required by Law), postponement or cancellation of the Nevada Holdco Meeting without the prior written consent of each of Transacting Parties, such consent not to be unreasonably withheld or delayed.

(c) Baker, Briteside and Sea Hunter will promptly advise SVT of any written notice of dissent or purported exercise by any Nevada Holdco Shareholder of Nevada Holdco Dissent Rights received by them in relation to the Continuance or the Business Combination and any withdrawal of Nevada Holdco Dissent Rights received by Baker, Briteside and Sea Hunter and any written communications sent by or on behalf of any shareholder exercising or purporting to exercise Nevada Holdco Dissent Rights in relation to the Continuance or the Business Combination.

(d) Baker will promptly advise the other Transacting Parties of any written notice of dissent or purported exercise by any holder of Baker Shares of Baker dissent rights received by it in relation to the Baker Merger, and any withdrawal of the Baker dissent rights received by Baker and any written communications sent by or on behalf of any shareholder exercising or purporting to exercise Baker dissent rights in relation to the Baker Merger.

2.4 **SVT Meeting**

Subject to the terms of this Agreement:

(a) SVT agrees to convene and conduct the SVT Meeting in accordance with the Interim Order, SVT's organizational documents and applicable Law as soon as reasonably practicable, and in any event on or before the Meeting Deadline. SVT agrees that it shall, in consultation with Baker, Briteside and Sea Hunter, fix and publish a record date for the purposes of determining the SVT Shareholders entitled to receive notice of and vote at the SVT Meeting in accordance with the Interim Order. The SVT Meeting and Nevada Holdco Meeting shall be held on the same day.

(b) Subject to Section 4.1, except as required for quorum purposes or otherwise permitted under this Agreement, SVT shall not adjourn (except as required by Law), postpone or cancel or propose or permit the adjournment (except as required by Law), postponement or cancellation of the SVT Meeting without Baker, Briteside and Sea Hunter's prior written consent, such consent not to be unreasonably withheld or delayed.

(c) SVT will advise Baker, Briteside, Sea Hunter, and Finco, as Baker, Briteside, Sea Hunter, or Finco may reasonably request, and at least on a daily basis on each of the last ten (10) Business Days prior to the date of the SVT Meeting, as to the aggregate tally of the proxies received by SVT in respect of the SVT Continuance Resolution and the SVT Component of the Business Combination Resolution.

(d) SVT will promptly advise Baker, Briteside, Sea Hunter, and Finco of any written notice of dissent or purported exercise by any SVT Shareholder of SVT Dissent Rights received by SVT in relation to the SVT Continuance or the SVT Component of the Business Combination and any withdrawal of SVT Dissent Rights received by SVT and any written communications sent by or on behalf of SVT to any SVT Shareholder exercising or purporting to exercise SVT Dissent Rights in relation to the SVT Continuance Resolutions and the SVT Component of the Business Combination Resolution.

2.5 **Circular**

(a) As promptly as reasonably practicable following execution of this Agreement with a targeted date on or before August 31, 2018, each of the Parties shall furnish all information regarding such Party and its Subsidiaries as may be required to be included in the Circular under applicable Law, SVT and Nevada Holdco shall work together to prepare the Circular together with any other documents required by applicable Laws, and SVT and Nevada Holdco shall (i) file the Circular in all jurisdictions where the same is required to be filed, and (ii) mail the Circular as required in accordance with all applicable Laws and the Interim Order. The Circular shall include statements that (A) each director and executive officer of Baker, Briteside and Sea Hunter intends to vote all of such Person's Nevada Holdco Class A Shares (including any Nevada Holdco Class A Shares issued on exercise of any Baker Options, Baker SAFEs, Briteside Options, Briteside Warrants or Sea Hunter Options), in favour of the Nevada Holdco Continuance Resolution, the Nevada Holdco Business Combination Resolution, and the Resulting Issuer Equity Incentive Plan, subject to the terms of this Agreement, the Baker Shareholders Voting Agreements, the Briteside Members Voting Agreements, and the Sea Hunter Voting Agreement; and (B) each director and executive officer of SVT intends to vote all of such Person's SVT Shares (including any SVT Shares issued upon the exercise of any SVT Options or SVT Warrants) in favour of the SVT Continuance Resolution and SVT Component of the Business Combination Resolution, subject to the other terms of this Agreement and the SVT Shareholder Voting Agreements. On the date of mailing thereof, the Circular shall comply in all material respects with all applicable Laws and the Interim Order and shall contain sufficient detail to permit the Nevada Holdco Shareholders and the SVT Shareholders to form a reasoned judgement concerning the matters to be placed before them at the Nevada Holdco Meeting and the SVT Meeting, respectively.

(b) In the event that any Transacting Party provides a notice to the other Transacting Parties regarding a possible Acquisition Proposal pursuant to Sections 4.1(c), 4.2(c), 4.3(c), or 4.4(c), as the case may be, prior to the mailing of the Circular, then unless the Transacting Parties agree otherwise, the Mailing Deadline will be extended until the date that is seven (7) days following the earlier of either (i) written notification from the Transacting Party providing the aforementioned notice to the other Transacting Parties, that its board of directors has determined that the Acquisition Proposal is not a Superior Proposal, (ii) the date on which the Transacting Parties collectively enter into an amended agreement pursuant to Sections 4.1(f), 4.2(f), 4.3(f), or 4.4(f), as the case may be, which results in the Acquisition Proposal in question not being a Superior Proposal, or (iii) if a Superior Proposal is accepted by a Transacting Party the date of which the remaining Transacting Parties collectively enter into an amended agreement to proceed with the Business Combination, on amended terms, as the case may be. In the event that the Mailing Deadline is so extended, the Meeting Deadline and the Outside Date shall be extended by the same number of days as the Mailing Deadline has been extended.

(c) Each of the Parties shall ensure that the information furnished by such Party that is reasonably required to be included in the Circular under applicable Law complies in all material respects with all applicable Laws, and, without limiting the generality of the foregoing, that such information that is included in the Circular will not contain any misrepresentation.

(d) If required by applicable Laws to produce IFRS reconciliations of their U.S. GAAP financial statements for the Circular, Baker, Briteside and Sea Hunter will use commercially reasonable efforts to produce such reconciliations as promptly as practicable.

(e) Subject to Sections 4.2, 4.3 and 4.4, SVT shall cause Nevada Holdco to: (i) solicit proxies in favour of the Nevada Holdco Continuance Resolution and the Nevada Holdco Business Combination Resolution, and the approval of the Resulting Issuer Equity Incentive Plan, and against any resolution submitted by any other Nevada Holdco Shareholder, and take all other actions that are reasonably necessary or desirable to seek such approvals; (ii) recommend to Nevada Holdco Shareholders that they vote in favour of the Nevada Holdco Continuance Resolution, the Nevada Holdco Business Combination Resolution, the Resulting Issuer Equity Incentive Plan; and (iii) not make a Nevada Holdco Change in Recommendation.

(f) Subject to Section 4.1, SVT shall (i) solicit proxies in favour of the SVT Continuance Resolution and SVT Component of the Business Combination Resolution, and against any resolution submitted by any other SVT Shareholder, and take all other actions that are reasonably necessary or desirable to seek such approvals, (ii) unanimously recommend to SVT Shareholders that they vote in favour of the SVT Continuance and SVT Component of the Business Combination Resolution, and (iii) not make an SVT Change in Recommendation for Baker, SVT Change in Recommendation for Briteside, or SVT Change in Recommendation for Sea Hunter.

(g) The Parties shall each also use commercially reasonable efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert information required to be included in the Circular and to the identification in the Circular of each such advisor.

(h) Each of the Parties and its advisors shall be given a reasonable opportunity to review and comment on the Circular prior to the Circular being printed and filed with the applicable Governmental Entities, and any reasonable comments of the Parties and their respective advisors shall be incorporated therein. The Parties shall each use their commercially reasonable efforts to agree upon the final form of the Circular. SVT shall provide Baker, Briteside, Sea Hunter, and Finco with final copies of the Circular prior to mailing the Circular to the SVT Shareholders and Nevada Holdco Shareholders.

(i) The Parties shall each promptly notify the other Parties if at any time before the Effective Date, it becomes aware that the Circular contains a misrepresentation about itself, or that otherwise requires an amendment or supplement to the Circular and the Parties shall cooperate in the preparation of any amendment or supplement to the Circular as required or appropriate, and SVT shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Circular to SVT Shareholders and Nevada Holdco Shareholders, and, if required by the Court or applicable Laws, file the same with any Governmental Entity and as otherwise required.

2.6 **Preparation of Filings**

SVT shall prepare, and the other Parties shall co-operate and use their commercially reasonable efforts to take, or cause to be taken, all reasonable actions in connection with any applications for Regulatory Approvals, with the exception of any applications required in order to comply with the HSR Act, and other orders, registrations, consents, filings, rulings, exemptions, no-action letters, circulars and approvals, including any listing statement required to be filed with the CSE in connection with the SVT CSE Approval and the Business Combination, required in connection with the Contemporaneous Agreements, this Agreement and the Business Combination and the preparation of any required documents, in each case as reasonably necessary for the Parties to discharge their respective obligations under the Contemporaneous Agreements, this Agreement, the Business Combination and the Plan of Arrangement, and to complete any of the transactions contemplated by the Contemporaneous Agreements and this Agreement, including their obligations under applicable Laws. SVT shall furnish to the other Parties and their respective advisors for review and comment, a reasonable amount of time prior to the time of filing or submission of any document (including any listing statement with the CSE), a copy of each document to be filed or submitted.

It is acknowledged and agreed that neither Nevada Holdco nor any of Baker, Briteside, Sea Hunter, or Finco shall be required to file a prospectus or similar document or otherwise become subject to the securities Laws of any jurisdiction (other than in the case of Nevada Holdco, the Provinces of British Columbia and Ontario, the United States and the various States therein) in order to complete the Business Combination. Nevada Holdco, SVT, and Finco shall use their commercially reasonable efforts to promptly make such securities and other regulatory filings in the United States or other jurisdictions as may be necessary or, in its sole discretion, desirable in connection with the completion of the Business Combination. Each Party shall provide to the other all information regarding the Party and its affiliates as required by applicable Securities Laws in connection with such filings. Each Party shall also use commercially reasonable efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert information required to be included in such filings and to the identification in such filings of each such advisor.

2.7 **Final Order**

If (a) the Interim Order is obtained; (b) the Nevada Holdco Continuance Resolution is approved at the Nevada Holdco Meeting by the Nevada Holdco Shareholders as provided for in the Interim Order and as required by applicable Law; (c) the Nevada Holdco Business Combination Resolution is approved at the Nevada Holdco Meeting by the Nevada Holdco Shareholders as provided for in the Interim Order and as required by applicable Law, subject to the terms of this Agreement; (d) Nevada Holdco Shareholders have approved the Resulting Issuer Equity Incentive Plan; (e) the SVT Continuance Resolution is approved at the SVT Meeting by the SVT Shareholders as required by applicable Law; and (f) the SVT Component of the Business Combination Resolution is approved at the SVT Meeting by the SVT Shareholders as provided for in the Interim Order and as required by applicable Law, subject to the terms of this Agreement, then as soon as reasonably practicable and no later than three (3) Business Days thereafter, SVT, Nevada Holdco, Baker, Briteside, Sea Hunter, and Finco shall diligently pursue and take all steps necessary or desirable to have the hearing before the Court of the application for the Final Order pursuant to the BCBCA.

2.8 **Court Proceedings**

Subject to the terms of this Agreement, each of the Parties will cooperate with and assist each other in seeking the Interim Order and the Final Order, including by providing each other on a timely basis any information reasonably required to be supplied by the other in connection therewith. Each of the Parties will provide legal counsel to the other with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Business Combination, and will give reasonable consideration to all such comments. Subject to applicable Law, none of the Parties will file (nor will any Party take any action to cause or permit Nevada Holdco to file) any material with the Court in connection with the Business Combination or serve any such material, and will not agree to modify or amend (nor will any Party take any action to cause or permit Nevada Holdco to modify or amend) materials so filed or served, except as contemplated by this Section 2.8 or with all other Parties' prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided, that, nothing herein shall require any Party to agree to modifications or amendments to the Business Combination or the Plan of Arrangement. Each Party shall also provide to each other Parties' legal counsel on a timely basis copies of any notice of appearance or other Court documents served on the Party in respect of the application for the Interim Order or the Final Order or any appeal therefrom and of any notice, whether written or oral, received by the Party indicating any intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order. Each Party will ensure that all materials filed with the Court in connection with the Business Combination are consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, no Party will object to legal counsel to the other making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate, provided that the Party is advised of the nature of any submissions prior to the hearing and such submissions are consistent with this Agreement and the Plan of Arrangement. SVT, Finco, Baker, Briteside, and Sea Hunter will, and SVT will procure that Nevada Holdco will, oppose any proposal from any party that the Final Order contain any provision inconsistent with this Agreement, and, if at any time after the issuance of the Final Order and prior to the Effective Date, a Party is required by the terms of the Final Order or by Law to return to Court with respect to the Final Order, it shall do so after notice to, and in consultation and cooperation with, the other Parties.

2.9 **Business Combination and Effective Date**

Following the completion of the Baker Merger, the Briteside Contribution and the Sea Hunter Contribution, and subject to obtaining the Final Order, as soon as practicable and in any event no later than the second (2^{nd}) Business Day after the satisfaction or, where not prohibited, the waiver of the conditions (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver of those conditions as of the Effective Date) set forth in Article 3, unless another time or date is agreed to in writing by the Parties, the Parties shall send such other documents as may be required in connection: (i) with the Continuance under the NRS, to the Secretary of State; (ii) with the SVT Continuance under the CBCA, to the CBCA Director; and (iii) with the Business Combination under the BCBCA, to the Registrar; all such documents to be in a form and substance reasonably satisfactory to the other Parties, for endorsement and filing by the NRS, CBCA Director and Registrar, as applicable, to give effect to the Continuance, the SVT Continuance and the Business Combination provided that no other documents shall be sent for filing, except as contemplated hereby or with the other Parties prior written consent, such consent not to be unreasonably withheld, conditioned or delayed. From and after the Effective Time, the Plan of Arrangement will have all of the effects provided by applicable Law, including the BCBCA. The Parties agree to amend the Plan of Arrangement at any time prior to the Effective Time in accordance with Section 5.4 of this Agreement to include such other terms determined to be reasonably necessary by the other Parties,

provided that the Plan of Arrangement shall not be amended in any manner which is prejudicial to a Party (except with the prior written consent of such Party) or is inconsistent with the provisions of this Agreement, except as agreed in writing by each of the Parties.

The closing of the Business Combination will take place at the offices of Cassels Brock & Blackwell LLP in Vancouver, British Columbia at 10:00 a.m. on the Effective Date, or at such other time and place as may be agreed to by the Parties.

2.10 **Deposit of Consideration**

SVT will procure that Nevada Holdco will, following receipt of the Final Order and on or before the Effective Date: (i) deposit in escrow with the Depository a sufficient number of Resulting Issuer Compressed Shares to issue to Nevada Holdco Shareholders pursuant to the Business Combination (other than to Nevada Holdco Shareholders exercising Nevada Holdco Dissent Rights and who have not withdrawn their notice of objection); (ii) deposit in escrow with the Depository a sufficient number of Resulting Issuer Common Shares to issue to SVT Shareholders pursuant to the SVT Component of the Business Combination (other than to SVT Shareholders exercising SVT Dissent Rights and who have not withdrawn their notice of objection); and (iii) deposit in escrow with the Depository a sufficient number of Resulting Issuer Common Shares and Resulting Issuer Compressed Shares to issue to Finco Shareholders pursuant to the Finco Component of the Business Combination.

2.11 **Announcement and Shareholder Communications**

The Parties shall jointly announce publicly the transactions contemplated hereby promptly following the execution of this Agreement by SVT, Baker, Briteside, Sea Hunter and Finco, the text and timing of such announcement to be approved by each of the Parties in advance, each acting reasonably. The Parties agree to co-operate in the preparation of presentations, if any, to the Parties and their shareholders or members, as applicable, regarding the transactions contemplated by this Agreement, and no Party shall (i) issue any news release or otherwise make public announcements with respect to the Contemporaneous Agreements, this Agreement or the Plan of Arrangement without the consent of the other Parties (which consent shall not be unreasonably withheld, conditioned or delayed) or (ii) make any filing with any Governmental Entity with respect thereto without prior consultation with the other Parties; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any disclosure or filing required under applicable Laws or stock exchange rules, and the Party making such disclosure shall use all commercially reasonable efforts to give prior written notice to the other Parties and reasonable opportunity to review or comment on the disclosure or filing, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing.

2.12 **Withholding Taxes**

The Parties shall cause the Depository to deduct and withhold from all distributions or payments otherwise payable to any former shareholder or member of a Party, or former holder of SVT Options or Nevada Holdco Replacement Options (an "**Affected Person**") any amount required to be deducted and withheld with respect to such payment under the Tax Act, the Code or any provision of any applicable Law, in each case, as amended (the " **Withholding Obligations**"). To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the Affected Person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing authority. The Depository shall also have the right to:

(a) withhold and sell, on their own account or through a registered broker (the "**Broker**"), and on behalf of any Affected Person; or

(b) require the Affected Person to irrevocably direct the sale through a Broker and irrevocably direct the Broker to pay the proceeds of such sale to the applicable Parties' shareholders or the Depository as appropriate (and, in the absence of such irrevocable direction, the Affected Person shall be deemed to have provided such irrevocable direction);

such number of Resulting Issuer Compressed Shares or Resulting Issuer Common Shares issued or issuable to such Affected Person pursuant to the Business Combination as is necessary to produce sale proceeds (after deducting commissions payable to the Broker and other costs and expenses) sufficient to fund any Withholding Obligations. Any such sale of Resulting Issuer Compressed Shares or Resulting Issuer Common Shares, as applicable, shall be effected as soon as practicable following the Effective Date. Neither the Depository nor the Broker will be liable for any loss arising out of any sale of such Resulting Issuer Compressed Shares or Resulting Issuer Common Shares, including any loss relating to the manner or timing of such sales, the prices at which Resulting Issuer Compressed Shares or Resulting Issuer Common Shares are sold or otherwise. The Parties shall cause the Depository to provide prior written notice of any intention to deduct or withhold under applicable Withholding Obligations from any distributions or payments otherwise payable to any Affected Person so as to give each such Affected Person the reasonable opportunity to provide the Depository with any information or documentation sufficient to reduce or eliminate such Withholding Obligations.

If the Depository deducts or withholds any amount (or any Resulting Issuer Compressed Shares or Resulting Issuer Common Shares, as the case may be) pursuant to this Section 2.12, then:

(x) the Depository shall pay the full amount required to be deducted to the appropriate taxing authority on a timely basis and in accordance with applicable Law; and

(y) as soon as practicable after payment of such amount to the appropriate taxing authority, the Depository shall deliver to the Affected Person the original or certified copy of a receipt issued by such taxing authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Affected Person.

Any agreement entered into in connection with the Depository's engagement shall require the Depository to take such actions that are set forth in this section.

2.13 **List of Shareholders**

At the reasonable request of a Party, such other Party or Parties shall provide: (i) a list (in written and electronic form) of its registered shareholders or members, as applicable, together with their addresses and respective holdings of shares or membership interests, as applicable; (ii) a list of the names and addresses and holdings of all Persons having rights to its shares or membership interests, as applicable (including holders of Baker Options, Baker SAFEs, Briteside Options, Briteside Warrants, Sea Hunter Options, SVT Options, SVT Warrants, and Finco Subscription Receipts); and/or (iii) a list of non-objecting beneficial owners of its shares or membership interests, as applicable, together with their addresses and respective holdings of shares or membership interests, as applicable.

2.14 **U.S. Securities Law Matters**

The Parties agree that the Business Combination will be carried out with the intention that all Resulting Issuer Compressed Shares, the Resulting Issuer Common

Shares, Resulting Issuer Replacement Options for Compressed Shares and the Resulting Issuer Replacement Options for Common Shares, will be issued by the Resulting Issuer in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof (the "**Section 3(a)(10) Exemption**"). In order to ensure the availability of the Section 3(a)(10) Exemption, the Parties agree that the Business Combination will be carried out on the following basis:

(a) the Business Combination will be subject to the approval of the Court;

(b) the Court will be advised prior to the hearing required to approve the Business Combination as to the intention of the Parties to rely on the exemption to the registration requirements of the U.S. Securities Act provided by the Section 3(a)(10) Exemption;

(c) before approving the Business Combination, the Court will be required to satisfy itself as to the fairness and reasonableness of the Business Combination to the Nevada Holdco Shareholders, the Nevada Holdco Optionholders, the SVT Shareholders, the SVT Optionholders;

(d) the Final Order approving the Business Combination that is obtained from the Court will state that the Business Combination is approved by the Court as being substantively and procedurally fair to the Nevada Holdco Shareholders, the Nevada Holdco Optionholders, the SVT Shareholders, the SVT Optionholders;

(e) each of the Parties will ensure that each Person entitled to receive Resulting Issuer Compressed Shares, Resulting Issuer Common Shares, Resulting Issuer Replacement Options for Compressed Shares, Resulting Issuer Replacement Options for Common Shares, and other securities on completion of the Business Combination will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Business Combination and providing them with sufficient information necessary for them to exercise that right;

(f) each Person entitled to receive Resulting Issuer Compressed Shares, Resulting Issuer Common Shares, Resulting Issuer Replacement Options for Compressed Shares, or Resulting Issuer Replacement Options for Common Shares will be advised that such securities issued pursuant to the Business Combination have not been registered under the U.S. Securities Act and will be issued by the Resulting Issuer in reliance on the Section 3(a)(10) Exemption;

(g) the Interim Order approving the Nevada Holdco Meeting, and the manner in which the Nevada Holdco Shareholder Approval will be obtained, will specify that each Nevada Holdco Shareholder, Nevada Holdco Optionholder, SVT Shareholder, SVT Optionholder, and Finco Subscription Receipt Holder will have the right to appear before the Court at the hearing of the Court to give approval of the Business Combination so long as they enter an appearance within a reasonable time; and

(h) the Final Order shall include a statement substantially to the following effect:

"This Order will serve as a basis of a claim to an exemption, pursuant to section 3(a)(10) of the U.S. Securities Act, from the registration requirements otherwise imposed by that act, regarding the issuance and distribution of securities of TILT Holdings, Inc. pursuant to the Plan of Arrangement, as applicable."

2.15 **U.S. Tax Matters**

(a) The Parties intend that (a) upon completion of the Continuance, the Resulting Issuer is treated as a U.S. domestic corporation under Section 7874 of the Code and (b) the Section 351 Transactions are interdependent steps in a single transaction, to which the Parties are legally committed as provided herein, and to which the Parties intend to treat as a single integrated transaction qualifying as a tax-deferred transaction within the meaning of Section 351 of the Code. Each Party hereto agrees to not take any position on any Tax Return or otherwise take any Tax reporting position inconsistent with the treatment set forth in this Section 2.15, unless otherwise required by applicable Law. Notwithstanding the foregoing, the Parties do not make any representation, warranty or covenant to any other Party or to their shareholders or members (and including, without limitation, holders of stock options, warrants, debt instruments or other similar rights or instruments) regarding the U.S. tax treatment of the Business Combination, including, but not limited to, whether the Section 351 Transactions will qualify as a tax-deferred transaction within the meaning of Section 351 of the Code or as tax-deferred transactions for purposes of any United States state or local income tax law.

(b) Notwithstanding any other provision of this Agreement, the Contemporaneous Agreements, and any other agreements or documents required or contemplated to be delivered in connection herewith or therewith, to the contrary:

(i) no Transacting Party is permitted to hire employees based in Canada unless immediately after the transactions consummated in connection with the Business Combination, the Resulting Issuer, together with all of its Subsidiaries (including each of the Transacting Parties), would have less than 25% of their employees (by number) based in Canada as determined for purposes of Section 7874 of the Code;

(ii) no Party shall knowingly take any action, cause any action to be taken, fail to take any commercially reasonable action or cause any commercially reasonable action to fail to be taken, which action or failure to act would reasonably be expected to prevent the Section 351 Transactions from qualifying as tax-deferred transactions within the meaning of Section 351 of the Code;

(iii) the number of Resulting Issuer Common Shares to be issued to the SVT Shareholders shall not exceed 15.00% of the stock of the Resulting Issuer as determined under Section 7874 of the Code and the U.S. Treasury Regulations promulgated thereunder; and

(iv) if, as a result of the adoption, implementation, promulgation, repeal, modification, amendment or change in applicable Law (including with respect to U.S. Treasury Regulations under Section 7874 of the Code) after the date hereof, upon completion of the Continuance, the Resulting Issuer would not be treated as a U.S. domestic corporation under Section 7874 of the Code, the Parties, upon unanimous agreement, shall take actions as to ensure that the Resulting Issuer is so treated.

ARTICLE 3

CONDITIONS

3.1 **Mutual Conditions Precedent**

The obligations of the Parties to complete the Business Combination are subject to the fulfillment of each of the following conditions precedent on or before the

Effective Time, each of which may only be waived with the mutual consent of the Transacting Parties:

(a) the Nevada Holdco Continuance Resolution shall have been approved and adopted by the Nevada Holdco Shareholders at the Nevada Holdco Meeting;

(b) the Nevada Holdco Business Combination Resolution shall have been approved and adopted by the Nevada Holdco Shareholders at the Nevada Holdco Meeting in accordance with the Interim Order and this Agreement;

(c) the SVT Continuance Resolution shall have been approved and adopted by the SVT Shareholders at the SVT Meeting;

(d) the SVT Component of the Business Combination Resolution shall have been approved and adopted by the SVT Shareholders at the SVT Meeting in accordance with the Interim Order and this Agreement;

(e) the Resulting Issuer Equity Incentive Plan shall have been approved and adopted by the Nevada Holdco Shareholders at the Nevada Holdco Meeting;

(f) the transactions contemplated by the Contemporaneous Agreements shall have been consummated in accordance with their respective terms;

(g) the Interim Order and the Final Order shall each have been obtained on terms consistent with this Agreement, and shall not have been set aside or modified in a manner unacceptable to any of the Transacting Parties, each acting reasonably, on appeal or otherwise;

(h) no Governmental Entity shall have enacted, issued, promulgated, enforced or entered any Law which is then in effect and has the effect of making the transactions contemplated herein, or in the Contemporaneous Agreements or the Business Combination illegal or otherwise preventing or prohibiting consummation of any such transactions;

(i) there shall not be pending or threatened in writing any suit, action or proceeding by any Governmental Entity or any other Person that is reasonably likely to result in:

(i) any prohibition or restriction on the consummation of the transactions contemplated herein, or in the Contemporaneous Agreements or the Business Combination or a Person obtaining from any Party or Nevada Holdco any damages that would result in a Baker Material Adverse Effect, Briteside Material Adverse Effect, Sea Hunter Material Adverse Effect, SVT Material Adverse Effect, or Finco Material Adverse Effect, as applicable, directly or indirectly in connection with the Business Combination;

(ii) any prohibition or material limit on the ownership by Nevada Holdco of any of the Parties or any material portion of their respective business;

(iii) the imposition of limitations on the ability of Nevada Holdco to acquire or hold, or exercise full rights of ownership of the shares or membership interests of Baker, Briteside or Sea Hunter to be obtained as a result of consummation of the transactions contemplated in the Contemporaneous Agreements or the SVT Shares, including the right to vote such shares or membership interests; or

(iv) the unavailability of the Section 3(a)(10) Exemption or the tax treatment contemplated by Section 2.15.

(j) all Required Regulatory Approvals shall have been obtained on terms and conditions satisfactory to each of the Parties, acting reasonably;

(k) in connection with the Baker Merger, holders of no more than 5% (or such lower percentage so as not to have a material adverse effect on the intended Tax treatment set forth in Section 2.15) of the Baker Shares shall have exercised dissenter's rights;

(l) holders of no more than 5% (or such lower percentage so as not to have a material adverse effect on the intended Tax treatment set forth in Section 2.15) of the Nevada Holdco Class A Shares shall have exercised Nevada Holdco Dissent Rights;

(m) holders of no more than 5% of the SVT Shares shall have exercised SVT Dissent Rights;

(n) the SVT CSE Approval shall have been obtained;

(o) the Resulting Issuer Compressed Shares, the Resulting Issuer Common Shares, the Resulting Issuer Replacement Options for Compressed Shares, and the Resulting Issuer Replacement Options for Common Shares are to be issued pursuant to the Business Combination shall be exempt from the registration requirements of the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption;

(p) the distribution of the Resulting Issuer Compressed Shares, the Resulting Issuer Common Shares, the Resulting Issuer Replacement Options for Compressed Shares, and the Resulting Issuer Replacement Options for Common Shares and the issuance of Resulting Issuer Common Shares upon conversion of the Resulting Issuer Compressed Shares shall be exempt from the prospectus and registration requirements of applicable Canadian Securities Laws by virtue of applicable exemptions under Canadian Securities Laws and shall not be subject to resale restrictions under applicable Canadian Securities Laws (other than as applicable to control persons or as imposed by the CSE);

(q) the Escrow Agreements shall have been fully executed by the parties thereto;

(r) the Baker Board Nominee, the Briteside Board Nominee, the Sea Hunter Board Nominees and the SVT Board Nominees shall have been appointed to the Resulting Issuer Board;

(s) the Key Employees shall have executed and delivered employment, non-solicitation, and non-competition agreements, relating to the Resulting Issuer;

(t) any applications, notices, consents and documentation required under the HSR Act or the Investment Canada Act, if applicable, prior to the consummation of the Business Combination shall have been given and/or obtained and all waiting periods thereunder shall have expired or been terminated;

(u) there is no adoption, implementation, promulgation, repeal, modification, amendment or change in applicable Law (including with respect to U.S. Treasury Regulations under Section 7874 of the Code) after the date hereof, such that the Resulting Issuer should not be treated as a U.S. domestic corporation under Section 7874 of the Code, taking into account any action taken pursuant to Section 2.15(b)(iv); and

(v) this Agreement shall not have been terminated.

3.2 **Additional Conditions Precedent to the Obligations of Baker**

The obligation of Baker to complete the Business Combination is subject to the fulfillment of each of the following conditions precedent on or before the Effective Time (each of which is for the exclusive benefit of Baker and may be waived by Baker):

(a) all covenants of each other Party under this Agreement to be performed on or before the Effective Time which have not been waived by Baker shall have been duly performed by each such other Party in all material respects and Baker shall have received a certificate of each other Party addressed to Baker and dated the Effective Date, signed on behalf of such other Party by two senior executive officers of such other Party (on other Party's behalf and without personal liability), confirming the same as at the Effective Time;

(b) the representations and warranties of SVT set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or SVT Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have an SVT Material Adverse Effect, provided that the representations and warranties of SVT set forth in Schedule "C" Section (ee) shall be true and correct in all material respects as of the Effective Time, and Baker shall have received a certificate of SVT addressed to Baker and dated the Effective Date, signed on behalf of SVT by two senior executive officers of SVT (on SVT's behalf and without personal liability), confirming the same as at the Effective Time;

(c) the representations and warranties of Briteside set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Briteside Material Adverse Effect qualifications, contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Briteside Material Adverse Effect, provided that the representations and warranties of Briteside set forth in Schedule "E" Section (bb) shall be true and correct in all material respects as of the Effective Time, and Baker shall have received a certificate of Briteside addressed to Baker and dated the Effective Date, signed on behalf of Briteside by two senior executive officers of Briteside (on Briteside's behalf and without personal liability), confirming the same as at the Effective Time;

(d) the representations and warranties of Sea Hunter set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Sea Hunter Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Sea Hunter Material Adverse Effect, provided that the representations and warranties of Sea Hunter set forth in Schedule "F" Section (bb) shall be true and correct in all material respects as of the Effective Time, and Baker shall have received a certificate of Sea Hunter addressed to Baker and dated the Effective Date, signed on behalf of Sea Hunter by two senior executive officers of Sea Hunter (on Sea Hunter's behalf and without personal liability), confirming the same as at the Effective Time;

(e) the representations and warranties of Finco set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Finco Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Finco Material Adverse Effect, and Baker shall have received a certificate of Finco addressed to Baker and dated the Effective Date, signed on behalf of Finco by two senior executive officers of Finco (on Finco's behalf and without personal liability), confirming the same as at the Effective Time;

(f) since the date of this Agreement, there shall not have occurred an SVT Material Adverse Effect, and Baker shall have received a certificate signed on behalf of SVT by the chief executive officer and the chief financial officer of SVT (on SVT's behalf and without personal liability) to such effect;

(g) since the date of this Agreement, there shall not have occurred a Briteside Material Adverse Effect, and Baker shall have received a certificate signed on behalf of Briteside by the chief executive officer and the chief financial officer of Briteside (on Briteside's behalf and without personal liability) to such effect;

(h) since the date of this Agreement, there shall not have occurred a Sea Hunter Material Adverse Effect, and Baker shall have received a certificate signed on behalf of Sea Hunter by the chief executive officer and the chief financial officer of Sea Hunter (on Sea Hunter's behalf and without personal liability) to such effect;

(i) since the date of this Agreement, there shall not have occurred a Finco Material Adverse Effect, and Baker shall have received a certificate signed on behalf of Finco by the chief executive officer and the chief financial officer of Finco (on Finco's behalf and without personal liability) to such effect;

(j) each applicable Party shall have delivered or caused to be delivered to the other Parties copies of the consents or waivers, as applicable, of the Required Regulatory Approvals;

(k) the Nevada Holdco Board shall have received a bring down, as of the date of the consummation of the Business Combination, of the Nevada Holdco Fairness Opinion; and

(l) each of Briteside, Sea Hunter, SVT and Finco shall have delivered or caused to be delivered to Baker a certificate, dated as of the Effective Date, executed by the secretary or other officer of each such Party, certifying as to (i) the names and titles of the officers or authorized signatories of such Party authorized to sign this Agreement and the other instruments contemplated hereby, together with the true signatures of such officers or signatories; (ii) the resolutions duly adopted by the board of directors or other governing body and the shareholders or members of such Party, as applicable and as required in connection with the transactions contemplated hereby, authorizing the execution, delivery and performance by such Party of this Agreement and the other instruments contemplated hereby; and (iii) true and correct copies of the organizational documents of such Party.

The foregoing conditions will be for the sole benefit of Baker and may be waived by it in whole or in part at any time.

3.3 **Additional Conditions Precedent to the Obligations of Briteside**

The obligation of Briteside to complete the Business Combination is subject to the fulfillment of each of the following conditions precedent on or before the Effective Time (each of which is for the exclusive benefit of Briteside and may be waived by Briteside):

(a) all covenants of each other Party under this Agreement, to be performed on or before the Effective Time which have not been waived by Briteside shall have been duly performed by each such other Party in all material respects and Briteside shall have received a certificate of each other Party addressed to Briteside and dated the Effective Date, signed on behalf of each of the other Parties by two senior executive officers of such other Party (on such Party's behalf and without personal liability), confirming the same as at the Effective Time;

(b) the representations and warranties of SVT set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or SVT Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have an SVT Material Adverse Effect, provided that the representations and warranties of SVT set forth in Schedule "C" Section (bb) shall be true and correct in all material respects as of the Effective Time, and Briteside shall have received a certificate of SVT addressed to Briteside and dated the Effective Date, signed on behalf of SVT by two senior executive officers of SVT (on SVT's behalf and without personal liability), confirming the same as at the Effective Time;

(c) the representations and warranties of Baker set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Baker Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Baker Material Adverse Effect, provided that the representations and warranties of Baker set forth in Schedule "D" Section (bb) shall be true and correct in all material respects as of the Effective Time, and Briteside shall have received a certificate of Baker addressed to Briteside and dated the Effective Date, signed on behalf of Baker by two senior executive officers of Baker (on Baker's behalf and without personal liability), confirming the same as at the Effective Time;

(d) the representations and warranties of Sea Hunter set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Sea Hunter Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Sea Hunter Material Adverse Effect, provided that the representations and warranties of Sea Hunter set forth in Schedule "F" Section (bb) shall be true and correct in all material respects as of the Effective Time, and Briteside shall have received a certificate of Sea Hunter addressed to Briteside and dated the Effective Date, signed on behalf of Sea Hunter by two senior executive officers of Sea Hunter (on Sea Hunter's behalf and without personal liability), confirming the same as at the Effective Time;

(e) the representations and warranties of Finco set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Finco Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Finco Material Adverse Effect, and Briteside shall have received a certificate of Finco addressed to Briteside and dated the Effective Date, signed on behalf of Finco by two senior executive officers of Finco (on Finco's behalf and without personal liability), confirming the same as at the Effective Time;

(f) since the date of this Agreement, there shall not have occurred an SVT Material Adverse Effect, and Briteside shall have received a certificate signed on behalf of SVT by the chief executive officer and the chief financial officer of SVT (on SVT's behalf and without personal liability) to such effect;

(g) since the date of this Agreement, there shall not have occurred a Baker Material Adverse Effect, and Briteside shall have received a certificate signed on behalf of Baker by the chief executive officer and the chief financial officer of Baker (on Baker's behalf and without personal liability) to such effect;

(h) since the date of this Agreement, there shall not have occurred a Sea Hunter Material Adverse Effect, and Briteside shall have received a certificate signed on behalf of Sea Hunter by the chief executive officer and the chief financial officer of Sea Hunter (on Sea Hunter's behalf and without personal liability) to such effect;

(i) since the date of this Agreement, there shall not have occurred a Finco Material Adverse Effect, and Briteside shall have received a certificate signed on behalf of Finco by the chief executive officer and the chief financial officer of Finco (on Finco's behalf and without personal liability) to such effect;

(j) each applicable Party shall have delivered or caused to be delivered to the other Parties copies of the consents or waivers, as applicable, of the Required Regulatory Approvals;

(k) the Nevada Holdco Board shall have received a bring down, as of the date of the consummation of the Business Combination, of the Nevada Holdco Fairness Opinion; and

(l) each of Baker, Sea Hunter, SVT, and Finco shall have delivered or caused to be delivered to Briteside a certificate, dated as of the Effective Date, executed by the secretary or other officer of each such Party, certifying as to (i) the names and titles of the officers or authorized signatories of such Party authorized to sign this Agreement and the other instruments contemplated hereby, together with the true signatures of such officers or signatories; (ii) the resolutions duly adopted by the board of directors or other governing body and the shareholders or members of such Party, as applicable and as required in connection with the transactions contemplated hereby, authorizing the execution, delivery and performance by such Party of this Agreement and the other instruments contemplated hereby; and (iii) true and correct copies of the organizational documents of such Party.

The foregoing conditions will be for the sole benefit of Briteside and may be waived by it in whole or in part at any time.

3.4 **Additional Conditions Precedent to the Obligations of Sea Hunter**

The obligation of Sea Hunter to complete the Business Combination is subject to the fulfillment of each of the following conditions precedent on or before the Effective Time (each of which is for the exclusive benefit of Sea Hunter and may be waived by Sea Hunter):

(a) all covenants of each other Party under this Agreement, to be performed on or before the Effective Time which have not been waived by Sea Hunter shall have been duly performed by each such other Party in all material respects and Sea Hunter shall have received a certificate of each other Party addressed to Sea Hunter and dated the Effective Date, signed on behalf of such other Party by two senior executive officers of such other Party (on such Party's behalf and without personal liability), confirming the same as at the Effective Time;

(b) the representations and warranties of SVT set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or SVT Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have an SVT Material Adverse Effect, provided that the representations and warranties of SVT set forth in Schedule "C" Section (bb) shall be true and correct in all material respects as of the Effective Time, and Sea Hunter shall have received a certificate of SVT addressed to Sea Hunter and dated the Effective Date, signed on behalf of SVT by two senior executive officers of SVT (on SVT's behalf and without personal liability), confirming the same as at the Effective Time;

(c) the representations and warranties of Baker set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Baker Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Baker Material Adverse Effect, provided that the representations and warranties of Baker set forth in Schedule "D" Section (bb) shall be true and correct in all material respects as of the Effective Time, and Sea Hunter shall have received a certificate of Baker addressed to Sea Hunter and dated the Effective Date, signed on behalf of Baker by two senior executive officers of Baker (on Baker's behalf and without personal liability), confirming the same as at the Effective Time;

(d) the representations and warranties of Briteside set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Briteside Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Briteside Material Adverse Effect, provided that the representations and warranties of Briteside set forth in Schedule "E" Section (bb) shall be true and correct in all material respects as of the Effective Time, and Sea Hunter shall have received a certificate of Briteside addressed to Sea Hunter and dated the Effective Date, signed on behalf of Briteside by two senior executive officers of Briteside (on Briteside's behalf and without personal liability), confirming the same as at the Effective Time;

(e) the representations and warranties of Finco set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Finco Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Finco Material Adverse Effect, and Sea Hunter shall have received a certificate of Finco addressed to Sea Hunter and dated the Effective Date, signed on behalf of Finco by two senior executive officers of Finco (on Finco's behalf and without personal liability), confirming the same as at the Effective Time;

(f) since the date of this Agreement, there shall not have occurred an SVT Material Adverse Effect, and Sea Hunter shall have received a certificate signed on behalf of SVT by the chief executive officer and the chief financial officer of SVT (on SVT's behalf and without personal liability) to such effect;

(g) since the date of this Agreement, there shall not have occurred a Baker Material Adverse Effect, and Sea Hunter shall have received a certificate signed on behalf of Baker by the chief executive officer and the chief financial officer of Baker (on Baker's behalf and without personal liability) to such effect;

(h) since the date of this Agreement, there shall not have occurred a Briteside Material Adverse Effect, and Sea Hunter shall have received a certificate signed on behalf of Briteside by the chief executive officer and the chief financial officer of Briteside (on Briteside's behalf and without personal liability) to such effect;

(i) since the date of this Agreement, there shall not have occurred a Finco Material Adverse Effect, and Sea Hunter shall have received a certificate signed on behalf of Finco by the chief executive officer and the chief financial officer of Finco (on Finco's behalf and without personal liability) to such effect;

(j) the CSE shall not act in any way that is contrary in any material respect to the email sent by Rob Cook, Senior VP Market Development at the CSE, to David Frost of McCarthy Tétrault LLP, on Monday, June 18, 2018 at 4:10 p.m. (ET) heretofore provided by David Frost of McCarthy Tétrault LLP to the Parties hereto;

(k) each applicable Party shall have delivered or caused to be delivered to the other Parties copies of the consents or waivers, as applicable, of the Required Regulatory Approvals;

(l) the Nevada Holdco Board shall have received a bring down, as of the date of the consummation of the Business Combination, of the Nevada Holdco Fairness Opinion; and

(m) each of Baker, Briteside, SVT and Finco shall have delivered or caused to be delivered to Sea Hunter a certificate, dated as of the Effective Date, executed by the secretary or other officer of each such Party, certifying as to (i) the names and titles of the officers or authorized signatories of such Party authorized to sign this Agreement and the other instruments contemplated hereby, together with the true signatures of such officers or signatories; (ii) the resolutions duly adopted by the board of directors or other governing body and the shareholders or members of such Party, as applicable and as required in connection with the transactions contemplated hereby, authorizing the execution, delivery and performance by such Party of this Agreement and the other instruments contemplated hereby; and (iii) true and correct copies of the organizational documents of such Party.

The foregoing conditions will be for the sole benefit of Sea Hunter and may be waived by it in whole or in part at any time.

3.5 **Additional Conditions Precedent to the Obligations of SVT**

The obligation of SVT to complete the SVT Component of the Business Combination is subject to the fulfillment of each of the following conditions precedent on or before the Effective Time (each of which is for the exclusive benefit of SVT and may be waived by SVT):

(a) all covenants of each other Party under this Agreement to be performed on or before the Effective Time which have not been waived by SVT shall have been duly performed by each such other Party in all material respects and SVT shall have received a certificate of each other Party addressed to SVT and dated the Effective Date, signed on behalf of such other Party by two senior executive officers of such other Party (on such Party's behalf and without personal liability), confirming the same as at the Effective Time;

(b) the representations and warranties of Baker set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Baker Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Baker Material Adverse Effect, provided that the representations and warranties of Baker set forth in Schedule "D" Section (bb) shall be true and correct in all material respects as of the Effective Time, and SVT shall have received a certificate of Baker addressed to SVT and dated the Effective Date, signed on behalf of Baker by two senior executive officers of Baker (on Baker's behalf and without personal liability), confirming the same as at the Effective Time;

(c) the representations and warranties of Briteside set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Briteside Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Briteside Material Adverse Effect, provided that the representations and warranties of Briteside set forth in Schedule "E" Section (bb) shall be true and correct in all material respects as of the Effective Time, and SVT shall have received a certificate of Briteside addressed to SVT and dated the Effective Date, signed on behalf of Briteside by two senior executive officers of Briteside (on Briteside's behalf and without personal liability), confirming the same as at the Effective Time;

(d) the representations and warranties of Sea Hunter set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Sea Hunter Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Sea Hunter Material Adverse Effect, provided that the representations and warranties of Sea Hunter set forth in Schedule "F" Section (bb) shall be true and correct in all material respects as of the Effective Time, and SVT shall have received a certificate of Sea Hunter addressed to SVT and dated the Effective Date, signed on behalf of Sea Hunter by two senior executive officers of Sea Hunter (on Sea Hunter's behalf and without personal liability), confirming the same as at the Effective Time;

(e) the representations and warranties of Finco set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Finco Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Finco Material Adverse Effect, and SVT shall have received a certificate of Finco addressed to SVT and dated the Effective Date, signed on behalf of Finco by two senior executive officers of Finco (on Finco's behalf and without personal liability), confirming the same as at the Effective Time;

(f) since the date of this Agreement, there shall not have occurred a Baker Material Adverse Effect and SVT shall have received a certificate signed on behalf of Baker by the chief executive officer and chief financial officer of Baker (on Baker's behalf and without personal liability) to such effect;

(g) since the date of this Agreement, there shall not have occurred a Briteside Material Adverse Effect and SVT shall have received a certificate signed on behalf of Briteside by the chief executive officer and chief financial officer of Briteside (on Briteside's behalf and without personal liability) to such effect;

(h) since the date of this Agreement, there shall not have occurred a Sea Hunter Material Adverse Effect and SVT shall have received a certificate signed on behalf of Sea Hunter by the chief executive officer and chief financial officer of Sea Hunter (on Sea Hunter's behalf and without personal liability) to such effect;

(i) since the date of this Agreement, there shall not have occurred a Finco Material Adverse Effect, and SVT shall have received a certificate signed on behalf of Finco by the chief executive officer and the chief financial officer of Finco (on Finco's behalf and without personal liability) to such effect;

(j) each applicable Party shall have delivered or caused to be delivered to the other Parties copies of the consents or waivers, as applicable, of the Required Regulatory Approvals;

(k) each of Baker, Briteside, Sea Hunter, and Finco shall have delivered or caused to be delivered to SVT a certificate, dated as of the Effective Date, executed by the secretary or other officer of each such Party, certifying as to (i) the names and titles of the officers of such Party authorized to sign this Agreement and the other instruments contemplated hereby, together with the true signatures of such officers; (ii) the resolutions duly adopted by the board of directors or other governing body and the shareholders or members of such Party, as applicable, authorizing the execution, delivery and performance by such Party of this Agreement and the other instruments contemplated hereby; and (iii) true and correct copies of the organizational documents of such Party;

(l) the SVT Board shall have received a bring down, as of the date of the consummation of the Business Combination, of the SVT Fairness Opinion; and

(m) each of Baker, Briteside, Sea Hunter, and Finco shall have delivered or caused to be delivered to SVT a certificate, dated as of the Effective Date, executed by the secretary or other officer of each such Party, certifying as to (i) the names and titles of the officers or authorized signatories of such Party authorized to sign this Agreement and the other instruments contemplated hereby, together with the true signatures of such officers or signatories; (ii) the resolutions duly adopted by the board of directors or other governing body and the shareholders or members of such Party, as applicable and as required in connection with the transactions contemplated hereby, authorizing the execution, delivery and performance by such Party of this Agreement and the other instruments contemplated hereby; and (iii) true and correct copies of the organizational documents of such Party.

The foregoing conditions will be for the sole benefit of SVT and may be waived by it in whole or in part at any time.

3.6 **Additional Conditions Precedent to the Obligations of Finco**

The obligation of Finco to complete the Finco Component of the Business Combination is subject to the fulfillment of each of the following conditions precedent on or before the Effective Time (each of which is for the exclusive benefit of Finco and may be waived by Finco):

(a) all covenants of each other Party under this Agreement to be performed on or before the Effective Time which have not been waived by Finco shall have been duly performed by each such other Party in all material respects and Finco shall have received a certificate of each other Party addressed to Finco and dated the Effective Date, signed on behalf of such other Party by two senior executive officers of such other Party (on such Party's behalf and without personal liability), confirming the same as at the Effective Time;

(b) the representations and warranties of Baker set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Baker Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Baker Material Adverse Effect, provided that the representations and warranties of Baker set forth in Schedule "D" Section (bb) shall be true and correct in all material respects as of the Effective Time, and Finco shall have received a certificate of Baker addressed to Finco and dated the Effective Date, signed on behalf of Baker by two senior executive officers of Baker (on Baker's behalf and without personal liability), confirming the same as at the Effective Time;

(c) the representations and warranties of Briteside set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Briteside Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Briteside Material Adverse Effect, provided that the representations and warranties of Briteside set forth in Schedule "E" Section (bb) shall be true and correct in all material respects as of the Effective Time, and Finco shall have received a certificate of Briteside addressed to Finco and dated the Effective Date, signed on behalf of Briteside by two senior executive officers of Briteside (on Briteside's behalf and without personal liability), confirming the same as at the Effective Time;

(d) the representations and warranties of Sea Hunter set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Sea Hunter Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have a Sea Hunter Material Adverse Effect, provided that the representations and warranties of Sea Hunter set forth in Schedule "F" Section (bb) shall be true and correct in all material respects as of the Effective Time, and Finco shall have received a certificate of Sea Hunter addressed to Finco and dated the Effective Date, signed on behalf of Sea Hunter by two senior executive officers of Sea Hunter (on Sea Hunter's behalf and without personal liability), confirming the same as at the Effective Time;

(e) the representations and warranties of SVT set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or SVT Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not have an SVT Material Adverse Effect, provided that the representations and warranties of SVT set forth in Schedule "C" Section (bb) shall be true and correct in all material respects as of the Effective Time, and Finco shall have received a certificate of SVT addressed to Finco and dated the Effective Date, signed on behalf of SVT by two senior executive officers of SVT (on SVT's behalf and without personal liability), confirming the same as at the Effective Time;

(f) since the date of this Agreement, there shall not have occurred a Baker Material Adverse Effect and Finco shall have received a certificate signed on behalf of Baker by the chief executive officer and chief financial officer of Baker (on Baker's behalf and without personal liability) to such effect;

(g) since the date of this Agreement, there shall not have occurred a Briteside Material Adverse Effect and Finco shall have received a certificate signed on behalf of Briteside by the chief executive officer and chief financial officer of Briteside (on Briteside's behalf and without personal liability) to such effect;

(h) since the date of this Agreement, there shall not have occurred a Sea Hunter Material Adverse Effect and Finco shall have received a certificate signed on behalf of Sea Hunter by the chief executive officer and chief financial officer of Sea Hunter (on Sea Hunter's behalf and without personal liability) to such effect;

(i) since the date of this Agreement, there shall not have occurred an SVT Material Adverse Effect and Finco shall have received a certificate signed on behalf of SVT by the chief executive officer and chief financial officer of SVT (on SVT's behalf and without personal liability) to such effect;

(j) each applicable Party shall have delivered or caused to be delivered to the other Parties copies of the consents or waivers, as applicable, of the Required Regulatory Approvals;

(k) each of Baker, Briteside, Sea Hunter, and SVT shall have delivered or caused to be delivered to Finco a certificate, dated as of the Effective Date, executed by the secretary or other officer of each such Party, certifying as to (i) the names and titles of the officers or authorized signatories of such Party authorized to sign this Agreement and the other instruments contemplated hereby, together with the true signatures of such officers or signatories; (ii) the resolutions duly adopted by the board of directors or other governing body and the shareholders or members of such Party, as applicable and as required in connection with the transactions contemplated hereby, authorizing the execution, delivery and performance by such Party of this Agreement and the other instruments contemplated hereby; and (iii) true and correct copies of the organizational documents of such Party;

The foregoing conditions will be for the sole benefit of Finco and may be waived by it in whole or in part at any time.

3.7 **Satisfaction of Conditions**

The conditions precedent set out in Section 3.1, Section 3.2, Section 3.3, Section 3.4, Section 3.5 and Section 3.6 shall be conclusively deemed to have been satisfied, waived or released, as applicable, at the Effective Time.

ARTICLE 4

ADDITIONAL AGREEMENTS

4.1 **SVT Non-Solicitation**

(a) On and after the date of this Agreement, except as otherwise provided in this Agreement, SVT and its Subsidiaries shall not, directly or indirectly, through any officer, director, employee, advisor, representative, agent or otherwise:

(i) make, solicit, assist, initiate, encourage or otherwise facilitate any inquiries, proposals or offers from any other Person (including any of its officers or employees) relating to any Acquisition Proposal for SVT, or furnish to any Person any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to do or seek to do any of the foregoing;

(ii) engage in any discussions or negotiations regarding, or provide any information with respect to, or otherwise co-operate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to make or complete any Acquisition Proposal for SVT, provided that, for greater certainty, SVT may advise any Person making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute a Superior Proposal when the SVT Board has so determined;

(iii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to Baker, Briteside, or Sea Hunter, the approval or recommendation of the SVT Board or any committee thereof of this Agreement or the SVT Component of the Business Combination;

(iv) approve, recommend or remain neutral with respect to, or propose publicly to approve, recommend or remain neutral with respect to, any Acquisition Proposal involving SVT; or

(v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal involving SVT;

provided, however, that nothing contained in this Subsection 4.1(a) or any other provision of this Agreement shall prevent the SVT Board from, and the SVT Board shall be permitted to engage in discussions or negotiations with, or respond to enquiries from any Person that has made a bona fide unsolicited written Acquisition Proposal that the SVT Board has determined constitutes a Superior Proposal, or provide information pursuant to Subsection 4.1(d) to any such Person, in each case, where the requirements of Section 4.1(d) are met.

(b) SVT shall immediately cease and cause to be terminated any existing discussions or negotiations with any Person (other than Baker, Briteside, and Sea Hunter) with respect to any potential Acquisition Proposal and, in connection therewith, SVT will discontinue access to any of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise). SVT agrees not to release any third party from any confidentiality, non-solicitation or standstill agreement to which such third party is a party, or terminate, modify, amend or waive the terms thereof and SVT undertakes to enforce, or cause its Subsidiaries to enforce, all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants that it or any of its Subsidiaries have entered into prior to the date hereof or enter into after the date hereof.

(c) From and after the date of this Agreement, SVT shall immediately provide notice to Baker, Briteside, and Sea Hunter of any bona fide Acquisition Proposal or any proposal, inquiry or offer that could lead to an Acquisition Proposal or any amendments to the foregoing or any request for non-public information relating to SVT or any of its Subsidiaries in connection with such an Acquisition Proposal or potential Acquisition Proposal or for access to the properties, books or records of SVT or any Subsidiary by any Person that informs SVT, any member of the SVT Board or such Subsidiary that it is considering making, or has made, an Acquisition Proposal. Such notice to Baker, Briteside, and Sea Hunter shall be made, from time to time, first immediately orally and then promptly (and in any event within 24 hours) in writing and shall indicate the identity of the Person making such proposal, inquiry or contact, all material terms thereof, including price, and such other details of the proposal, inquiry or contact known to SVT, and shall include copies of any such proposal, inquiry, offer or request or any amendment to any of the foregoing. SVT shall keep Baker, Briteside, and Sea Hunter promptly and fully informed of the status, including any change to the material terms, of any such Acquisition Proposal, offer, inquiry or request and will respond promptly to all inquiries by Baker, Briteside and Sea Hunter with respect thereto.

(d) If the SVT Board receives a request for material non-public information from a Person who proposes to SVT a bona fide Acquisition Proposal, or indicates a possible intent to do so, SVT may contact the Person making the Acquisition Proposal and its representatives solely for the purpose of clarifying the terms and conditions of such Acquisition Proposal and the likelihood of its consummation so as to determine whether such Acquisition Proposal is a Superior Proposal; provided that SVT shall promptly provide Baker, Briteside, and Sea Hunter with copies of all correspondence, including email and other electronic and digital communications, and information provided to or received from such Person. If: (x) the SVT Board determines that such Acquisition Proposal constitutes a Superior Proposal; and (y) in the opinion of the SVT Board, acting in good faith and on written advice from their outside legal advisors, the failure to provide such party with access to information regarding SVT and its Subsidiaries would be inconsistent with the fiduciary duties of the SVT Board, then, and only in such case, SVT may provide such Person with access to information regarding SVT and its Subsidiaries, subject to the execution of a confidentiality agreement which is customary in such situations and which, in any event and taken as a whole, is no less favourable to SVT than the Confidentiality Agreements; provided that SVT sends a copy of any such confidentiality agreement to each of Baker, Briteside, and Sea Hunter promptly upon its execution and each of Baker, Briteside, and Sea Hunter is provided with a list of, and, at the request of Baker, Briteside, and Sea Hunter, respectively, copies of, the information provided to such Person and immediately provided with access to similar information to which such Person was provided.

(e) SVT agrees that it will not accept, approve or enter into any agreement (an "**SVT Proposed Agreement**"), other than a confidentiality agreement as contemplated by Subsection 4.1(d), with any Person providing for or to facilitate any Acquisition Proposal unless:

(i) the SVT Board determines that the Acquisition Proposal constitutes a Superior Proposal;

(ii) the SVT Meeting has not occurred;

(iii) SVT has complied with Subsections 4.1(a) through 4.1(d) inclusive;

(iv) SVT has provided Baker, Briteside, and Sea Hunter with a notice in writing that there is a Superior Proposal together with all documentation related to and detailing the Superior Proposal, including a copy of any SVT Proposed Agreement relating to such Superior Proposal, and a written notice from the SVT Board regarding the value in financial terms that the SVT Board has in consultation with its financial advisors determined should be ascribed to any non-cash consideration offered under the Superior Proposal, such documents to be so provided to Baker, Briteside, and Sea Hunter not less than ten (10) Business Days prior to the proposed acceptance, approval, recommendation or execution of the SVT Proposed Agreement by SVT;

(v) ten (10) Business Days shall have elapsed from the date Baker, Briteside, and Sea Hunter received the notice and documentation referred to in Subsection 4.1(e)(iv) from SVT and, if Baker, Briteside, and Sea Hunter have collectively proposed to amend the terms of the Business Combination in accordance with Subsection 4.1(f), the SVT Board shall have determined, in good faith, after consultation with its financial advisors and outside legal counsel, that the Acquisition Proposal is a Superior Proposal compared to the proposed amendment to the terms of the Business Combination by Baker, Briteside, and Sea Hunter;

(vi) SVT concurrently terminates this Agreement pursuant to Section 5.2(a)(vi)(H);

(vii) SVT has previously, or concurrently will have, paid to Baker, Briteside, and Sea Hunter the Termination Fee which is to be equally split between Baker, Briteside and Sea Hunter;

and SVT further agrees that it will not withdraw, modify or qualify (or propose to withdraw, modify or qualify) in any manner adverse to Baker, Briteside, or Sea Hunter the approval or recommendation of the SVT Component of the Business Combination, nor accept, approve or recommend any Acquisition Proposal unless the requirements of this Section 4.1(e)(i) through 4.1(e)(vii) have been satisfied.

(f) SVT acknowledges and agrees that, during the ten (10) Business Day periods referred to in Subsections 4.1(e)(iv) and 4.1(e)(v) or such longer period as SVT may approve for such purpose, any two or more of Baker, Briteside, and Sea Hunter shall collectively have the opportunity, but not the obligation, to propose to amend the terms of this Agreement and the Business Combination and SVT shall co-operate with Baker, Briteside, and Sea Hunter with respect thereto, including negotiating in good faith with Baker, Briteside, and Sea Hunter to enable Baker, Briteside, and Sea Hunter to make such adjustments to the terms and conditions of this Agreement and the Business Combination as Baker, Briteside, and Sea Hunter deem appropriate and as would enable Baker, Briteside, and Sea Hunter to proceed with the Business Combination and any related transactions on such adjusted terms. The SVT Board will review diligently and in good faith any proposal by Baker, Briteside, and Sea Hunter to amend the terms of the Business Combination in order to determine, in good faith in the exercise of its fiduciary duties and consistent with Subsection 4.1(a), whether Baker, Briteside, and Sea Hunter's collective proposal to amend the Business Combination would result in the Acquisition Proposal not being a Superior Proposal compared to the proposed amendment to the terms of the Business Combination.

(g) The SVT Board shall promptly reaffirm and communicate its recommendation of the SVT Component of the Business Combination by press release after: (x) any Acquisition Proposal which the SVT Board determines not to be a Superior Proposal is publicly announced or made; or (y) the SVT Board determines that a proposed amendment to the terms of the Business Combination would result in the Acquisition Proposal which has been publicly announced or made not being a Superior Proposal, and Baker, Briteside, and Sea Hunter have so amended the terms of the Business Combination. Baker, Briteside, and Sea Hunter and their respective counsel shall be given a reasonable opportunity to review and comment on the form and content of any such press release, recognizing that whether or not such comments are required by applicable Laws or the fiduciary duties of the SVT Board will be determined by SVT, acting reasonably and upon the advice of legal counsel.

(h) Nothing in this Agreement shall prevent the SVT Board from responding through a directors' circular or otherwise to the extent required by applicable Securities Laws to an Acquisition Proposal that it determines is not a Superior Proposal, or from withdrawing, modifying or changing its recommendation as a result of Baker, Briteside, and Sea Hunter having suffered a Baker Material Adverse Effect, Briteside Material Adverse Effect, or Sea Hunter Material Adverse Effect, respectively. Further, nothing in this Agreement shall prevent the SVT Board from making any disclosure to the securityholders of SVT to the extent the SVT Board, acting in good faith and upon the written advice of its legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the SVT Board or such disclosure is otherwise required under applicable Law, provided, however, that, notwithstanding the SVT Board shall be permitted to make such disclosure, the SVT Board shall not be permitted to make an SVT Change in Recommendation for Baker, SVT Change in Recommendation for Briteside or SVT Change in Recommendation for Sea Hunter, other than as permitted by Section 4.1(e) or the first sentence of this paragraph. Baker, Briteside, and Sea Hunter and their respective counsel shall be given a reasonable opportunity to review and comment on the form and content of any such disclosure, recognizing that whether or not such comments are required by applicable Laws or the fiduciary duties of the SVT Board will be determined by SVT, acting reasonably and upon the advice of legal counsel.

(i) SVT acknowledges and agrees that each successive modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of this Section 4.1.

(j) SVT shall ensure that the officers, directors and employees of SVT and its Subsidiaries and any investment bankers or other advisors or representatives retained by SVT and/or its Subsidiaries in connection with the transactions contemplated by this Agreement are aware of the provisions of this Section, and SVT shall be responsible for any action or inaction that would constitute a breach of this Section 4.1 by such officers, directors, employees, investment bankers, advisors or representatives as if such Persons or entities were direct Transacting Parties hereto.

(k) If SVT provides Baker, Briteside, and Sea Hunter with the notice of an Acquisition Proposal contemplated in this Section 4.1 on a date that is less than seven (7) calendar days prior to the SVT Meeting, SVT shall adjourn the SVT Meeting to a date that is not less than seven (7) calendar days and not more than ten (10) calendar days after the date of such notice, provided, however, that the SVT Meeting shall not be adjourned or postponed to a date later than the seventh (7th) Business Day prior to the Outside Date.

4.2 **Baker Non-Solicitation**

(a) On and after the date of this Agreement, except as otherwise provided in this Agreement, Baker and its Subsidiaries shall not, directly or indirectly, through any officer, director, employee, advisor, representative, agent or otherwise:

(i) make, solicit, assist, initiate, encourage or otherwise facilitate any inquiries, proposals or offers from any other Person (including any of its officers or employees) relating to any Acquisition Proposal for Baker, or furnish to any Person any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to do or seek to do any of the foregoing;

(ii) engage in any discussions or negotiations regarding, or provide any information with respect to, or otherwise co-operate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to make or complete any Acquisition Proposal for Baker, provided that, for greater certainty, Baker may advise any Person making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute a Superior Proposal when the Baker Board has so determined;

(iii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to SVT, Briteside, or Sea Hunter, the approval or recommendation of the Baker Board or any committee thereof of this Agreement or the Business Combination;

(iv) approve, recommend or remain neutral with respect to, or propose publicly to approve, recommend or remain neutral with respect to, any Acquisition Proposal involving Baker; or

(v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal involving Baker;

provided, however, that nothing contained in this Subsection 4.2(a) or any other provision of this Agreement shall prevent the Baker Board from, and the Baker Board shall be permitted to engage in discussions or negotiations with, or respond to enquiries from any Person that has made a bona fide unsolicited written Acquisition Proposal that the Baker Board has determined constitutes a Superior Proposal, or provide information pursuant to Subsection 4.2(d) to any such Person, in each case, where the requirements of Section 4.2(d) are met.

(b) Baker shall immediately cease and cause to be terminated any existing discussions or negotiations with any Person (other than SVT, Briteside and Sea Hunter) with respect to any potential Acquisition Proposal and, in connection therewith, Baker will discontinue access to any of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise). Baker agrees not to release any third party from any confidentiality, non-solicitation or standstill agreement to which such third party is a party, or terminate, modify, amend or waive the terms thereof and Baker undertakes to enforce, or cause its Subsidiaries to enforce, all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants that it or any of its Subsidiaries have entered into prior to the date hereof or enter into after the date hereof.

(c) From and after the date of this Agreement, Baker shall immediately provide notice to SVT, Briteside and Sea Hunter of any bona fide Acquisition Proposal or any proposal, inquiry or offer that could lead to an Acquisition Proposal or any amendments to the foregoing or any request for non-public information relating to Baker or any of its Subsidiaries in connection with such an Acquisition Proposal or potential Acquisition Proposal or for access to the properties, books or records of Baker or any Subsidiary by any Person that informs Baker, any member of the Baker Board or such Subsidiary that it is considering making, or has made, an Acquisition Proposal. Such notice to SVT, Briteside and Sea Hunter shall be made, from time to time, first immediately orally and then promptly (and in any event within 24 hours) in writing and shall indicate the identity of the Person making such proposal, inquiry or contact, all material terms thereof, including price, and such other details of the proposal, inquiry or contact known to Baker, and shall include copies of any such proposal, inquiry, offer or request or any amendment to any of the foregoing. Baker shall keep SVT, Briteside and Sea Hunter promptly and fully informed of the status, including any change to the material terms, of any such Acquisition Proposal, offer, inquiry or request and will respond promptly to all inquiries by SVT, Briteside and Sea Hunter with respect thereto.

(d) If the Baker Board receives a request for material non-public information from a Person who proposes to Baker a bona fide Acquisition Proposal, or indicates a possible intent to do so, Baker may contact the Person making the Acquisition Proposal and its representatives solely for the purpose of clarifying the terms and conditions of such Acquisition Proposal and the likelihood of its consummation so as to determine whether such Acquisition Proposal is a Superior Proposal; provided that Baker shall promptly provide SVT, Briteside and Sea Hunter with copies of all correspondence, including email and other electronic and digital communications, and information provided to or received from such Person. If: (x) the Baker Board determines that such Acquisition Proposal constitutes a Superior Proposal; and (y) in the opinion of the Baker Board, acting in good faith and on written advice from their outside legal advisors, the failure to provide such party with access to information regarding Baker and its Subsidiaries would be inconsistent with the fiduciary duties of the Baker Board, then, and only in such case, Baker may provide such Person with access to information regarding Baker and its Subsidiaries, subject to the execution of a confidentiality agreement which is customary in such situations and which, in any event and taken as a whole, is no less favourable to Baker than the Confidentiality Agreements; provided that Baker sends a copy of any such confidentiality agreement to each of SVT, Briteside and Sea Hunter promptly upon its execution and SVT, Briteside and Sea Hunter are each provided with a list of, and, at the request of SVT, Briteside and Sea Hunter, respectively, copies of, the information provided to such Person and immediately provided with access to similar information to which such Person was provided.

(e) Baker agrees that it will not accept, approve or enter into any agreement (a "**Baker Proposed Agreement**"), other than a confidentiality agreement as contemplated by Subsection 4.2(d), with any Person providing for or to facilitate any Acquisition Proposal unless:

(i) the Baker Board determines that the Acquisition Proposal constitutes a Superior Proposal;

(ii) the Nevada Holdco Meeting has not occurred;

(iii) Baker has complied with Subsections 4.2(a) through 4.2(d) inclusive;

(iv) Baker has provided SVT, Briteside and Sea Hunter with a notice in writing that there is a Superior Proposal together with all documentation related to and detailing the Superior Proposal, including a copy of any Baker Proposed Agreement relating to such Superior Proposal, and a written notice from the Baker Board regarding the value in financial terms that the Baker Board has in consultation with its financial advisors determined should be ascribed to any non-cash consideration offered under the Superior Proposal, such documents to be so provided to SVT, Briteside and Sea Hunter not less than ten (10) Business Days prior to the proposed acceptance, approval, recommendation or execution of the Baker Proposed Agreement by Baker;

(v) ten (10) Business Days shall have elapsed from the date SVT, Briteside and Sea Hunter received the notice and documentation referred to in Subsection 4.2(e)(iv) from Baker and, if SVT, Briteside and Sea Hunter have collectively proposed to amend the terms of the Business Combination in accordance with Subsection 4.2(f), the Baker Board shall have determined, in good faith, after consultation with its financial advisors and outside legal counsel, that the Acquisition Proposal is a Superior Proposal compared to the proposed amendment to the terms of the Business Combination by SVT, Briteside and Sea Hunter;

(vi) Baker concurrently terminates this Agreement pursuant to Section 5.2(a)(iii)(H);

(vii) Baker has previously, or concurrently will have, paid to SVT, Briteside and Sea Hunter the Termination Fee, which is to be equally split between SVT, Briteside and Sea Hunter;

and Baker further agrees that it will not withdraw, modify or qualify (or propose to withdraw, modify or qualify) in any manner adverse to SVT, Briteside, or Sea Hunter the approval or recommendation of the Business Combination, nor accept, approve or recommend any Acquisition Proposal unless the requirements of Section 4.2(e)(i) through 4.2(e)(vii) have been satisfied.

(f) Baker acknowledges and agrees that, during the ten (10) Business Day periods referred to in Subsections 4.2(e)(iv) and 4.2(e)(v) or such longer period as Baker may approve for such purpose, any two or more of SVT, Briteside and Sea Hunter shall collectively have the opportunity, but not the obligation, to propose to amend the terms of this Agreement and the Business Combination and Baker shall co-operate with SVT, Briteside and Sea Hunter with respect thereto, including negotiating in good faith with each of SVT, Briteside and Sea Hunter to enable SVT, Briteside and Sea Hunter to make such adjustments to the terms and conditions of this Agreement and the Business Combination as SVT, Briteside and Sea Hunter deem appropriate and as would enable SVT, Briteside and Sea Hunter to proceed with the Business Combination and any related transactions on such adjusted terms. The Baker Board will review diligently and in good faith any proposal by SVT, Briteside and Sea Hunter to amend the terms of the Business Combination in order to determine, in good faith in the exercise of its fiduciary duties and consistent with Subsection 4.2(a), whether SVT, Briteside and Sea Hunter's collective proposal to amend the Business Combination would result in the Acquisition Proposal not being a Superior Proposal compared to the proposed amendment to the terms of the Business Combination.

(g) The Baker Board shall promptly reaffirm and communicate its recommendation of the Business Combination by press release after: (x) any Acquisition Proposal which the Baker Board determines not to be a Superior Proposal is publicly announced or made; or (y) the Baker Board determines that a proposed amendment to the terms of the Business Combination would result in the Acquisition Proposal which has been publicly announced or made not being a Superior Proposal, and SVT, Briteside and Sea Hunter have so amended the terms of the Business Combination. SVT, Briteside and Sea Hunter and their respective counsel shall be given a reasonable opportunity to review and comment on the form and content of any such press release, recognizing that whether or not such comments are required by applicable Laws or the fiduciary duties of the Baker Board will be determined by Baker, acting reasonably and upon the advice of outside legal counsel.

(h) Nothing in this Agreement shall prevent the Baker Board from responding through a directors' circular or otherwise to the extent required by applicable Securities Laws to an Acquisition Proposal that it determines is not a Superior Proposal, or from withdrawing, modifying or changing its recommendation as a result of SVT, Briteside and Sea Hunter having suffered an SVT Material Adverse Effect, Briteside Material Adverse Effect and Sea Hunter Material Adverse Effect, respectively. Further, nothing in this Agreement shall prevent the Baker Board from making any disclosure to the securityholders of Baker to the extent the Baker Board, acting in good faith and upon the written advice of its legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Baker Board or such disclosure is otherwise required under applicable Law, provided, however, that, notwithstanding the Baker Board shall be permitted to make such disclosure, the Baker Board shall not be permitted to make a Baker Change in Recommendation for Briteside, Baker Change in Recommendation for Sea Hunter or Baker Change in Recommendation for SVT, other than as permitted by Section 4.2(e) or the first sentence of this paragraph. SVT, Briteside and Sea Hunter and their respective counsel shall be given a reasonable opportunity to review and comment on the form and content of any such disclosure, recognizing that whether or not such comments are required by applicable Laws or the fiduciary duties of the Baker Board will be determined by Baker, acting reasonably and upon the advice of outside legal counsel.

(i) Baker acknowledges and agrees that each successive modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of this Section 4.2.

(j) Baker shall ensure that the officers, directors and employees of Baker and its Subsidiaries and any investment bankers or other advisors or representatives retained by Baker and/or its Subsidiaries in connection with the transactions contemplated by this Agreement are aware of the provisions of this Section, and Baker shall be responsible for any action or inaction that would constitute a breach of this Section 4.2 by such officers, directors, employees, investment bankers, advisors or representatives as if such Persons or entities were direct Transacting Parties hereto.

(k) If Baker provides SVT, Briteside, and Sea Hunter with the notice of an Acquisition Proposal contemplated in this Section 4.2 on a date that is less than seven (7) calendar days prior to the Nevada Holdco Meeting, if requested by SVT, Briteside or Sea Hunter, the Nevada Holdco Meeting will be adjourned to a date that is not less than seven (7) calendar days and not more than ten (10) calendar days after the date of such notice, provided, however, that the Nevada Holdco Meeting shall not be adjourned or postponed to a date later than the seventh (7^{th}) Business Day prior to the Outside Date.

4.3 **Briteside Non-Solicitation**

(a) On and after the date of this Agreement, except as otherwise provided in this Agreement, Briteside and its Subsidiaries shall not, directly or indirectly, through any officer, director, employee, advisor, representative, agent or otherwise:

(i) make, solicit, assist, initiate, encourage or otherwise facilitate any inquiries, proposals or offers from any other Person (including any of its officers or employees) relating to any Acquisition Proposal for Briteside, or furnish to any Person any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to do or seek to do any of the foregoing;

(ii) engage in any discussions or negotiations regarding, or provide any information with respect to, or otherwise co-operate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to make or complete any Acquisition Proposal for Briteside, provided that, for greater certainty, Briteside may advise any Person making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute a Superior Proposal when the Briteside Board has so determined;

(iii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to SVT, Baker, or Sea Hunter, the approval or recommendation of the Briteside Board or any committee thereof of this Agreement or the Business Combination;

(iv) approve, recommend or remain neutral with respect to, or propose publicly to approve, recommend or remain neutral with respect to, any Acquisition Proposal involving Briteside; or

(v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal involving Briteside;

provided, however, that nothing contained in this Subsection 4.3(a) or any other provision of this Agreement shall prevent the Briteside Board from, and the Briteside Board shall be permitted to engage in discussions or negotiations with, or respond to enquiries from any Person that has made a bona fide unsolicited written Acquisition Proposal that the Briteside Board has determined constitutes a Superior Proposal, or provide information pursuant to Subsection 4.3(d) to any such Person, in each case, where the requirements of Section 4.3(d) are met.

(b) Briteside shall immediately cease and cause to be terminated any existing discussions or negotiations with any Person (other than SVT, Baker and Sea Hunter) with respect to any potential Acquisition Proposal and, in connection therewith, Briteside will discontinue access to any of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise). Briteside agrees not to release any third party from any confidentiality, non-solicitation or standstill agreement to which such third party is a party, or terminate, modify, amend or waive the terms thereof and Briteside undertakes to enforce, or cause its Subsidiaries to enforce, all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants that it or any of its Subsidiaries have entered into prior to the date hereof or enter into after the date hereof.

(c) From and after the date of this Agreement, Briteside shall immediately provide notice to SVT, Baker and Sea Hunter of any bona fide Acquisition Proposal or any proposal, inquiry or offer that could lead to an Acquisition Proposal or any amendments to the foregoing or any request for non-public information relating to Briteside or any of its Subsidiaries in connection with such an Acquisition Proposal or potential Acquisition Proposal or for access to the properties, books or records of Briteside or any Subsidiary by any Person that informs Briteside, any member of the Briteside Board or such Subsidiary that it is considering making, or has made, an Acquisition Proposal. Such notice to SVT, Baker and Sea Hunter shall be made, from time to time, first immediately orally and then promptly (and in any event within 24 hours) in writing and shall indicate the identity of the Person making such proposal, inquiry or contact, all material terms thereof, including price, and such other details of the proposal, inquiry or contact known to Briteside, and shall include copies of any such proposal, inquiry, offer or request or any amendment to any of the foregoing. Briteside shall keep SVT, Baker and Sea Hunter promptly and fully informed of the status, including any change to the material terms, of any such Acquisition Proposal, offer, inquiry or request and will respond promptly to all inquiries by SVT, Baker and Sea Hunter with respect thereto.

(d) If the Briteside Board receives a request for material non-public information from a Person who proposes to Briteside a bona fide Acquisition Proposal, or indicates a possible intent to do so, Briteside may contact the Person making the Acquisition Proposal and its representatives solely for the purpose of clarifying the terms and conditions of such Acquisition Proposal and the likelihood of its consummation so as to determine whether such Acquisition Proposal is a Superior Proposal; provided that Briteside shall promptly provide SVT, Baker and Sea Hunter with copies of all correspondence, including email and other electronic and digital communications, and information provided to or received from such Person. If: (x) the Briteside Board determines that such Acquisition Proposal constitutes a Superior Proposal; and (y) in the opinion of the Briteside Board, acting in good faith and on written advice from their outside legal advisors, the failure to provide such party with access to information regarding Briteside and its Subsidiaries would be inconsistent with the fiduciary duties of the Briteside Board, then, and only in such case, Briteside may provide such Person with access to information regarding Briteside and its Subsidiaries, subject to the execution of a confidentiality agreement which is customary in such situations and which, in any event and taken as a whole, is no less favourable to Briteside than the Confidentiality Agreements; provided that Briteside sends a copy of any such confidentiality agreement to each of SVT, Baker and Sea Hunter promptly upon its execution and SVT, Baker and Sea Hunter are each provided with a list of, and, at the request of SVT, Baker and Sea Hunter, respectively, copies of, the information provided to such Person and immediately provided with access to similar information to which such Person was provided.

(e) Briteside agrees that it will not accept, approve or enter into any agreement (a "**Briteside Proposed Agreement**"), other than a confidentiality agreement as contemplated by Subsection 4.3(d), with any Person providing for or to facilitate any Acquisition Proposal unless:

(i) the Briteside Board determines that the Acquisition Proposal constitutes a Superior Proposal;

(ii) the Nevada Holdco Meeting has not occurred;

(iii) Briteside has complied with Subsections 4.3(a) through 4.3(d) inclusive;

(iv) Briteside has provided SVT, Baker and Sea Hunter with a notice in writing that there is a Superior Proposal together with all documentation related to and detailing the Superior Proposal, including a copy of any Briteside Proposed Agreement relating to such Superior Proposal, and a written notice from the Briteside Board regarding the value in financial terms that the Briteside Board has in consultation with its financial advisors determined should be ascribed to any non-cash consideration offered under the Superior Proposal, such documents to be so provided to SVT, Baker and Sea Hunter not less than ten (10) Business Days prior to the proposed acceptance, approval, recommendation or execution of the Briteside Proposed Agreement by Briteside;

(v) ten (10) Business Days shall have elapsed from the date SVT, Baker and Sea Hunter received the notice and documentation referred to in Subsection 4.3(e)(iv) from Briteside and, if SVT, Baker and Sea Hunter have collectively proposed to amend the terms of the Business Combination in accordance with Subsection 4.3(f), the Briteside Board shall have determined, in good faith, after consultation with its financial advisors and outside legal counsel, that the Acquisition Proposal is a Superior Proposal compared to the proposed amendment to the terms of the Business Combination by SVT, Baker and Sea Hunter;

(vi) Briteside concurrently terminates this Agreement pursuant to Section 5.2(a)(iv)(H);

(vii) Briteside has previously, or concurrently will have, paid to SVT, Baker and Sea Hunter the Termination Fee, which is to be equally split between SVT, Baker and Sea Hunter;

and Briteside further agrees that it will not withdraw, modify or qualify (or propose to withdraw, modify or qualify) in any manner adverse to SVT, Baker, or Sea Hunter the approval or recommendation of the Business Combination, nor accept, approve or recommend any Acquisition Proposal unless the requirements of Section 4.3(e)(i) through 4.3(e)(vii) have been satisfied.

(f) Briteside acknowledges and agrees that, during the ten (10) Business Day periods referred to in Subsections 4.3(e)(iv) and 4.3(e)(v) or such longer period as Briteside may approve for such purpose, any two or more of SVT, Baker and Sea Hunter shall collectively have the opportunity, but not the obligation, to propose to amend the terms of this Agreement and the Business Combination and Briteside shall co-operate with SVT, Baker and Sea Hunter with respect thereto, including negotiating in good faith with each of SVT, Baker and Sea Hunter to enable SVT, Baker and Sea Hunter to make such adjustments to the terms and conditions of this Agreement and the Business Combination as SVT, Baker and Sea Hunter deem appropriate and as would enable SVT, Baker and Sea Hunter to proceed with the Business Combination and any related transactions on such adjusted terms. The Briteside Board will review diligently and in good faith any proposal by SVT, Baker and Sea Hunter to amend the terms of the Business Combination in order to determine, in good faith in the exercise of its fiduciary duties and consistent with Subsection 4.3(a), whether SVT, Baker and Sea Hunter's collective proposal to amend the Business Combination would result in the Acquisition Proposal not being a Superior Proposal compared to the proposed amendment to the terms of the Business Combination.

(g) The Briteside Board shall promptly reaffirm and communicate its recommendation of the Business Combination by press release after: (x) any Acquisition Proposal which the Briteside Board determines not to be a Superior Proposal is publicly announced or made; or (y) the Briteside Board determines that a proposed amendment to the terms of the Business Combination would result in the Acquisition Proposal which has been publicly announced or made not being a Superior Proposal, and SVT, Baker and Sea Hunter have so amended the terms of the Business Combination. SVT, Baker and Sea Hunter and their respective counsel shall be given a reasonable opportunity to review and comment on the form and content of any such press release, recognizing that whether or not such comments are required by applicable Laws or the fiduciary duties of the Briteside Board will be determined by Briteside, acting reasonably and upon the advice of outside legal counsel.

(h) Nothing in this Agreement shall prevent the Briteside Board from responding through a directors' circular or otherwise to the extent required by applicable Securities Laws to an Acquisition Proposal that it determines is not a Superior Proposal, or from withdrawing, modifying or changing its recommendation as a result of SVT, Baker and Sea Hunter having suffered an SVT Material Adverse Effect, Baker Material Adverse Effect and Sea Hunter Material Adverse Effect, respectively. Further, nothing in this Agreement shall prevent the Briteside Board from making any disclosure to the securityholders of Briteside to the extent the Briteside Board, acting in good faith and upon the written advice of its legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Briteside Board or such disclosure is otherwise required under applicable Law, provided, however, that, notwithstanding the Briteside Board shall be permitted to make such disclosure, the Briteside Board shall not be permitted to make a Briteside Change in Recommendation for Baker, a Briteside Change in Recommendation for Sea Hunter or a Briteside Change in Recommendation for SVT, other than as permitted by Section 4.3(e) or the first sentence of this paragraph. SVT, Baker and Sea Hunter and their respective counsel shall be given a reasonable opportunity to review and comment on the form and content of any such disclosure, recognizing that whether or not such comments are required by applicable Laws or the fiduciary duties of the Briteside Board will be determined by Briteside, acting reasonably and upon the advice of outside legal counsel.

(i) Briteside acknowledges and agrees that each successive modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of this Section 4.3.

(j) Briteside shall ensure that the officers, directors and employees of Briteside and its Subsidiaries and any investment bankers or other advisors or representatives retained by Briteside and/or its Subsidiaries in connection with the transactions contemplated by this Agreement are aware of the provisions of this Section, and Briteside shall be responsible for any action or inaction that would constitute a breach of this Section 4.3 by such officers, directors, employees, investment bankers, advisors or representatives as if such Persons or entities were direct Transacting Parties hereto.

(k) If Briteside provides SVT, Baker and Sea Hunter with the notice of an Acquisition Proposal contemplated in this Section 4.3 on a date that is less than seven (7) calendar days prior to the Nevada Holdco Meeting, if requested by SVT, Baker or Sea Hunter, the Nevada Holdco Meeting will be adjourned to a date that is not less than seven (7) calendar days and not more than ten (10) calendar days after the date of such notice, provided, however, that the Nevada Holdco Meeting shall not be adjourned or postponed to a date later than the seventh (7th) Business Day prior to the Outside Date.

4.4 **Sea Hunter Non-Solicitation**

(a) On and after the date of this Agreement, except as otherwise provided in this Agreement, Sea Hunter and its Subsidiaries shall not, directly or indirectly, through any officer, director, employee, advisor, representative, agent or otherwise:

(i) make, solicit, assist, initiate, encourage or otherwise facilitate any inquiries, proposals or offers from any other Person (including any of its officers or employees) relating to any Acquisition Proposal for Sea Hunter, or furnish to any Person any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to do or seek to do any of the foregoing;

(ii) engage in any discussions or negotiations regarding, or provide any information with respect to, or otherwise co-operate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to make or complete any Acquisition Proposal for Sea Hunter, provided that, for greater certainty, Sea Hunter may advise any Person making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute a Superior Proposal when the Sea Hunter Board has so determined;

(iii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to SVT, Baker, or Briteside the approval or recommendation of the Sea Hunter Board or any committee thereof of this Agreement or the Business Combination;

(iv) approve, recommend or remain neutral with respect to, or propose publicly to approve, recommend or remain neutral with respect to, any Acquisition Proposal involving Sea Hunter; or

(v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal involving Sea Hunter;

provided, however, that nothing contained in this Subsection 4.4(a) or any other provision of this Agreement shall prevent the Sea Hunter Board from, and the Sea Hunter Board shall be permitted to engage in discussions or negotiations with, or respond to enquiries from any Person that has made a bona fide unsolicited written Acquisition Proposal that the Sea Hunter Board has determined constitutes a Superior Proposal, or provide information pursuant to Subsection 4.4(d) to any such Person, in each case, where the requirements of Section 4.4(d) are met.

(b) Sea Hunter shall immediately cease and cause to be terminated any existing discussions or negotiations with any Person (other than SVT, Baker, and Briteside) with respect to any potential Acquisition Proposal and, in connection therewith, Sea Hunter will discontinue access to any of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise). Sea Hunter agrees not to release any third party from any confidentiality, non-solicitation or standstill agreement to which such third party is a party, or terminate, modify, amend or waive the terms thereof and Sea Hunter undertakes to enforce, or cause its Subsidiaries to enforce, all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants that it or any of its Subsidiaries have entered into prior to the date hereof or enter into after the date hereof.

(c) From and after the date of this Agreement, Sea Hunter shall immediately provide notice to SVT, Baker, and Briteside of any bona fide Acquisition Proposal or any proposal, inquiry or offer that could lead to an Acquisition Proposal or any amendments to the foregoing or any request for non-public information relating to Sea Hunter or any of its Subsidiaries in connection with such an Acquisition Proposal or potential Acquisition Proposal or for access to the properties, books or records of Sea Hunter or any Subsidiary by any Person that informs Sea Hunter, any member of the Sea Hunter Board or such Subsidiary that it is considering making, or has made, an Acquisition Proposal. Such notice to SVT, Baker, and Briteside shall be made, from time to time, first immediately orally and then promptly (and in any event within 24 hours) in writing and shall indicate the identity of the Person making such proposal, inquiry or contact, all material terms thereof, including price, and such other details of the proposal, inquiry or contact known to Sea Hunter, and shall include copies of any such proposal, inquiry, offer or request or any amendment to any of the foregoing. Sea Hunter shall keep SVT, Baker, and Briteside promptly and fully informed of the status, including any change to the material terms, of any such Acquisition Proposal, offer, inquiry or request and will respond promptly to all inquiries by SVT, Briteside and Baker with respect thereto.

(d) If the Sea Hunter Board receives a request for material non-public information from a Person who proposes to Sea Hunter a bona fide Acquisition Proposal, or indicates a possible intent to do so, Sea Hunter may contact the Person making the Acquisition Proposal and its representatives solely for the purpose of clarifying the terms and conditions of such Acquisition Proposal and the likelihood of its consummation so as to determine whether such Acquisition Proposal is a Superior Proposal; provided that Sea Hunter shall promptly provide SVT, Baker, and Briteside with copies of all correspondence, including email and other electronic and digital communications, and information provided to or received from such Person. If: (x) the Sea Hunter Board determines that such Acquisition Proposal constitutes a Superior Proposal; and (y) in the opinion of the Sea Hunter Board, acting in good faith and on written advice from their outside legal advisors, the failure to provide such party with access to information regarding Sea Hunter and its Subsidiaries would be inconsistent with the fiduciary duties of the Sea Hunter Board, then, and only in such case, Sea Hunter may provide such Person with access to information regarding Sea Hunter and its Subsidiaries, subject to the execution of a confidentiality agreement which is customary in such situations and which, in any event and taken as a whole, is no less favourable to Sea Hunter than the Confidentiality Agreements; provided that Sea Hunter sends a copy of any such confidentiality agreement to each of SVT, Baker, and Briteside promptly upon its execution and SVT, Baker, and Briteside are each provided with a list of, and, at the request of SVT, Baker, and Briteside, respectively, copies of, the information provided to such Person and immediately provided with access to similar information to which such Person was provided.

(e) Sea Hunter agrees that it will not accept, approve or enter into any agreement (a "**Sea Hunter Proposed Agreement**"), other than a confidentiality agreement as contemplated by Subsection 4.4(d), with any Person providing for or to facilitate any Acquisition Proposal unless:

(i) the Sea Hunter Board determines that the Acquisition Proposal constitutes a Superior Proposal;

(ii) the Nevada Holdco Meeting has not occurred;

(iii) Sea Hunter has complied with Subsections 4.4(a) through 4.4(d) inclusive;

(iv) Sea Hunter has provided SVT, Baker, and Briteside with a notice in writing that there is a Superior Proposal together with all documentation related to and detailing the Superior Proposal, including a copy of any Sea Hunter Proposed Agreement relating to such Superior Proposal, and a written notice from the Sea Hunter Board regarding the value in financial terms that the Sea Hunter Board has in consultation with its financial advisors determined should be ascribed to any non-cash consideration offered under the Superior Proposal, such documents to be so provided to SVT, Baker, and Briteside not less than ten (10) Business Days prior to the proposed acceptance, approval, recommendation or execution of the Sea Hunter Proposed Agreement by Sea Hunter;

(v) ten (10) Business Days shall have elapsed from the date SVT, Baker, and Briteside received the notice and documentation referred to in Subsection 4.4(e)(iv) from Sea Hunter and, if SVT, Baker, and Briteside have collectively proposed to amend the terms of the Business Combination in accordance with Subsection 4.4(f), the Sea Hunter Board shall have determined, in good faith, after consultation with its financial advisors and outside legal counsel, that the Acquisition Proposal is a Superior Proposal compared to the proposed amendment to the terms of the Business Combination by SVT, Baker, and Briteside;

(vi) Sea Hunter concurrently terminates this Agreement pursuant to Section 5.2(a)(v)(H);

(vii) Sea Hunter has previously, or concurrently will have, paid to SVT, Baker, and Briteside the Termination Fee, which is to be equally split between SVT, Baker, and Briteside;

and Sea Hunter further agrees that it will not withdraw, modify or qualify (or propose to withdraw, modify or qualify) in any manner adverse to SVT, Baker, or Briteside the approval or recommendation of the Business Combination, nor accept, approve or recommend any Acquisition Proposal unless the requirements of Section 4.4(e)(i) through 4.4(e)(vii) have been satisfied.

(f) Sea Hunter acknowledges and agrees that, during the ten (10) Business Day periods referred to in Subsections 4.4(e)(iv) and 4.4(e)(v) or such longer period as Sea Hunter may approve for such purpose, any two or more of SVT, Baker and Briteside shall collectively have the opportunity, but not the obligation, to propose to amend the terms of this Agreement and the Business Combination and Sea Hunter shall co-operate with SVT, Baker, and Briteside with respect thereto, including negotiating in good faith with each of SVT, Baker, and Briteside to enable SVT, Baker, and Briteside to make such adjustments to the terms and conditions of this Agreement and the Business Combination as SVT, Baker, and Briteside deem appropriate and as would enable SVT, Baker, and Briteside to proceed with the Business Combination and any related transactions on such adjusted terms. The Sea Hunter Board will review diligently and in good faith any proposal by SVT, Baker, and Briteside to amend the terms of the Business Combination in order to determine, in good faith in the exercise of its fiduciary duties and consistent with Subsection 4.4(a), whether SVT, Baker, and Briteside's collective proposal to amend the Business Combination would result in the Acquisition Proposal not being a Superior Proposal compared to the proposed amendment to the terms of the Business Combination.

(g) The Sea Hunter Board shall promptly reaffirm and communicate its recommendation of the Business Combination by press release after: (x) any Acquisition Proposal which the Sea Hunter Board determines not to be a Superior Proposal is publicly announced or made; or (y) the Sea Hunter Board determines that a proposed amendment to the terms of the Business Combination would result in the Acquisition Proposal which has been publicly announced or made not being a Superior Proposal, and SVT, Baker, and Briteside have so amended the terms of the Business Combination. SVT, Baker, and Briteside and their respective counsel shall be given a reasonable opportunity to review and comment on the form and content of any such press release, recognizing that whether or not such comments are required by applicable Laws or the fiduciary duties of the Sea Hunter Board will be determined by Sea Hunter, acting reasonably and upon the advice of outside legal counsel.

(h) Nothing in this Agreement shall prevent the Sea Hunter Board from responding through a directors' circular or otherwise to the extent required by applicable Securities Laws to an Acquisition Proposal that it determines is not a Superior Proposal, or from withdrawing, modifying or changing its recommendation as a result of SVT, Baker, and Briteside having suffered an SVT Material Adverse Effect, Baker Material Adverse Effect, or Briteside Material Adverse Effect, respectively. Further, nothing in this Agreement shall prevent the Sea Hunter Board from making any disclosure to the securityholders of Sea Hunter to the extent the Sea Hunter Board, acting in good faith and upon the written advice of its legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Sea Hunter Board or such disclosure is otherwise required under applicable Law, provided, however, that, notwithstanding the Sea Hunter Board shall be permitted to make such disclosure, the Sea Hunter Board shall not be permitted to make a Sea Hunter Change in Recommendation for Baker, a Sea Hunter Change in Recommendation for Briteside or a Sea Hunter Change in Recommendation for SVT, other than as permitted by Section 4.4(e) or the first sentence of this paragraph. SVT, Baker, and Briteside and their respective counsel shall be given a reasonable opportunity to review and comment on the form and content of any such disclosure, recognizing that whether or not such comments are required by applicable Laws or the fiduciary duties of the Sea Hunter Board will be determined by Sea Hunter, acting reasonably and upon the advice of outside legal counsel.

(i) Sea Hunter acknowledges and agrees that each successive modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of this Section 4.4.

(j) Sea Hunter shall ensure that the officers, directors and employees of Sea Hunter and its Subsidiaries and any investment bankers or other advisors or representatives retained by Sea Hunter and/or its Subsidiaries in connection with the transactions contemplated by this Agreement are aware of the provisions of this Section, and Sea Hunter shall be responsible for any action or inaction that would constitute a breach of this Section 4.4 by such officers, directors, employees, investment bankers, advisors or representatives as if such Persons or entities were direct Transacting Parties hereto.

(k) If Sea Hunter provides SVT, Baker and Briteside with the notice of an Acquisition Proposal contemplated in this Section 4.4 on a date that is less than seven (7) calendar days prior to the Nevada Holdco Meeting, if requested by SVT, Briteside or Baker, the Nevada Holdco Meeting will be adjourned to a date that is not less than seven (7) calendar days and not more than ten (10) calendar days after the date of such notice, provided, however, that the Nevada Holdco Meeting shall not be adjourned or postponed to a date later than the seventh (7^{th}) Business Day prior to the Outside Date.

4.5 **Resulting Issuer Board**

(a) The Transacting Parties shall collectively review and agree, acting reasonably, upon the organizational and governing documents of the Resulting Issuer, including among other things, its articles and its notice of articles, and a nomination agreement which shall effectuate provisions of this Section 4.5.

(b) Such organizational and governing documents of the Resulting Issuer shall provide, among other things, that:

(i) The Resulting Issuer Board shall be comprised of seven (7) directors.

(ii) For a period of three (3) years following the Effective Date, at every annual general meeting and in any unanimous resolution of shareholders of Resulting Issuer:

(A) Alexander Coleman shall have the right to nominate one (1) person for election to the Board of Directors ("**Sea Hunter Board Nominee**");

(B) Joel Milton shall have the right to nominate one (1) person for election to the Board of Directors("**Baker Board Nominee**");

(C) Michael Orr shall have the right to nominate one (1) person for election to the Board of Directors ("**SVT Board Nominee**");

(D) Justin Junda shall have the right to nominate one (1) person for election to the Board of Directors ("**Briteside Board Nominee**", and together with the Sea Hunter Board Nominee, Baker Board Nominee and SVT Board Nominee, the "**Designated Directors**"); and

(E) the Designated Directors nominated in accordance with subsections (A) through (D) above shall collectively nominate three additional Persons for election to the Resulting Issuer Board.

(iii) The Resulting Issuer Board shall initially consist of Alexander Coleman, Michael Orr, Justin Junda (in their respective capacities as the first Sea Hunter Board Nominee, the first SVT Board Nominee and the first Briteside Board Nominee), the Baker Board Nominee, and three additional persons collectively nominated by such Designated Directors.

(iv) The Transacting Parties shall procure that the Resulting Issuer shall enter into a nomination rights agreement with Alexander Coleman, Michael Orr, Joel Milton and Justin Junda (the "**Designated Representatives**") (x) ensuring that nominees for the Resulting Issuer Board shall continue to be put forth on the slate of directors to be presented to shareholders of the Resulting Issuer for election at each annual meeting of shareholders of the Resulting Issuer in accordance with subsection (b)(ii) of this Section 4.5, and (y) providing for reasonable and legally valid successorship to the nomination rights of the Designated Representatives, in each case for a period of three (3) years following the completion of the Business Combination.

(c) Alexander Coleman and Michael Orr will be the initial co-Chairmen of the Resulting Issuer Board. Mr. Orr's role as co-Chairman will end twelve (12) months after the consummation of the Business Combination, with the option to continue in that role for an additional twelve (12) month term should he wish to do so.

(d) The organizational and governing documents of the Resulting Issuer shall provide that Major Decisions of the Resulting Issuer will require the affirmative vote of the directors nominated to the Resulting Issuer Board from at least three of the four Designated Directors. The Resulting Issuer Board shall form all such committees it deems appropriate for the Resulting Issuer, such as a nominating committee for the purposes of nominating persons to the Resulting Issuer Board, and an acquisition committee for the purposes of evaluating and approving certain business acquisition transactions.

(e) The Resulting Issuer shall operate as a single unified entity under the direction of the Resulting Issuer Board and the appointed executive officers. The Transacting Parties acknowledge that the constituent entities of the Resulting Issuer will not necessarily have control over business decisions of their respective business units.

4.6 **Convertible Securities/Debt Instruments**

(a) During the Interim Period, each Transacting Party shall have the right to issue additional securities or debt instruments exercisable or convertible for the equity securities of such Transacting Party so long as the share allocations set forth in the Capitalization Table shall remain unchanged as a result thereof, and any such securities shall be, or shall convert into, Baker Capital Stock, Briteside Membership Interests, Sea Hunter Membership Interests, or SVT Shares, as applicable, effective as of immediately prior to the Nevada Holdco Closing (in the case of securities of Baker, Briteside or Sea Hunter) or the Effective Time (in the case of securities of SVT).

(b) During the Interim Period, any actions required or permitted to be taken by Finco under this Agreement must be unanimously approved by the Finco Board and mutually agreed to by all of the Transacting Parties, acting reasonably. During the Interim Period, Finco shall have the right to issue Finco Subscription Receipts, at a price and on terms and conditions unanimously approved by the Finco Board and mutually agreed to by all of the Transacting Parties, each acting reasonably.

(c) With the exception of the Employee Options, or except as otherwise contemplated or permitted by this Agreement, no (i) Baker Options, Baker Warrants, or other Baker Convertible Instruments (including any Baker SAFEs), (ii) Briteside Options, Briteside Warrants, or other Briteside Convertible Instruments, or (iii) Sea Hunter Options, Sea Hunter Warrants or other or Sea Hunter Convertible Instruments, shall be issued or outstanding immediately prior to the Baker Merger, Briteside Contribution, and Sea Hunter Contribution. The Employee Options outstanding as of the Effective Time shall be exchanged for Nevada Holdco Replacement Options pursuant to the applicable Contemporaneous Agreements, and such Nevada Holdco Replacement Options shall be exchanged for Resulting Issuer Replacement Options for Compressed Shares as part of the Business Combination, in accordance with the Nevada Holdco Share Exchange Ratio and any applicable adjustments. It is intended that U.S. Treas. Reg. Secs. 1.424-1(a)(5) and 1.409A-1(b)(5)(v)(D) apply to such exchange of Employee Options. Accordingly, and notwithstanding the foregoing, if required, the exercise price of a Nevada Holdco Replacement Option will be increased such that the In-The-Money Amount of the Nevada Holdco Replacement Option immediately after the exchange does not exceed the In-The-Money Amount of the Employee Option immediately before the exchange in accordance with the foregoing Treasury Regulations.

(d) All SVT Options outstanding as of the Effective Time shall be exchanged for Resulting Issuer Replacement Options for Common Shares as part of the SVT Component of the Business Combination, in accordance with the SVT Share Exchange Ratio and any applicable adjustments. All SVT Warrants shall automatically convert to warrants to acquire Resulting Issuer Common Shares as part of the SVT Component of the Business Combination in accordance with the SVT Share Exchange Ratio and any applicable adjustments.

(e) Notwithstanding this Section 4.6 or any other provision of this Agreement to the contrary, no Party shall have the right to issue additional securities or debt instruments pursuant to Section 4.6 if such issuance, viewed together with all of the transactions consummated in connection with the Business Combination, would materially and adversely impact the intended tax treatment set forth in Section 2.15.

4.7 **Loan Facility and Intercompany Indebtedness**

Baker, Briteside, and Sea Hunter are parties to the Loan Facility. Simultaneously with the funding of the Loan Facility, Baker shall execute one or more unsecured promissory notes to Briteside and Sea Hunter, as applicable, evidencing Baker's indebtedness under the Loan Facility all on the terms and conditions set forth in the Loan Facility.

4.8 **Sea Hunter Holdings Distribution of Resulting Issuer Compressed Shares**

Following the Effective Time, Sea Hunter Holdings intends to make a distribution in kind to all of its members without requiring any of such members to place their Resulting Issuer Compressed Shares in escrow or otherwise be subject to a lockup or other restrictions on sale or transfer, except for Resulting Issuer Compressed Shares that, upon such distribution, would be held by (a) owners of 10% or greater of the issued and outstanding Resulting Issuer Compressed Shares, or (b) those persons who will become officers and directors of the Resulting Issuer.

4.9 **Access to Information**

From the date hereof until the earlier of the Effective Time and the termination of this Agreement pursuant to its terms, subject to compliance with applicable Law and the terms of any existing Contracts, each Party shall, and shall cause their respective Representatives to afford to each other Party and to Representatives of each other Party such access as each other Party may reasonably require at all reasonable times, including for the purpose of facilitating integration business planning, to their officers, employees, agents, properties, books, records and contracts, and shall furnish each other Party with all data and information as the other Party may reasonably request and the Parties acknowledge and agree that information furnished pursuant to this Section 4.9 shall be subject to the terms and conditions of the Confidentiality Agreements. Notwithstanding the foregoing, the Parties agree that to the extent that for certain financings and acquisitions pursuant to which a Party's securities may be issued as consideration, may require a Party to disclose certain financial information contained in this Agreement, such disclosure may be made with the consent of all the other Parties, acting reasonably.

4.10 **Notices of Certain Events**

(a) Notwithstanding that during the Interim Period, each Transacting Party shall be permitted to hire and manage employee compensation in the ordinary course of business, each Transacting Party must give prior written notification to all other Transacting Parties prior to hiring any additional senior employees. Each Transacting Party further agrees that there shall not be any severance, bonuses, or salary increases that extend past completion of the Transaction granted to the Key Employees who are to sign employment agreements relating to the Resulting Issuer. Each Transacting Party shall procure that any balloon, lump sum or bonus payments that would otherwise be due and payable by any Transacting Party upon the consummation of the Transaction shall be waived taking into account Section 409A of the Code.

(b) Each Transacting Party will give prompt notice to the others of the occurrence, or failure to occur, at any time from the date hereof until the earlier to occur of the termination of this Agreement pursuant to its terms and the Effective Time of any event or state of facts which occurrence or failure would, or would be likely to:

(i) reasonably cause any of the conditions precedent as set forth in Sections 3.2(b)-(e), 3.3(b)-(e), 3.4(b)-(e), 3.5(b)-(e) and 3.6(b)-(e), to fail or be unsatisfied as of the time of the Nevada Holdco Closing or the Effective Time and that would result in the failure of the conditions relating thereto in (A) with respect to Baker, Sections 3.3(c), 3.4(c), 3.5(b) and 3.6(b); (B) with respect to Briteside, Sections 3.2(c), 3.4(d), 3.5(c) and 3.6(c); (C) with respect to SVT, Sections 3.2(b), 3.3(b), 3.4(b) and 3.6(e); (D) with respect to Sea Hunter, Sections 3.2(d), 3.3(d), 3.5(d) and 3.6(d) and (E) with respect to Finco, Sections 3.2(e), 3.3(e), 3.4(e) and 3.5(e), as the case may be; or

(ii) result in the material failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party hereunder prior to the Effective Time,

provided, however, that the delivery of any notice pursuant to this Section 4.10 shall not limit or otherwise affect the remedies available hereunder to the Transacting Parties receiving that notice.

(c) No Party may elect not to complete the transactions contemplated hereby pursuant to the conditions set forth herein or any termination right arising therefrom under Section 5.2(a)(iii)(H), Section 5.2(a)(iv)(H), Section 5.2(a)(v)(H), or Section 5.2(a)(vi)(H) and no payments are payable as a result of such termination pursuant to Section 5.3 unless, prior to the Effective Date, the Party intending to rely thereon has delivered a written notice to the Party who is alleged to have breached covenants, representations and warranties or other matters, specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Parties delivering such notice is asserting as the basis for the non-fulfilment or the applicable condition or termination right, as the case may be. If any such notice is delivered, provided that the Party who is alleged to have breached covenants, representations and warranties or other matters, is proceeding diligently to cure such matter and such matter is capable of being cured, no other Party may terminate this Agreement unless such matter shall not have been cured within 30 days after such notice was delivered.

4.11 **Indemnification; Insurance**

(a) Each Transacting Party agrees that all rights to indemnification, advancement of expenses and exculpation by any of SVT, Sea Hunter, Briteside or Baker now existing in favor of each Person who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Date an officer, director or manager of such Transacting Party or any of its Subsidiaries as provided in the constituent documents of such Transacting Party or its applicable Subsidiary, in each case as in effect on the date of this Agreement, or pursuant to any other Contract in effect on the date hereof and disclosed in the Schedules to this Agreement, shall be assumed by the Resulting Issuer in the Business Combination, without further action, at the Effective Time and shall survive the Business Combination and shall remain in full force and effect in accordance with their terms, and, in the event that any proceeding is pending or asserted or any claim made during such period, until the final disposition of such proceeding or claim.

(b) For six years after the Effective Time, to the fullest extent permitted under applicable Law, the Parties agree that the Resulting Issuer (the "**Indemnifying Party**") shall indemnify, defend, and hold harmless any Person who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Date an officer, director or manager of (i) any Transacting Party or any of its Subsidiaries, or (ii) any other party to any Contemporaneous Agreement (each an "**Indemnified Party**"), against all Liabilities arising in whole or in part out of actions or omissions in their capacity as such occurring at or prior to the Effective Time (including in connection with the transactions contemplated by this Agreement), and shall reimburse each Indemnified Party for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such Liabilities as such expenses are incurred, subject to the Resulting Issuer's receipt of an undertaking by such Indemnified Party to repay such legal and other fees and expenses paid in advance if it is ultimately determined in a final and non-appealable judgment of a court of competent jurisdiction that such Indemnified Party is not entitled to be indemnified under applicable Law.

(c) The Transacting Parties agree that the Resulting Issuer shall (i) use its best efforts to obtain as of the Effective Time "tail" insurance policies with a claims period of six years from the Effective Time with market standard (as established by a reputable national insurance brokerage firm with expertise in D&O insurance) coverage, amounts and terms and conditions, and covering each of the Indemnified Parties, in each case with respect to claims arising out of or relating to events which occurred before or at the Effective Time (including in connection with the transactions contemplated by this Agreement), or (ii) pay the premium for any such reasonable coverage obtained prior to the Effective Time by any Transacting Party.

(d) The obligations of the Resulting Issuer under this Section 4.11 shall survive the consummation of the Business Combination and shall not be terminated or modified in such a manner as to adversely affect any Indemnified Party to whom this Section 4.11 applies without the consent of such affected Indemnified Party (it being expressly agreed that the Indemnified Parties to whom this Section 4.11 applies shall be third party beneficiaries of this Section 4.11, each of whom may enforce the provisions of this Section 4.11).

(e) In the event the Resulting Issuer or any of its successors or assigns: (i) consolidates or amalgamates with or merges into any other Person and shall not be the continuing or surviving entity in such consolidation, amalgamation or merger; or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in either such case, proper provision shall be made so that the successors and assigns of the Resulting Issuer shall assume all of the obligations set forth in this Section 4.11. The agreements and covenants contained herein shall not be deemed to be exclusive of any other rights to which any Indemnified Party is entitled, whether pursuant to Law, Contract, or otherwise. Nothing in this Agreement is intended to, shall be construed to or shall release, waive, or impair any rights to directors' or managers' and officers' insurance claims under any policy that is or has been in existence with respect to any of SVT, Sea Hunter, Briteside or Baker or its officers, directors, and employees, it being understood and agreed that the indemnification provided for in this Section 4.11 is not prior to, or in substitution for, any such claims under any such policies.

4.12 **Release**

Effective as of the Effective Date, except for any rights or obligations under this Agreement and the other agreements entered into in connection herewith, each Transacting Party, on behalf of itself and each of its Subsidiaries and affiliates and their respective past, present and future directors, managers, partners, members, equityholders, officers, employees, predecessors, successors, assigns and insurers (collectively, in such capacity, the "**Releasing Parties**") hereby irrevocably and unconditionally releases and forever discharges each other Transacting Party and its affiliates and their respective past, present and future directors, managers, partners, members, equityholders, officers, employees, predecessors, successors, assigns, executors, trustees, legal representatives and heirs (collectively, in such capacity, the "**Released Parties**") of and from any and all duties, debts, covenants, contracts, Liabilities and Claims, of any nature whether in law or in equity that any Releasing Party may have now or in the future against any Released Party, in each case in respect of the Released Parties in their capacity as direct or indirect equityholders, partners, managers, directors, officers, employees or consultants of the applicable Transacting Party or its affiliates on or prior to the Effective Date (the "**Released Claims**"). Each Releasing Party further agrees that it shall not make or institute any Claim based upon, arising out of or relating to any of the Released Claims, participate, assist or cooperate in any such Claim, or encourage, assist or solicit any third party to make or institute any such Claim.

4.13 **Acquisitions**

(a) Except for those Acquisitions described on Schedule "Q", a Transacting Party shall give prompt notice to the other Transacting Parties at any time from the date hereof until the earlier to occur of the termination of this Agreement pursuant to its terms and the Effective Time, of any Acquisitions with an aggregate price in excess of US$5 million proposed to be consummated by such Transacting Party, and all such Acquisitions must be consented to in advance by at least two (2) out of the three (3) other Transacting Parties, acting reasonably.

(b) The terms of any Acquisition may provide for, as consideration for such Acquisition, the issuance of securities of a Transacting Party ("**Acquisition Securities**") including: (i) Baker Shares, Briteside Membership Interests, Sea Hunter Membership Interests, SVT Shares, as applicable, which shall be exchanged for Resulting Issuer Common Shares or Resulting Issuer Compressed Shares, as applicable, under the Business Combination; (ii) other convertible securities of a Transacting Party, as Transacting Parties may approve, provided that such convertible securities provide for an automatic conversion thereof into Resulting Issuer Common Shares or Resulting Issuer Compressed Shares, as the case may be; and/or (iii) an agreement to increase the consideration for the Acquisition in an amount not to exceed the difference in between (A) if greater, the value of the Resulting Issuer Common Shares or Resulting Issuer Compressed Shares, as the case may be, at a conversion price measured by reference to the 10-day volume weighted average price of the Resulting Issuer Common Shares on the CSE immediately following the tenth Business Day after the consummation of the Business Combination and (B) the value of the Resulting Issuer Common Shares or Resulting Issuer Compressed Shares, as the case may be, issued in the Acquisition.

(c) Except as contemplated in Section 4.6(a), the Transacting Parties agree that the issuance of the Acquisition Securities in an Acquisition contemplated in Section 4.13(b) shall effectively dilute each Transacting Party's Proportionate Interest, after giving effect to the issuance of the Acquisition Securities.

(d) Notwithstanding the foregoing, no Transacting Party shall close an Acquistion (including those Acquisitions described on Schedule "Q") that would prevent the Section 351 Transactions from qualifying as tax-deferred transactions within the meaning of Section 351 of the Code.

ARTICLE 5

TERM, TERMINATION, AMENDMENT AND WAIVER

5.1 **Term**

This Agreement shall be effective from the date hereof until the earlier of (a) the Effective Time or (b) the termination of this Agreement in accordance with its terms.

5.2 **Termination**

(a) This Agreement may be terminated at any time prior to the Effective Time (notwithstanding the Nevada Holdco Shareholder Approval, the SVT Shareholder Approval, and/or approval by the Court, as applicable):

(i) by mutual written agreement of Transacting Parties;

(ii) by SVT, Baker, Briteside, or Sea Hunter, if:

(A) the Effective Time shall not have occurred on or before the Outside Date, except that the right to terminate this Agreement under this Section 5.2(a)(ii)(A) shall not be available to any Transacting Party whose failure to fulfill any of its obligations or breach of any of its representations and warranties under this Agreement has been a substantial cause of the failure of the Effective Time to occur by such Outside Date;

(B) after the date hereof, there shall be enacted or made any applicable Law that makes consummation of the transactions contemplated in the Contemporaneous Agreements, the Continuance, the SVT Continuance or the Business Combination illegal or otherwise prohibited or enjoins SVT, Baker, Briteside, or Sea Hunter from consummating the transactions contemplated in the Contemporaneous Agreements, the Continuance or the Business Combination and such applicable Law or enjoinment shall have become final and non-appealable;

(C) (I) a failure to perform any covenant on the part of any Party set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 3.1 not to be satisfied, and (II) the Transacting Party or Parties initiating such termination (x) shall have reasonably determined that such conditions are incapable of being satisfied by the Outside Date and (y) are not then in breach of this Agreement so as to cause any condition in Section 3.1 not to be satisfied;

(D) SVT Shareholder Approval shall not have been obtained at the SVT Meeting in accordance with the Interim Order; or

(E) Nevada Holdco Securityholder Approval shall not have been obtained at the Nevada Holdco Meeting in accordance with the Interim Order;

(iii) by Baker if:

(A) prior to the Effective Time: (1) subject to Sections 4.1(e) and 4.1(g), the SVT Board fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to Baker, or fails to publicly reaffirm its recommendation of the SVT Component of the Business Combination and the other transactions contemplated hereby to which SVT is a party within three (3) calendar days (and in any case prior to the SVT Meeting) after having been requested in writing by Baker, to do so (an "**SVT Change in Recommendation for Baker**"); (2) the SVT Board shall have approved or recommended any Acquisition Proposal; or (3) SVT shall have breached Section 4.1 in any material respect;

(B) prior to the Effective Time: (1) subject to Sections 4.3(e) and 4.3(g), the Briteside Board fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to Baker, or fails to publicly reaffirm its recommendation of the Business Combination and the other transactions contemplated hereby to which Briteside is a party within three (3) calendar days (and in any case prior to the Nevada Holdco Meeting) after having been requested in writing by Baker, to do so (a "**Briteside Change in Recommendation for Baker**"); (2) the Briteside Board shall have approved or recommended any Acquisition Proposal; or (3) Briteside shall have breached Section 4.3 in any material respect;

(C) prior to the Effective Time: (1) subject to Sections 4.4(e) and 4.4(g), the Sea Hunter Board fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to Baker, or fails to publicly reaffirm its recommendation of the Business Combination and the other transactions contemplated hereby to which Sea Hunter is a party within three (3) calendar days (and in any case prior to the Nevada Holdco Meeting) after having been requested in writing by Baker, to do so (a "**Sea Hunter Change in Recommendation for Baker**"); (2) the Sea Hunter Board shall have approved or recommended any Acquisition Proposal; or (3) Sea Hunter shall have breached Section 4.4 in any material respect;

(D) a breach of any representation or warranty of SVT, Briteside or Sea Hunter set forth in any of Schedule "C", "E", or "F", as applicable, or failure to perform any covenant or agreement on the part of SVT, Briteside or Sea Hunter, as applicable, set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 3.2(a) to Section 3.2(g) not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date, as reasonably determined by Baker, and provided that Baker is not then in breach of this Agreement so as to cause any condition in Section 3.2(a) to Section 3.2(g) not to be satisfied;

(E) Baker has been notified in writing by SVT of an SVT Proposed Agreement in accordance with Section 4.1(e), and either: (i) Baker, Briteside, and Sea Hunter do not deliver an amended Business Combination proposal within ten (10) Business Days of delivery of the SVT Proposed Agreement to Baker, Briteside, and Sea Hunter; or (ii) Baker, Briteside, and Sea Hunter deliver amended Business Combination proposals pursuant to Section 4.1(f) but the SVT Board determines following the conclusion of such ten (10) Business Day period, acting in good faith and in the proper discharge of its fiduciary duties, that the Acquisition Proposal provided in the SVT Proposed Agreement continues to be a Superior Proposal in comparison to the amended Business Combination terms offered by Baker, Briteside, and Sea Hunter;

(F) Baker has been notified in writing by Briteside of a Briteside Proposed Agreement in accordance with Section 4.3(e), and either: (i) SVT, Baker, and Sea Hunter do not deliver an amended Business Combination proposal within ten (10) Business Days of delivery of the Briteside Proposed Agreement to SVT, Baker, and Sea Hunter; or (ii) SVT, Baker, and Sea Hunter deliver amended Business Combination proposals pursuant to Section 4.3(f) but the Briteside Board determines following the conclusion of such ten (10) Business Day period, acting in good faith and in the proper discharge of its fiduciary duties, that the Acquisition Proposal provided in the Briteside Proposed Agreement continues to be a Superior Proposal in comparison to the amended Business Combination terms offered by SVT, Baker, and Sea Hunter;

(G) Baker has been notified in writing by Sea Hunter of a Sea Hunter Proposed Agreement in accordance with Section 4.4(e), and either: (i) SVT, Baker, and Briteside do not deliver an amended Business Combination proposal within ten (10) Business Days of delivery of the Sea Hunter Proposed Agreement to SVT, Baker, and Briteside; or (ii) SVT, Baker, and Briteside deliver amended Business Combination proposals pursuant to Section 4.4(f) but the Sea Hunter Board determines following the conclusion of such ten (10) Business Day period, acting in good faith and in the proper discharge of its fiduciary duties, that the Acquisition Proposal provided in the Sea Hunter Proposed Agreement continues to be a Superior Proposal in comparison to the amended Business Combination terms offered by SVT, Baker, and Briteside;

(H) it shall have notified the other Parties that it wishes to enter into a binding written agreement with respect to a Superior Proposal (other than a non-disclosure and standstill agreement permitted by Section 4.2(d)), subject to compliance with Section 4.2 in all material respects and provided that no termination under this Section 5.2(a)(iii)(H) shall be effective unless and until Baker shall have paid to SVT, Briteside and Sea Hunter the amount required to be paid pursuant to Section 5.3;

(I) SVT has been denied a Licensed Producer license from Health Canada;

(J) there shall have occurred a Briteside Material Adverse Effect, a Sea Hunter Material Adverse Effect, an SVT Material Adverse Effect and/or a Finco Material Adverse Effect;

(K) a Party has received notice of the existence of SVT Dissenting Shareholders and/or Nevada Holdco Dissenting Shareholders who would hold more than 5% of the equity of the Resulting Issuer on an as-converted basis;

(L) other than in connection with the halt of the SVT Shares due to the dissemination of the press release announcing the Transacting Parties entered into a binding letter of intent in respect of the Business Combination, the SVT Shares have been suspended for longer than 30 days; or

(M) the SVT Shares have been de-listed from the CSE.

(iv) by Briteside if:

(A) prior to the Effective Time: (1) subject to Sections 4.1(e) and 4.1(g), the SVT Board fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to Briteside, or fails to publicly reaffirm its recommendation of this Agreement and the SVT Component of the Business Combination and the other transactions contemplated hereby to which SVT is a party within three (3) calendar days (and in any case prior to the SVT Meeting) after having been requested in writing by Briteside, to do so (a "**SVT Change in Recommendation for Briteside**"); (2) the SVT Board shall have approved or recommended any Acquisition Proposal; or (3) SVT shall have breached Section 4.1 in any material respect;

(B) prior to the Effective Time: (1) subject to Sections 4.2(e) and 4.2(g), the Baker Board fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to Briteside, or fails to publicly reaffirm its recommendation of this Agreement and the Business Combination and the other transactions contemplated hereby to which Baker is a party within three (3) calendar days (and in any case prior to the Nevada Holdco Meeting) after having been requested in writing by Briteside, to do so (a "**Baker Change in Recommendation for Briteside**"); (2) the Baker Board shall have approved or recommended any Acquisition Proposal; or (3) Baker shall have breached Section 4.2 in any material respect;

(C) prior to the Effective Time: (1) subject to Sections 4.4(e) and 4.4(g), the Sea Hunter Board fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to Briteside, or fails to publicly reaffirm its recommendation of the Business Combination and the other transactions contemplated hereby to which Sea Hunter is a party within three (3) calendar days (and in any case prior to the Nevada Holdco Meeting) after having been requested in writing by Briteside, to do so (a "**Sea Hunter Change in Recommendation for Briteside**"); (2) the Sea Hunter Board shall have approved or recommended any Acquisition Proposal; or (3) Sea Hunter shall have breached Section 4.4 in any material respect;

(D) a breach of any representation or warranty of SVT, Baker or Sea Hunter set forth in any of Schedule "C", "D", or "F", as applicable, or failure to perform any covenant or agreement on the part of SVT, Baker or Sea Hunter, as applicable, set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 3.3(a) to Section 3.3(g) not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date, as reasonably determined by Briteside, and provided that Briteside is not then in breach of this Agreement so as to cause any condition in Section 3.3(a) to Section 3.3(g) not to be satisfied;

(E) Briteside has been notified in writing by SVT of an SVT Proposed Agreement in accordance with Section 4.1(e), and either: (i) Baker, Briteside, and Sea Hunter do not deliver an amended Business Combination proposal within ten (10) Business Days of delivery of the SVT Proposed Agreement to Baker, Briteside, and Sea Hunter; or (ii) Baker, Briteside, and Sea Hunter deliver amended Business Combination proposals pursuant to Section 4.1(f) but the SVT Board determines following the conclusion of such ten (10) Business Day period, acting in good faith and in the proper discharge of its fiduciary duties, that the Acquisition Proposal provided in the SVT Proposed Agreement continues to be a Superior Proposal in comparison to the amended Business Combination terms offered by Baker, Briteside, and Sea Hunter;

(F) Briteside has been notified in writing by Baker of a Baker Proposed Agreement in accordance with Section 4.2(e), and either: (i) SVT, Briteside, and Sea Hunter do not deliver an amended Business Combination proposal within ten (10) Business Days of delivery of the Baker Proposed Agreement to SVT, Briteside, and Sea Hunter; or (ii) SVT, Briteside, and Sea Hunter deliver amended Business Combination proposals pursuant to Section 4.2(f) but the Baker Board determines following the conclusion of such ten (10) Business Day period, acting in good faith and in the proper discharge of its fiduciary duties, that the Acquisition Proposal provided in the Baker Proposed Agreement continues to be a Superior Proposal in comparison to the amended Business Combination terms offered by SVT, Briteside, and Sea Hunter;

(G) Briteside has been notified in writing by Sea Hunter of a Sea Hunter Proposed Agreement in accordance with Section 4.4(e), and either: (i) SVT, Baker, and Briteside do not deliver an amended Business Combination proposal within ten (10) Business Days of delivery of the Sea Hunter Proposed Agreement to SVT, Baker, and Briteside; or (ii) SVT, Baker, and Briteside deliver amended Business Combination proposals pursuant to Section 4.4(f) but the Sea Hunter Board determines following the conclusion of such ten (10) Business Day period, acting in good faith and in the proper discharge of its fiduciary duties, that the Acquisition Proposal provided in the Sea Hunter Proposed Agreement continues to be a Superior Proposal in comparison to the amended Business Combination terms offered by SVT, Baker, and Briteside;

(H) it shall have notified the other Parties that it wishes to enter into a binding written agreement with respect to a Superior Proposal (other than a non-disclosure and standstill agreement permitted by Section 4.3(d)), subject to compliance with Section 4.3 in all material respects and provided that no termination under this Section 5.2(a)(iv)(H) shall be effective unless and until Briteside shall have paid to SVT, Baker and Sea Hunter the amount required to be paid pursuant to Section 5.3;

(I) SVT has been denied a Licensed Producer license from Health Canada;

(J) there shall have occurred a Baker Material Adverse Effect, a Sea Hunter Material Adverse Effect, an SVT Material Adverse Effect and/or a Finco Material Adverse Effect;

(K) a Party has received notice of the existence of SVT Dissenting Shareholders and/or Nevada Holdco Dissenting Shareholders who would hold more than 5% of the equity of the Resulting Issuer on an as-converted basis;

(L) other than in connection with the halt of the SVT Shares due to the dissemination of the press release announcing the Transacting Parties entered into a binding letter of intent in respect of the Business Combination, the SVT Shares have been suspended for longer than 30 days; or

(M) the SVT Shares have been de-listed from the CSE.

(v) by Sea Hunter if:

(A) prior to the Effective Time: (1) subject to Sections 4.1(e) and 4.1(g), the SVT Board fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to Sea Hunter, or fails to publicly reaffirm its recommendation of the SVT Component of the Business Combination and the other transactions contemplated hereby to which SVT is a party within three (3) calendar days (and in any case prior to the SVT Meeting) after having been requested in writing by Sea Hunter, to do so (a "**SVT Change in Recommendation for Sea Hunter**"); (2) the SVT Board shall have approved or recommended any Acquisition Proposal; or (3) SVT shall have breached Section 4.1 in any material respect;

(B) prior to the Effective Time: (1) subject to Sections 4.2(e) and 4.2(g), the Baker Board fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to Sea Hunter, or fails to publicly reaffirm its recommendation of the Business Combination and the other transactions contemplated hereby to which Baker is a party within three (3) calendar days (and in any case prior to the Nevada Holdco Meeting) after having been requested in writing by Sea Hunter, to do so (a "**Baker Change in Recommendation for Sea Hunter**"); (2) the Baker Board shall have approved or recommended any Acquisition Proposal; or (3) Baker shall have breached Section 4.2 in any material respect;

(C) prior to the Effective Time: (1) subject to Sections 4.3(e) and 4.3(g), the Briteside Board fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to Sea Hunter, or fails to publicly reaffirm its recommendation of the Business Combination and the other transactions contemplated hereby to which Briteside is a party within three (3) calendar days (and in any case prior to the Nevada Holdco Meeting) after having been requested in writing by Sea Hunter, to do so (a "**Briteside Change in Recommendation for Sea Hunter**"); (2) the Briteside Board shall have approved or recommended any Acquisition Proposal; or (3) Briteside shall have breached Section 4.3 in any material respect;

(D) a breach of any representation or warranty of SVT, Baker or Briteside set forth in any of Schedule "C", "D", or "E", as applicable, or failure to perform any covenant or agreement on the part of SVT, Baker or Briteside, as applicable, set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 3.4(a) to Section 3.4(g) not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date, as reasonably determined by Sea Hunter, and provided that Sea Hunter is not then in breach of this Agreement so as to cause any condition in Section 3.4(a) or Section 3.4(g) not to be satisfied;

(E) Sea Hunter has been notified in writing by SVT of an SVT Proposed Agreement in accordance with Section 4.1(e), and either: (i) Baker, Briteside, and Sea Hunter do not deliver an amended Business Combination proposal within ten (10) Business Days of delivery of the SVT Proposed Agreement to Baker, Briteside, and Sea Hunter; or (ii) Baker, Briteside, and Sea Hunter deliver amended Business Combination proposals pursuant to Section 4.1(f) but the SVT Board determines following the conclusion of such ten (10) Business Day period, acting in good faith and in the proper discharge of its fiduciary duties, that the Acquisition Proposal provided in the SVT Proposed Agreement continues to be a Superior Proposal in comparison to the amended Business Combination terms offered by Baker, Briteside, and Sea Hunter;

(F) Sea Hunter has been notified in writing by Baker of a Baker Proposed Agreement in accordance with Section 4.2(e), and either: (i) SVT, Briteside, and Sea Hunter do not deliver an amended Business Combination proposal within ten (10) Business Days of delivery of the Baker Proposed Agreement to SVT, Briteside, and Sea Hunter; or (ii) SVT, Briteside, and Sea Hunter deliver amended Business Combination proposals pursuant to Section 4.2(f) but the Baker Board determines following the conclusion of such ten (10) Business Day period, acting in good faith and in the proper discharge of its fiduciary duties, that the Acquisition Proposal provided in the Baker Proposed Agreement continues to be a Superior Proposal in comparison to the amended Business Combination terms offered by SVT, Briteside, and Sea Hunter;

(G) Sea Hunter has been notified in writing by Briteside of a Briteside Proposed Agreement in accordance with Section 4.3(e), and either: (i) SVT, Baker, and Sea Hunter do not deliver an amended Business Combination proposal within ten (10) Business Days of delivery of the Briteside Proposed Agreement to SVT, Baker, and Sea Hunter; or (ii) SVT, Baker, and Sea Hunter deliver amended Business Combination proposals pursuant to Section 4.3(f) but the Briteside Board determines following the conclusion of such ten (10) Business Day period, acting in good faith and in the proper discharge of its fiduciary duties, that the Acquisition Proposal provided in the Briteside Proposed Agreement continues to be a Superior Proposal in comparison to the amended Business Combination terms offered by SVT, Baker, and Sea Hunter;

(H) it shall have notified the other Parties that it wishes to enter into a binding written agreement with respect to a Superior Proposal (other than a non-disclosure and standstill agreement permitted by Section 4.4(d)), subject to compliance with Section 4.4 in all material respects and provided that no termination under this Section 5.2(a)(v)(H) shall be effective unless and until Sea Hunter shall have paid to SVT, Baker and Briteside the amount required to be paid pursuant to Section 5.3;

(I) SVT has been denied a Licensed Producer license from Health Canada;

(J) there shall have occurred a Baker Material Adverse Effect, a Briteside Material Adverse Effect, an SVT Material Adverse Effect and/or a Finco Material Adverse Effect;

(K) a Party has received notice of the existence of SVT Dissenting Shareholders and/or Nevada Holdco Dissenting Shareholders who would hold more than 5% of the equity of the Resulting Issuer on an as-converted basis;

(L) other than in connection with the halt of the SVT Shares due to the dissemination of the press release announcing the Transacting Parties entered into a binding letter of intent in respect of the Business Combination, the SVT Shares have been suspended from trading for longer than 30 days; or

(M) the SVT Shares have been de-listed from the CSE.

(vi) by SVT if:

(A) prior to the Effective Time: (1) subject to Sections 4.2(e) and 4.2(g), the Baker Board fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to SVT, or fails to publicly reaffirm its recommendation of the Business Combination and the other transactions contemplated hereby to which Baker is a party within three (3) calendar days (and in any case prior to the Nevada Holdco Meeting) after having been requested in writing by SVT, to do so (a "**Baker Change in Recommendation for SVT**"); (2) the Baker Board shall have approved or recommended any Acquisition Proposal; or (3) Baker shall have breached Section 4.2 in any material respect;

(B) prior to the Effective Time: (1) subject to Sections 4.3(e) and 4.3(g), the Briteside Board fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to SVT, or fails to publicly reaffirm its recommendation of the Business Combination and the other transactions contemplated hereby to which Briteside is a party within three (3) calendar days (and in any case prior to the Nevada Holdco Meeting) after having been requested in writing by SVT, to do so (a "**Briteside Change in Recommendation for SVT**"); (2) the Briteside Board shall have approved or recommended any Acquisition Proposal; or (3) Briteside shall have breached Section 4.3 in any material respect;

(C) prior to the Effective Time: (1) subject to Sections 4.4(e) and 4.4(g), the Sea Hunter Board fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to SVT, or fails to publicly reaffirm its recommendation of the Business Combination and the other transactions contemplated hereby to which Sea Hunter is a party within three (3) calendar days (and in any case prior to the Nevada Holdco Meeting) after having been requested in writing by SVT, to do so (a "**Sea Hunter Change in Recommendation for SVT**"); (2) the Sea Hunter Board shall have approved or recommended any Acquisition Proposal; or (3) Sea Hunter shall have breached Section 4.4 in any material respect;

(D) a breach of any representation or warranty of Baker, Briteside, or Sea Hunter set forth in any of Schedule "D", "E", or "F", as applicable, or failure to perform any covenant or agreement on the part of Baker, Briteside, or Sea Hunter, as applicable, set forth in this Agreement shall have occurred that would cause the conditions set forth in Sections 3.2(a) to 3.2(g), 3.3(a) to 3.3(g) and 3.4(a) to 3.4(g) not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date, as reasonably determined by SVT, and provided that SVT is not then in breach of this Agreement so as to cause any condition in Section 3.2(a) to 3.2(g), 3.3(a) to 3.3(g) and 3.4(a) to 3.4(g) not to be satisfied;

(E) SVT has been notified in writing by Baker of a Baker Proposed Agreement in accordance with Section 4.2(e), and either: (i) SVT, Briteside, and Sea Hunter do not deliver an amended Business Combination proposal within ten (10) Business Days of delivery of the Baker Proposed Agreement to SVT, Briteside and Sea Hunter; or (ii) SVT, Briteside and Sea Hunter deliver amended Business Combination proposals pursuant to Section 4.2(f) but the Baker Board determines following the conclusion of such ten (10) Business Day period, acting in good faith and in the proper discharge of its fiduciary duties, that the Acquisition Proposal provided in the Baker Proposed Agreement continues to be a Superior Proposal in comparison to the amended Business Combination terms offered by SVT, Briteside and Sea Hunter;

(F) SVT has been notified in writing by Briteside of a Briteside Proposed Agreement in accordance with Section 4.3(e), and either: (i) SVT, Baker and Sea Hunter do not deliver an amended Business Combination proposal within ten (10) Business Days of delivery of the Briteside Proposed Agreement to SVT, Baker and Sea Hunter; or (ii) SVT, Baker and Sea Hunter deliver amended Business Combination proposals pursuant to Section 4.3(f) but the Briteside Board determines following the conclusion of such ten (10) Business Day period, acting in good faith and in the proper discharge of its fiduciary duties, that the Acquisition Proposal provided in the Briteside Proposed Agreement continues to be a Superior Proposal in comparison to the amended Business Combination terms offered by SVT, Baker and Sea Hunter;

(G) SVT has been notified in writing by Sea Hunter of a Sea Hunter Proposed Agreement in accordance with Section 4.4(e), and either: (i) SVT, Baker and Briteside do not deliver an amended Business Combination proposal within ten (10) Business Days of delivery of the Sea Hunter Proposed Agreement to SVT, Baker and Briteside; or (ii) SVT, Baker and Briteside deliver amended Business Combination proposals pursuant to Section 4.4(f) but the Sea Hunter Board determines following the conclusion of such ten (10) Business Day period, acting in good faith and in the proper discharge of its fiduciary duties, that the Acquisition Proposal provided in the Sea Hunter Proposed Agreement continues to be a Superior Proposal in comparison to the amended Business Combination terms offered by SVT, Baker and Briteside;

(H) it shall have notified the other Parties that it wishes to enter into a binding written agreement with respect to a Superior Proposal (other than a non-disclosure and standstill agreement permitted by Section 4.1(d)), subject to compliance with Section 4.1 in all material respects and provided that no termination under this Section 5.2(a)(vi)(H) shall be effective unless and until SVT shall have paid to Baker, Briteside, and Sea Hunter the amount required to be paid pursuant to Section 5.3;

(I) there shall have occurred a Baker Material Adverse Effect, a Briteside Material Adverse Effect, a Sea Hunter Material Adverse Effect and/or a Finco Material Adverse Effect; or

(J) a Party has received notice of the existence of SVT Dissenting Shareholders and/or Nevada Holdco Dissenting Shareholders who would hold more than 5% of the equity of the Resulting Issuer on an as-converted basis.

(b) The Transacting Party desiring to terminate this Agreement pursuant to this Section 5.2 (other than pursuant to Section 5.2(a)(i)) shall give notice of such termination to the other Transacting Parties, specifying in reasonable detail the basis for such Transacting Party's exercise of its termination right.

(c) If this Agreement is terminated pursuant to this Section 5.2, this Agreement, together with all other Contemporaneous Agreements and the Plan of Arrangement, shall become void and be of no further force or effect without liability of any Transacting Party or party (or any shareholder, director, officer, employee, agent, consultant or representative of such Transacting Party or party) to any other Transacting Party hereto or party thereto, except that the provisions of this Section 5.2(c), Section 5.3 and Article 6 and all related definitions set forth in Section 1.1 shall survive any termination hereof pursuant to Section 5.2.

5.3 **Expenses and Termination Fees**

(a) Except as otherwise provided herein, all fees, costs and expenses incurred in connection with this Agreement and the Plan of Arrangement shall be paid by the Transacting Party incurring such fees, costs or expenses.

(b) Notwithstanding Section 5.3(a), any fees, costs and expenses relating to any applications, notices, consents, and documentation required under the HSR Act and the Investment Canada Act shall be split equally between the Parties, despite one Party paying such fee, cost, or expense upfront.

(c) For the purposes of this Agreement, "**SVT Termination Fee Event**" means the termination of this Agreement:

(i) by Baker pursuant to Section 5.2(a)(iii)(A) (but not including a termination by Baker pursuant to Section 5.2(a)(iii)(A) in circumstances where the SVT Change in Recommendation for Baker resulted from the occurrence of a Baker Material Adverse Effect), or Section 5.2(a)(iii)(E), in either case, prior to the SVT Meeting;

(ii) by Briteside pursuant to Section 5.2(a)(iv)(A) (but not including a termination by Briteside pursuant to Section 5.2(a)(iv)(A) in circumstances where the SVT Change in Recommendation for Briteside resulted from the occurrence of a Briteside Material Adverse Effect), or Section 5.2(a)(iv)(E), in either case**,** prior to the SVT Meeting;

(iii) by Sea Hunter pursuant to Section 5.2(a)(v)(A) (but not including a termination by Sea Hunter pursuant to Section 5.2(a)(v)(A) in circumstances where the SVT Change in Recommendation for Sea Hunter resulted from the occurrence of a Sea Hunter Material Adverse Effect), or Section 5.2(a)(v)(E), in either case**,** prior to the SVT Meeting; or

(iv) by SVT pursuant to Section 5.2(a)(vi)(H).

If an SVT Termination Fee Event occurs pursuant to Section 5.3(c)(i) – Section 5.3(c)(iv), SVT shall pay the Termination Fee to Baker, Briteside and Sea Hunter, calculated according to each Transacting Party's Proportionate Interest in the Resulting Issuer by wire transfer of immediately available funds, prior to or simultaneously with the termination of this Agreement.

(d) For the purposes of this Agreement, "**Baker Termination Fee Event**" means the termination of this Agreement:

(i) by SVT pursuant to Section 5.2(a)(vi)(A) (but not including a termination by SVT pursuant to Section 5.2(a)(vi)(A) in circumstances where the Baker Change in Recommendation for SVT resulted from the occurrence of an SVT Material Adverse Effect), or Section 5.2(a)(vi)(E), in either case, prior to the Nevada Holdco Meeting;

(ii) by Briteside pursuant to Section 5.2(a)(iv)(B) (but not including a termination by Briteside pursuant to Section 5.2(a)(iv)(B) in circumstances where the Baker Change in Recommendation for Briteside resulted from the occurrence of a Briteside Material Adverse Effect), or Section 5.2(a)(iv)(F), in either case, prior to the Nevada Holdco Meeting;

(iii) by Sea Hunter pursuant to Section 5.2(a)(v)(B) (but not including a termination by Sea Hunter pursuant to Section 5.2(a)(v)(B) in circumstances where the Baker Change in Recommendation for Sea Hunter resulted from the occurrence of a Sea Hunter Material Adverse Effect), or Section 5.2(a)(v)(F), in either case, prior to the Nevada Holdco Meeting; or

(iv) by Baker pursuant to Section 5.2(a)(iii)(H).

If a Baker Termination Fee Event occurs pursuant to Section 5.3(d)(i) – Section 5.3(d)(iv), Baker shall pay the Termination Fee to SVT, Briteside and Sea Hunter, calculated according to each Transacting Party's Proportionate Interest in the Resulting Issuer by wire transfer of immediately available funds.

(e) For the purposes of this Agreement, "**Briteside Termination Fee Event**" means the termination of this Agreement:

(i) by SVT pursuant to Section 5.2(a)(vi)(B) (but not including a termination by SVT pursuant to Section 5.2(a)(vi)(B) in circumstances where the Briteside Change in Recommendation for SVT resulted from the occurrence of an SVT Material Adverse Effect), or Section 5.2(a)(vi)(F), in either case, prior to the Nevada Holdco Meeting;

(ii) by Baker pursuant to Section 5.2(a)(iii)(B) (but not including a termination by Baker pursuant to Section 5.2(a)(iii)(B) in circumstances where the Briteside Change in Recommendation for Baker resulted from the occurrence of a Baker Material Adverse Effect), or Section 5.2(a)(iii)(F), in either case, prior to the Nevada Holdco Meeting;

(iii) by Sea Hunter pursuant to Section 5.2(a)(v)(C) (but not including a termination by Sea Hunter pursuant to Section 5.2(a)(v)(C) in circumstances where the Briteside Change in Recommendation for Sea Hunter resulted from the occurrence of a Sea Hunter Material Adverse Effect), or Section 5.2(a)(v)(G), in either case, prior to the Nevada Holdco Meeting; or

(iv) by Briteside pursuant to Section 5.2(a)(iv)(H).

If a Briteside Termination Fee Event occurs pursuant to Section 5.3(e)(i) – Section 5.3(e)(iv), Briteside shall pay the Termination Fee to SVT, Baker and Sea Hunter, calculated according to each Transacting Party's Proportionate Interest in the Resulting Issuer by wire transfer of immediately available funds.

(f) For the purposes of this Agreement, "**Sea Hunter Termination Fee Event**" means the termination of this Agreement:

(i) by SVT pursuant to Section 5.2(a)(vi)(C) (but not including a termination by SVT pursuant to Section 5.2(a)(vi)(C) in circumstances where the Sea Hunter Change in Recommendation for SVT resulted from the occurrence of an SVT Material Adverse Effect), or Section 5.2(a)(vi)(G), in either case, prior to the Nevada Holdco Meeting;

(ii) by Baker pursuant to Section 5.2(a)(iii)(C) (but not including a termination by Baker pursuant to Section 5.2(a)(iii)(C) in circumstances where the Sea Hunter Change in Recommendation for Baker resulted from the occurrence of a Baker Material Adverse Effect), or Section 5.2(a)(iii)(G), in either case, prior to the Nevada Holdco Meeting;

(iii) by Briteside pursuant to Section 5.2(a)(iv)(C) (but not including a termination by Briteside pursuant to Section 5.2(a)(iv)(C) in circumstances where the Sea Hunter Change in Recommendation for Briteside resulted from the occurrence of a Briteside Material Adverse Effect), or Section 5.2(a)(iv)(G), in either case, prior to the Nevada Holdco Meeting; or

(iv) by Sea Hunter pursuant to Section 5.2(a)(v)(H).

If a Sea Hunter Termination Fee Event occurs pursuant to Section 5.3(e)(i) – Section 5.3(e)(iv), Sea Hunter shall pay the Termination Fee to SVT, Baker and Briteside, calculated according to each Transacting Party's Proportionate Interest in the Resulting Issuer by wire transfer of immediately available funds.

(g) Finco acknowledges and the Transacting Parties agree that if this Agreement is terminated pursuant to Section 5.2, Finco shall be dissolved, liquidated and wound up, and its assets shall be returned to the Finco Subscription Receipt Holders in accordance with the applicable provisions set out in the Finco Subscription Receipts.

(h) For clarity, the Termination Fee shall only be paid once pursuant to this Section 5.3. Each of the Transacting Parties acknowledges that the agreements contained in this Section 5.3 are an integral part of the transactions contemplated in this Agreement and that, without those agreements, the Transacting Parties would not enter into this Agreement. Each Transacting Party acknowledges that all of the payment amounts set out in this Section 5.3 are payments in consideration for the disposition or rights under this Agreement and represent payments of liquidated damages which are a genuine pre-estimate of the damages, which the Transacting Party entitled to such damages will suffer or incur as a result of the event giving rise to such payment and the resultant termination of this Agreement and are not penalties. Each of SVT, Baker, Briteside, and Sea Hunter irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, each Transacting Party agrees that, upon any termination of this Agreement under circumstances where SVT, Baker, Briteside, or Sea Hunter is entitled to its respective proportion of the Termination Fee as set forth herein and such respective portion of the Termination Fee is paid in full, SVT, Baker, Briteside, or Sea Hunter, as the case may be, shall be precluded from any other remedy against the other Transacting Parties at Law or in equity or otherwise (including, without limitation, an order for specific performance), and shall not seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against the other Transacting Parties or any of their respective Subsidiaries or any of their respective directors, officers, employees, partners, managers, members, shareholders or affiliates or their respective Representatives in connection with this Agreement or the transactions contemplated hereby, provided, however that payment by a Transacting Party of the Termination Fee shall not be in lieu of any damages or any other payment or remedy available in the event of any willful or intentional breach by such Transacting Party of any of its obligations under this Agreement.

5.4 **Amendment**

Subject to the provisions of the Interim Order, the Plan of Arrangement and applicable Laws, this Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Nevada Holdco Meeting and the SVT Meeting but not later than the Effective Time, be amended by mutual written agreement of all of the Parties and any such amendment may without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

(c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; and

(d) waive compliance with or modify any mutual conditions precedent herein contained.

5.5 **Waiver**

Any Party may (a) extend the time for the performance of any of the obligations or acts of the other Party, (b) waive compliance, except as provided herein, with any of the other Party's agreements or the fulfilment of any conditions to its own obligations contained herein, or (c) waive inaccuracies in any of the other Party's representations or warranties contained herein or in any document delivered by the other Party; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed by all other Parties whose obligations are not being extended or waived and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived.

ARTICLE 6

GENERAL PROVISIONS

6.1 **Notices**

All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed to have been duly given and received on the day it is delivered, provided that it is delivered on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if notice is delivered after 5:00 p.m. local time or if such day is not a Business Day then the notice shall be deemed to have been given and received on the next Business Day. Notice shall be sufficiently given if delivered (either in Person, by courier service or other personal method of delivery), or if transmitted by electronic means (by electronic mail, or other similar method of delivery, provided that in the case of delivery by electronic mail or similar method of delivery such delivery is confirmed by reply or "read receipt" or similar method) to the Parties at the following addresses (or at such other addresses as shall be specified by any Party by notice to the other given in accordance with these provisions):

(a) if to SVT:

Santé Veritas Holdings Inc.
2 Bloor Street West, Suite 1911
Toronto, ON M4W 3E2
Canada
Attention: Michael Orr, Executive Chairman
Email: [***]

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

Dorsey & Whitney LLP
1400 Wewatta Street, Suite 400
Denver, CO 80202-5549
USA
Attention: Ken Sam
Email: [***]

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

Cassels Brock & Blackwell LLP
40 King Street West, Suite 2100
Toronto, ON M5H 3C2
Canada
Attention: Cathy Mercer
Email: [***]

(b) if to Baker:

Baker Technologies, Inc.
2399 Blake Street, Suite 100
Denver, CO 80205
USA

Attention: Joel Milton, Chief Executive Officer
Email: [***]

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

Sheppard Mullin Richter & Hampton LLP
30 Rockefeller Plaza
New York, NY 10112
USA

Attention: Shon Glusky
Email: [***]

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

Bennett Jones LLP
3400 One First Canadian Place, P.O. Box 130
Toronto, ON, M5X 1A4
Canada

Attention: Kristopher Hanc
Email: [***]

(c) if to Briteside:

Briteside Holdings, LLC
1724 Central Avenue
Chattanooga, TN 37408
USA

Attention: Justin Junda
Email: [***]

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

Hurst & Cromie PLLC
832 Georgia Avenue, Suite 510
Chattanooga, TN 37402
USA

Attention: Jamey Hurst
Email: [***]

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

McMillan LLP
Royal Centre
1055 West Georgia Street, Suite 1500
P.O. Box 11117
Vancouver, BC V6E 4N7

Canada

Attention: Herbert Ono
Email: [***]

(d) if to Sea Hunter:

Sea Hunter Therapeutics, LLC
1300 Elizabeth Avenue
West Palm Beach, FL 33401
USA

Attention: Alexander P. Coleman
Email: [***]

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

Jones Day
77 West Wacker Drive, Suite 3500
Chicago, IL 60601-1692
USA

Attention: Eric Berlin
Email: [***]

(e) if to Finco:

1167411 B.C. Ltd.
40 King Street West, Suite 2100
Toronto, ON M5H 3C2
Canada

Attention: Cathy Mercer
Email: [***]

6.2 **Governing Law; Waiver of Jury Trial**

This Agreement shall be governed, including as to validity, interpretation and effect, by the Laws of the Province of British Columbia and the Laws of Canada applicable therein. Each of the Parties hereby irrevocably attorns to the exclusive jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under and in relation to this Agreement and the Business Combination. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT OF THIS AGREEMENT.

6.3 **Public Announcements**

The Parties agree that there will be no additional public announcement or other disclosure of the Business Combination or of the matters dealt with herein unless they have been mutually agreed thereto or unless otherwise required by applicable Law or by regulatory or CSE instrument, rule or policy based on the advice of counsel. If any Party is required by applicable Law or regulatory instrument, rule, or policy to make a public announcement with respect to the Business Combination, such Party hereto will provide as much notice to the other Parties as reasonably possible, including the proposed text of the announcement and shall use its commercially reasonable efforts to coordinate with the other Parties the content of such announcement, to the extent reasonably practicable.

6.4 **Filings and Authorizations**

Subject to Section 6.3 above, each of the Parties, as promptly as practicable after the execution of this Agreement, will use their commercially reasonable efforts to make, or cause to be made, all such filings and submissions under applicable Law, as may be required for it to consummate the Business Combination in accordance with the terms of this Agreement. Without limiting any other obligations of the Parties hereunder, the Parties will use their commercially reasonable efforts to coordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by each in connection with the foregoing, including providing each other with all notices and information supplied to or filed with any Governmental Authority (except for notices and information which the Parties, in each case acting reasonably, considers highly confidential and sensitive which may be filed on a confidential basis), and all notices and correspondence received from any Governmental Authority.

6.5 **Injunctive Relief**

Subject to Section 5.3, the Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the Parties agree that, in the event of any breach or threatened breach of this Agreement by a Party, the non-breaching Party will be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance, and the Parties shall not object to the granting of injunctive or other equitable relief on the basis that there exists an adequate remedy at Law. Subject to Section 5.3, such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at Law or equity to each of the Parties. In any action to enforce the terms of this Agreement, including any action for equitable relief or to recover damages for any violations herein, it shall not be a defense, and no Party shall assert any claim, cause of action, defense, legal or equitable remedy (including rescission), or theory that any provision of this Agreement is invalid, non-binding, unenforceable or illegal on the basis that federal law may restrict or prohibit the activities and transactions contemplated hereby that involve cannabis, or products relating thereto, and the parties hereby waive all such claims, causes of action, defenses, remedies, and theories, to the extent permitted under federal law and applicable Law.

6.6 **Time of Essence**

Time shall be of the essence in this Agreement.

6.7 **Entire Agreement, Binding Effect and Assignment**

This Agreement (including the exhibits and schedules hereto and the SVT Disclosure Letter, Baker Disclosure Letter, Briteside Disclosure Letter, and Sea Hunter Disclosure Letter) as well as the Contemporaneous Agreements constitute the entire agreement, and supersede all other prior agreements, representations, warranties and understandings, both written and oral, between the Parties, or any of them, with respect to the subject matter hereof and thereof and, except as expressly provided herein (including under and for those referenced in 4.11 (Indemnification Insurance), 4.12 (Release) and 6.8 (No Liability), this Agreement is not intended to and shall not confer upon any Person other than the Parties any rights or remedies hereunder. Nothing set forth in this Section 6.7, this Agreement or the Contemporaneous Agreements shall supersede or affect the obligations of the Transacting Parties set out in Section C(4) of Schedule "A" of the May 15, 2018 binding letter of intent amongst SVT, Baker, Briteside, and Sea Hunter Holdings, regarding pooling of the founders shares. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by either of the Parties without the prior written consent of the other Parties.

6.8 **No Liability**

No director or officer of any of the Parties hereunder shall have any personal liability whatsoever to the other Parties under this Agreement, or any other document delivered in connection with the transactions contemplated hereby. This Agreement may only be enforced against, and any Action based upon, arising out of, or related to this Agreement, or the negotiation, execution or performance of this Agreement, may only be brought against the entities that are expressly named as parties hereto and then only with respect to the specific obligations set forth herein with respect to such party. No past, present or future director, officer, employee, incorporator, manager, member, partner, stockholder, affiliate, agent, attorney or other representative of any party hereto or of any affiliate of any party hereto, or any of their successors or permitted assigns, shall have any liability for any obligations or liabilities of any party hereto under this Agreement or for any Action based on, in respect of or by reason of the transactions contemplated hereby.

6.9 **Severability**

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

6.10 **Counterparts; Execution**

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

[Remainder of page intentionally left blank.

IN WITNESS WHEREOF Baker, Briteside, Sea Hunter, SVT, and Finco have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

BAKER TECHNOLOGIES, INC.

By: /s/ Joel Milton
Name: Joel Milton
Title: Chief Executive Officer

BRITESIDE HOLDINGS, LLC

By: /s/ Justin Junda
Name: Justin Junda
Title: Chief Executive Officer

SEA HUNTER THERAPEUTICS, LLC

By: /s/ Alexander Coleman
Name: Alexander Coleman
Title: Managing Partner

SANTÉ VERITAS HOLDINGS INC.

By: /s/ Michael Orr
Name: Michael Orr
Title: Executive Chairman

1167411 B.C. LTD.

By: /s/ Cameron Mingay
Name: Cameron Mingay
Title: Director

[Signature Page to Business Combination Agreement]

SCHEDULE A
PLAN OF ARRANGEMENT

UNDER SECTION 288 OF THE

BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless the context otherwise requires, capitalized terms used but not defined shall have the meanings ascribed to them below:

"**Affected Person**" has the meaning ascribed thereto in Section 5.4 of this Plan of Arrangement;

"**Amalco**" means the company formed by the Amalgamation;

"**Amalco Shares**" means common shares in the capital of Amalco;

"**Amalgamation**" means the statutory amalgamation of Nevada Holdco Subco and SVT pursuant to the provisions of the BCBCA, with SVT as the survivor of such amalgamation;

"**Baker**" means Baker Technologies, Inc., a corporation existing under the Laws of the State of Delaware;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**Briteside**" means Briteside Holdings, LLC, a limited liability company existing under the Laws of the State of Tennessee;

"**Broker**" has the meaning ascribed thereto in Subsection 5.4(a);

"**Business Combination**" means the arrangement of Nevada Holdco, SVT and Nevada Holdco Subco (and to the extent applicable, Finco and Finco Subco) pursuant to Section 288 of the BCBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 5.4 of the Business Combination Agreement or this Plan of Arrangement or made at the direction of the Court in the Final Order (provided, however, that any such amendment or variation is acceptable to Nevada Holdco, SVT, and Finco, each acting reasonably);

"**Business Combination Agreement**" means the business combination agreement dated as of July 9, 2018 among Baker, Briteside, Sea Hunter, and Finco, as further amended, amended and restated or supplemented prior to the Effective Date;

"**Business Day**" means any day, other than a Saturday, a Sunday or a statutory or civic holiday in any of Vancouver, British Columbia; Toronto, Ontario; Tennessee; Massachusetts; or Colorado;

"**CBCA**" means the *Canada Business Corporations Act* and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**Code**" means the United States Internal Revenue Code of 1986, as amended;

"**Consideration**" means: (i) the consideration to be received by the Nevada Holdco Shareholders (other than any Nevada Holdco Dissenting Shareholder) pursuant to the Plan of Arrangement as consideration for the exchange of Nevada Holdco Class A Shares for Resulting Issuer Compressed Shares in accordance with the Nevada Holdco Exchange Ratio; (ii) the consideration to be received by the SVT Shareholders (other than any SVT Dissenting Shareholder) pursuant to the Plan of Arrangement as consideration for the exchange of SVT Shares for Resulting Issuer Common Shares; and (iii) the consideration to be received by Finco Subscription Receipt Holders pursuant to the Plan of Arrangement as consideration for the exchange of their Resulting Issuer Common Shares and Resulting Issuer Compressed Shares, as the case may be, that they receive pursuant to the terms and conditions of their Finco Subscription Receipts;

"**Continuance**" means the continuance of Nevada Holdco from the jurisdiction of the State of Nevada to the Province of British Columbia pursuant to Section 302 of the BCBCA and Sections 92A.105 and 92A.195 of the NRS;

"**Court**" means the Supreme Court of British Columbia;

"**CSE**" means the Canadian Securities Exchange;

"**Depository**" means any one or more trust companies, banks or other financial institutions agreed to in writing by Nevada Holdco, SVT, and Finco for the purpose of, among other things: (i) exchanging certificates representing Nevada Holdco Class A Shares for certificates representing Resulting Issuer Compressed Shares; (ii) exchanging certificates representing SVT Shares for certificates representing Resulting Issuer Common Shares; and (iii) exchanging Finco Subscription Receipts for certificates representing Resulting Issuer Common Shares and Resulting Issuer Compressed Shares, as the case may be;

"**Effective Date**" means the date that Nevada Holdco, SVT, and Finco agree in writing will be the date upon which the Business Combination becomes effective or, in

the absence of such agreement, three Business Days following the satisfaction or waiver of all conditions set out in Article 5 of the Business Combination Agreement (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, waiver of those conditions as of the Effective Date by the applicable party for whose benefit such conditions exist);

"**Effective Time**" means 12:01 a.m. on the Effective Date, or such other time as the Parties agree in writing;

"**Final Order**" means the final order of the Court pursuant to section 291 of the BCBCA, in a form acceptable to Nevada Holdco, SVT, and Finco, each acting reasonably, approving the Business Combination as such order may be amended by the Court (with the consent of the Parties, which consent shall not be unreasonably withheld, conditioned or delayed) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to the Parties each acting reasonably) on appeal;

"**Finco**" means 1167416 B.C. Ltd., a corporation existing under the laws of the Province of British Columbia;

"**Finco Amalco**" means the company formed by the Finco Amalgamation;

"**Finco Amalgamation**" means the statutory amalgamation of Finco Subco and Finco pursuant to the provisions of the BCBCA, with Finco as the survivor of such amalgamation;

"**Finco Class A Share**" means a class A share in the capital of Finco; "**Finco Common Share**" means a common share in the capital of Finco;

"**Finco Shareholder**" means a holder of Finco Common Shares or Finco Class A Shares, as the case may be;

"**Finco Subco**" means 1167416 B.C. Ltd., a corporation existing under the laws of the Province of British Columbia, as a wholly-owned subsidiary of Nevada Holdco;

"**Finco Subscription Receipt**" means a subscription receipt of Finco which will entitle the holder to receive Finco Common Shares or Finco Class A Shares, as the case may be, on the Effective Date;

"**Finco Subscription Receipt Holder**" means a holder of a Finco Subscription Receipt;

"**final proscription date**" has the meaning ascribed thereto in Section 5.5 of this Plan of Arrangement;

"**Interim Order**" means the interim order of the Court made pursuant to the BCBCA, in a form reasonably acceptable to the Parties, providing for, among other things, the calling and holding of the Nevada Holdco Meeting and the SVT Meeting, as the same may be amended by the Court with the consent of the Parties, which consent shall not be unreasonably withheld, conditioned or delayed;

"**In-The-Money Amount**" in respect of a stock option means the amount, if any, by which the aggregate fair market value at that time of the securities subject to the option exceeds the aggregate exercise price of the option;

"**Liens**" means any liens, mortgages, pledges, assignments, hypothecs, charges, security interests, encumbrances and adverse rights or claims, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

"**Nevada Holdco**" means TILT Holdings, Inc., a corporation existing under the laws of the State of Nevada and to be continued and existing under the BCBCA prior to the Effective Date (and for greater certainty, referred to as the Resulting Issuer following the completion of the Business Combination);

"**Nevada Holdco Business Combination Resolution**" means collectively: (i) the special resolution of the Nevada Holdco Shareholders approving the Business Combination and the Plan of Arrangement which is to be considered at the Nevada Holdco Meeting; and (ii) the resolution of the shareholders of Nevada Holdco providing minority approval as defined and contemplated in OSC Rule 56-501, subject to certain assumptions set forth in the Business Combination Agreement, approving the Business Combination and the Plan of Arrangement which is to be considered at the Nevada Holdco Meeting;

"**Nevada Holdco Class A Shares**" means the issued and outstanding class A shares of Nevada Holdco;

"**Nevada Holdco Dissent Rights**" means the rights of dissent exercisable by a Nevada Holdco Shareholder in respect of the Business Combination pursuant to Section 238 of the BCBCA, Article 4 of this Plan of Arrangement and the Interim Order;

"**Nevada Holdco Dissenting Shareholder**" means a registered Nevada Holdco Shareholder who duly exercises its Nevada Holdco Dissent Rights pursuant to Section 238 of the BCBCA, Article 4 of this Plan of Arrangement and the Interim Order and who has not withdrawn or been deemed to have withdrawn such exercise of Nevada Holdco Dissent Rights;

"**Nevada Holdco Dissenting Shares**" means Nevada Holdco Class A Shares held by a Nevada Holdco Dissenting Shareholder who has demanded and perfected Nevada Holdco Dissent Rights in respect of the Nevada Holdco Class A Shares in accordance with Article 4 of this Plan of Arrangement and the Interim Order and who, as of the Effective Time, has not effectively withdrawn or lost such Nevada Holdco Dissent Rights;

"**Nevada Holdco Letter of Transmittal**" means the letter of transmittal to be forwarded by Nevada Holdco to Nevada Holdco Shareholders together with the management information circular or such other equivalent form of letter of transmittal acceptable to the Parties acting reasonably;

"**Nevada Holdco Meeting**" means the special meeting of Nevada Holdco Shareholders, including any adjournment thereof to be called and held for the purpose of obtaining the approval of the Continuance, the Nevada Holdco Business Combination Resolution, the Resulting Issuer Equity Incentive Plan, and other related matters, in accordance with the Interim Order as applicable;

"**Nevada Holdco Options**" means the outstanding options to purchase Nevada Holdco Class A Shares;

"**Nevada Holdco Share Exchange Ratio**" means such number of Resulting Issuer Compressed Shares per Nevada Holdco Class A Share, as set out on Schedule "P" of

the Business Combination Agreement reflecting the Proportionate Interests of each of Baker, Briteside and Sea Hunter set forth opposite such Party's name;

"**Nevada Holdco Shareholders**" means the holders of Nevada Holdco Class A Shares;

"**Nevada Holdco Subco**" means TILT Holdings US, Inc., a corporation existing under the laws of the BCBCA, as a wholly-owned subsidiary of Nevada Holdco;

"**NRS**" means the Nevada Revised Statutes and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**OSC Rule 56-501**" means Ontario Securities Commission Rule 56-501 – *Restricted Shares*; "**Parties**" means Nevada Holdco, SVT and Finco, and "**Party**" means any of them;

"**Proportionate Interest**" means, relative to each other Transacting Party, (a) with respect to SVT, 15.00%, (b) with respect to Baker, 15.59%, (c) with respect to Briteside, 24.43%, and (d) with respect to Sea Hunter, 44.98%, excluding Acquisition Securities issued pursuant to Section 4.13(b) of the Business Combination Agreement, and irrespective of any additional securities which may be issued by any one of the Transacting Parties, as permitted by the Business Combination Agreement, or the issuance by Finco of Finco Subscription Receipts pursuant to Section 4.6(b) of the Business Combination Agreement;

"**Registrar**" means the Registrar of Companies appointed under Section 400 of the BCBCA;

"**Resulting Issuer**" means TILT Holdings Inc., being Nevada Holdco following the completion of the transactions contemplated by the Business Combination and this Plan of Arrangement;

"**Resulting Issuer Common Shares**" means the common shares in the capital of the Resulting Issuer;

"**Resulting Issuer Compressed Shares**" means the compressed shares in the capital of the Resulting Issuer;

"**Resulting Issuer Equity Incentive Plan**" means the equity incentive plan of the Resulting Issuer, the form of which is to be agreed upon among SVT, Baker, Briteside, and Sea Hunter, each acting reasonably, and acceptable to the CSE and which is to be approved at the Nevada Holdco Meeting;

"**Resulting Issuer Replacement Options for Common Shares**" means the options to acquire Resulting Issuer Common Shares to be issued to the holders of SVT Options by Nevada Holdco pursuant to the Resulting Issuer Equity Incentive Plan;

"**Resulting Issuer Replacement Options for Compressed Shares**" means the options to acquire Resulting Issuer Compressed Shares to be issued to the holders of Nevada Holdco Replacement Options by the Resulting Issuer pursuant to the Resulting Issuer Equity Incentive Plan;

"**Sea Hunter**" means Sea Hunter Therapeutics, LLC, a limited liability company existing under the Laws of the State of Delaware;

"**Sea Hunter Holdings**" means Sea Hunter Holdings, LLC, a Delaware limited liability company;

"**Subsidiary**" has the meaning ascribed thereto in National Instrument 45-106 -*Prospectus Exemptions*;

"**SVT**" means Santé Veritas Holdings Inc., a corporation existing under the BCBCA;

"**SVT Component of the Business Combination**" means the part of the Plan of Arrangement that entails the approval of the Business Combination and the Plan of Arrangement, the amalgamation of Nevada Holdco Subco with SVT and the issuance of Resulting Issuer Common Shares to former holders of SVT Shares;

"**SVT Component of the Business Combination Resolution**" means collectively (i) the special resolution of the SVT Shareholders approving the SVT Component of the Business Combination which is to be considered at the SVT Meeting; and (ii) the resolution of the shareholders of SVT providing minority approval, as defined and contemplated in OSC Rule 56-501, approving the Business Combination and the Plan of Arrangement which is to be considered at the SVT Meeting;

"**SVT Continuance**" means the continuance of SVT from the jurisdiction of Canada to the Province of British Columbia pursuant to Section 302 of the BCBCA and Section 188 of the CBCA;

"**SVT Continuance Resolution**" means the special resolution of the SVT Shareholders approving the SVT Continuance which is to be considered at the SVT Meeting;

"**SVT Dissent Rights**" means the rights of dissent exercisable by an SVT Shareholder in respect of the SVT Component of the Business Combination pursuant to Section 238 of the BCBCA, Article 4 of the Plan of Arrangement and the Interim Order;

"**SVT Dissenting Shareholder**" means a registered SVT Shareholder who duly exercises its SVT Dissent Rights pursuant to Section 238 of the BCBCA, Article 4 of this Plan of Arrangement and the Interim Order and who has not withdrawn or been deemed to have withdrawn such exercise of SVT Dissent Rights;

"**SVT Dissenting Shares**" means SVT Shares held by an SVT Dissenting Shareholder who has demanded and perfected SVT Dissent Rights in respect of the SVT Shares in accordance with Article 4 of this Plan of Arrangement and the Interim Order and who, as of the Effective Time, has not effectively withdrawn or lost such SVT Dissent Rights;

"**SVT Letter of Transmittal**" means the letter of transmittal to be forwarded by SVT to SVT Shareholders together with the management information circular or such other equivalent form of letter of transmittal acceptable to the Parties acting reasonably;

"**SVT Meeting**" means the special meeting of SVT Shareholders, including any adjournment or postponement thereof, to be called and held for the purpose of obtaining the approval of the SVT Continuance, the SVT Component of the Business Combination Resolution and other related matters in accordance with the Interim Order, as applicable;

"**SVT Option Plan**" means SVT's Stock Option Plan, as amended from time to time;

"**SVT Options**" means the outstanding options to purchase SVT Shares granted under the SVT Option Plan;

"**SVT Share Exchange Ratio**" means the number of Resulting Issuer Common Shares per SVT Share, as set out on Schedule "P" of the Business Combination Agreement, reflecting the Proportionate Interest of SVT set forth on such Schedule "P";

"**SVT Shareholders**" means the holders of SVT Shares;

"**SVT Shares**" means the common shares of SVT;

"**SVT Warrants**" means the outstanding warrants to acquire SVT Shares;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time; and

"**Withholding Obligation**" shall have the meaning ascribed thereto in Section 5.4 of this Plan of Arrangement;

In addition, words and phrases used herein and defined in the BCBCA and not otherwise defined herein shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

1.2 Interpretation Not Affected by Headings

For the purposes of this Plan of Arrangement, except as otherwise expressly provided:

(a) "**this Plan of Arrangement**" means this Plan of Arrangement, including the recitals and Appendices hereto, and not any particular Article, Section, Subsection or other subdivision, recital or Appendix hereof, and includes any agreement, document or instrument entered into, made or delivered pursuant to the terms hereof, as the same may, from time to time, be supplemented or amended and in effect;

(b) the words "**hereof**", "**herein**", "**hereto**" and "**hereunder**" and other word of similar import refer to this Plan of Arrangement as a whole and not to any particular Article, Section, Subsection, or other subdivision or recital hereof;

(c) all references in this Plan of Arrangement to a designated "**Article**", "**Section**", "**Subsection**" or other subdivision or recital hereof are references to the designated Article, Section, Subsections or other subdivision or recital to, this Plan of Arrangement;

(d) the division of this Plan of Arrangement into Articles, Sections, Subsections and other subdivisions, recitals or Appendices, the inclusion of a table of contents and the insertion of headings and captions are for convenience of reference only and are not intended to interpret, define or limit the scope, extent or intent of this Plan of Arrangement or any provision hereof;

(e) a reference to a statute in this Plan of Arrangement includes all regulations, rules, policies or instruments made thereunder, all amendments to the statute, regulations, rules, policies or instruments in force from time to time, and any statutes, regulations, rules, policies or instruments that supplement or supersede such statute, regulations, rules, policies or instruments;

(f) the word "**or**" is not exclusive;

(g) the word "**including**" is not limiting, whether or not non-limiting language (such as "**without limitation**" or "but not limited to" or words of similar import) is used with reference thereto; and

(h) all references to "**approval**", "**authorization**" or "**consent**" in this Plan of Arrangement means written approval, authorization or consent.

1.3 Number, Gender and Persons

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, unlimited liability corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

1.4 Date for any Action

If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada and "$" refers to Canadian dollar.

1.6 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein are local time in British Columbia, Canada unless otherwise stipulated herein.

ARTICLE 2

BUSINESS COMBINATION AGREEMENT

2.1 Business Combination Agreement

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Business Combination Agreement, except in respect of the sequence of the steps comprising the Business Combination, which shall occur in the order set forth herein.

ARTICLE 3

THE BUSINESS COMBINATION

Plan of Arrangement

3.1 This Plan of Arrangement and the Business Combination shall, without any further act or formality required on the party of any person, except as expressly provided herein, become effective at, and be binding at and after, the Effective Time on:

(a) Nevada Holdco;

(b) Nevada Holdco Subco;

(c) SVT;

(d) Finco;

(e) Finco Subco;

(f) all registered and beneficial holders of Nevada Holdco Class A Shares, including Nevada Holdco Dissenting Shareholders;

(g) all registered and beneficial holders of SVT Shares, including SVT Dissenting Shareholders;

(h) all registered and beneficial holders of Nevada Holdco Options;

(i) all registered and beneficial holders of SVT Options;

(j) all registered and beneficial holders of SVT Warrants;

(k) all registered and beneficial holders of Finco Subscription Receipts, Finco Common Shares and Finco Class A Shares; and

(l) all other persons served with notice of the final application to approve the Plan of Arrangement.

3.2 On the Effective Date, commencing at the Effective Time, the following events or

transactions shall occur and be deemed to occur sequentially, in the following order, without any further act or formality required on the part of any person, except as expressly provided herein:

(a) each Nevada Holdco Dissenting Share held by a Nevada Holdco Dissenting Shareholder in respect of which a Nevada Holdco Shareholder has validly exercised his, her or its Nevada Holdco Dissent Right shall be deemed to be transferred by such Nevada Holdco Dissenting Shareholder to Nevada Holdco (free and clear of any Liens of any nature whatsoever) in accordance with Article 4 hereof, and such Nevada Holdco Dissenting Shareholder shall cease to be a holder of such Nevada Holdco Class A Share and his, her or its name shall be removed from the central securities register of Nevada Holdco as a holder of a Nevada Holdco Dissenting Share. Such Nevada Holdco Dissenting Shareholder shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer such Nevada Holdco Dissenting Shares to Nevada Holdco in accordance with this Subsection. Nevada Holdco shall be the holder of all of the Nevada Holdco Dissenting Shares transferred in accordance with this Subsection and such Nevada Holdco Class A Shares will be cancelled and the central securities register of Nevada Holdco shall be revised accordingly;

(b) one minute after 3.2(a) above, each Nevada Holdco Class A Share shall be exchanged for Resulting Issuer Compressed Shares based on the Nevada Holdco Share Exchange Ratio (rounded down to the nearest whole number) on a book-entry, certificated or uncertificated basis, to which such Nevada Holdco Shareholder is entitled as aforesaid and the name of such Nevada Holdco Shareholder shall be added to the central securities register maintained by or on behalf of the Resulting Issuer showing such holder as the registered holder of Resulting Issuer Compressed Shares so issued, provided that a former holder of Nevada Holdco Class A Shares that are evidenced by certificates must submit a Nevada Holdco Letter of Transmittal together with its share certificates of Nevada Holdco Class A Shares, as applicable, in accordance with this Plan of Arrangement in order to receive its Resulting Issuer Compressed Shares;

(i) for greater certainty, the authorized but unissued Nevada Holdco Class A Shares shall be cancelled and the articles of the Resulting Issuer shall be amended such that the authorized capital of the Resulting Issuer shall be changed by deleting the Nevada Holdco Class A Shares as a class of shares of the Resulting Issuer;

(ii) the amount added to the stated capital of the Resulting Issuer Compressed Shares shall be the paid-up capital (as that term is used for purposes of the Tax Act) of the Nevada Holdco Class A Shares (other than Nevada Holdco Class A Shares held by Nevada Holdco Dissenting Shareholders) immediately prior to the Effective Time;

(iii) the transactions contemplated by this 3.2(b) shall, in conjunction with the Continuance, occur in the course of a reorganization of the capital of Nevada Holdco;

(c) one minute after 3.2(b) above, each SVT Dissenting Share held by an SVT Dissenting Shareholder in respect of which an SVT Shareholder has validly exercised his, her or its SVT Dissent Right shall be deemed to be transferred by such SVT Dissenting Shareholder to Nevada Holdco (free and clear of any Liens of any nature whatsoever) in accordance with Article 4 hereof, and such SVT Dissenting Shareholder shall cease to be a holder of such SVT Shares and his, her or its name shall be removed from the central securities register of SVT as a holder of an SVT Dissenting Share. Such SVT Dissenting Shareholder shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer such SVT Dissenting Shares to Nevada Holdco in accordance with this Subsection. Nevada Holdco shall be the holder of all of the SVT Dissenting Shares transferred in accordance with this Subsection;

(d) one minute after 3.2(c) above, SVT and Nevada Holdco Subco shall merge to form Amalco, with the same effect as if they had amalgamated under Section 269 of the BCBCA, except that the legal existence of SVT shall not cease, and SVT shall survive the Amalgamation notwithstanding the issue by the Registrar of a certificate of amalgamation and the assignment of a new incorporation number to Amalco;

(i) without limiting the generality of 3.2(d) above, the separate legal existence of Nevada Holdco Subco shall cease without Nevada Holdco Subco being liquidated or wound up, and SVT and Nevada Holdco Subco shall continue as one company;

(ii) the property, rights and interests of each of SVT and Nevada Holdco Subco shall continue to be the property, rights and interests of Amalco;

(iii) Amalco shall continue to be liable for the obligations of each of SVT and Nevada Holdco Subco;

(iv) the Notice of Articles and Articles of Amalco shall be substantially in the form of the Notice of Articles and Articles of Nevada Holdco Subco;

(v) each SVT Share held by an SVT Shareholder other than an SVT Dissenting Shareholder will be exchanged for Resulting Issuer Common Shares on the basis of the SVT Share Exchange Ratio (rounded down to the nearest whole number), provided that a former holder of SVT Shares that are evidenced by certificates must submit an SVT Letter of Transmittal together with its share certificates representing SVT Shares in accordance with this Plan of Arrangement in order to receive its Resulting Issuer Common Shares;

(vi) with respect to each SVT Share transferred and assigned in accordance with 3(d)(v) hereof:

(A) the registered holder thereof shall cease to be the registered holder of such SVT Share and the name of such registered holder shall be removed from the register of SVT Shareholders; and

(B) the registered holder thereof shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to exchange such SVT Shares in accordance with Section 3.2(d)(v) hereof;

(vii) the shares of Nevada Holdco Subco will be exchanged for shares of Amalco on the basis of one share of Amalco for each share of Nevada Holdco Subco;

(viii) in consideration for the Resulting Issuer's issuance of Resulting Issuer Common Shares, Amalco shall issue to the Resulting Issuer one Amalco Share for each Resulting Issuer Common Share issued by the Resulting Issuer;

(ix) the board of directors of Amalco shall be comprised of a minimum of one and a maximum of 10 directors; and

(x) the amount added to the stated capital of the Resulting Issuer Common Shares shall be the paid-up capital (as that term is used for purposes of the Tax Act) of the SVT Shares (other than the SVT Shares held by SVT Dissenting Shareholders) immediately prior to the Effective Time;

(e) one minute after 3.2(d) above, Finco and Finco Subco shall merge to form Finco Amalco, with the same effect as if they had amalgamated under Section 269 of the BCBCA, except that the legal existence of Finco shall not cease, and Finco shall survive the Finco Amalgamation notwithstanding the issue by the Registrar of a certificate of amalgamation and the assignment of a new incorporation number to Finco Amalco;

(i) without limiting the generality of 3.2(e) above, the separate legal existence of Finco Subco shall cease without Finco Subco being liquidated or wound up, and Finco and Finco Subco shall continue as one company;

(ii) the property, rights and interests of each of Finco and Finco Subco shall continue to be the property, rights and interests of Finco Amalco;

(iii) Finco Amalco shall continue to be liable for the obligations of each of Finco and Finco Subco;

(iv) the Notice of Articles and Articles of Finco Amalco shall be substantially in the form of the Notice of Articles and Articles of Finco Subco;

(v) each Finco Subscription Receipt will be automatically converted to one Finco Common Share or Finco Class A Share, as the case may be, in accordance with the terms of the Finco Subscription Receipt;

(vi) each Finco Common Share will be exchanged for one Resulting Issuer Common Share and each Finco Class A Share shall be exchanged for 0.01 of a Resulting Issuer Compressed Share, as the case may be;

(vii) with respect to each Finco Common Share and Finco Class A Share exchanged in accordance with 3(e)(vi) hereof:

(A) the registered holder thereof shall cease to be the registered holder of such Finco Common Share or Finco Class A Share; and

(B) the registered holder thereof shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to convert such Finco Common Shares and Finco Class A Shares in accordance with Section 3.2(e)(vi) hereof;

(viii) the shares of Finco Subco will be exchanged for shares of Finco Amalco on the basis of one share of Finco Amalco for each share of Finco Subco;

(ix) in consideration for the Resulting Issuer's issuance of Resulting Issuer Common Shares and Resulting Issuer Compressed Shares, as the case may be, Finco Amalco shall issue to the Resulting Issuer one Finco Amalco Share for each Resulting Issuer Common Share or 100 Finco Amalco Shares for each Resulting Issuer Compressed Share, as the case may be, issued by the Resulting Issuer; and

(x) the board of directors of Finco Amalco shall be comprised of a minimum of one and a maximum of 10 directors; and

(xi) the amount added to the stated capital of the Resulting Issuer Common Shares shall be the paid-up capital (as that term is used for purposes of the Tax Act) of the Finco Common Shares immediately prior to the Finco Amalgamation;

(xii) the amount added to the stated capital of the Resulting Issuer Compressed Shares shall be the paid-up capital (as that term is used for purposes of the Tax Act) of the Finco Class A Shares immediately prior to the Finco Amalgamation;

(f) one minute after 3.2(e) above, each SVT Option shall be exchanged for Resulting Issuer Replacement Options for Common Shares on the basis of the SVT Share Exchange Ratio (provided that if the foregoing would result in the issuance of a fraction of a Resulting Issuer Common Share on any particular exercise of a Resulting Issuer Replacement Options for Resulting Issuer Common Shares, then the number of Resulting Issuer Common Shares otherwise issued shall be rounded down to the nearest whole number). Such Resulting Issuer Replacement Options for Common Shares shall provide for an exercise price per Resulting Issuer Replacement Option for Common Shares (rounded up to the nearest whole cent) equal to the quotient obtained when: (i) the exercise price per SVT Share that would otherwise be payable pursuant to the SVT Option it replaces is divided by (ii) the SVT Share Exchange Ratio, and any document evidencing an SVT Option shall thereafter evidence and be deemed to evidence such Resulting Issuer Replacement Options for Common Shares. Except as provided herein, all terms and conditions of a Resulting Issuer Replacement Option for Common Shares, including the term to expiry, conditions to and manner of exercising, will be the same as the SVT Option for which it was exchanged, and shall be governed by the terms of the Resulting Issuer Equity Incentive Plan, and the exchange shall not provide any optionee with any additional benefits as compared to those under his or her original SVT Option. It is intended that subsection 7(1.4) of Tax Act and U.S. Treas. Reg. Secs. 1.424-1(a)(5) and 1.409A-1(b)(5)(v)(D), as applicable, apply to such exchange of SVT Options. Accordingly, and notwithstanding the foregoing, if required, the exercise price of a Resulting Issuer Replacement Option for Common Shares will be increased such that the In-The-Money Amount of the Resulting Issuer Replacement Option for Common Shares immediately after the exchange does not exceed the In-The-Money Amount of the SVT Option (or a fraction thereof) exchanged for such Resulting Issuer Replacement Option for Common Shares immediately before the exchange and so on a share-by- share basis, the ratio of the exercise price to the fair market value of the SVT Options being exchanged shall not be less favourable to the optionee than the ratio of the exercise price to the fair market value of the Resulting Issuer Replacement Options for Common Shares immediately following to the exchange;

(g) one minute after 3.2(f) above, the SVT Options exchanged pursuant to Subsection 3.2(f) shall be cancelled without payment;

(h) one minute after 3.2 (g) above, each Nevada Holdco Option shall be exchanged for Resulting Issuer Replacement Options for Compressed Shares on the basis of the Nevada Holdco Share Exchange Ratio (provided that if the foregoing would result in the issuance of a fraction of a Resulting Issuer Compressed Share on any particular exercise of a Resulting Issuer Replacement Option for Compressed Shares, then the number of Resulting Issuer Compressed Shares otherwise issued shall be rounded down to the nearest whole number). Such Resulting Issuer Replacement Options for Compressed Shares shall provide for an exercise price per Resulting Issuer Replacement Option for Compressed Shares (rounded up to the nearest whole cent) equal to the quotient obtained when: (i) the exercise price per Nevada Holdco Class A Share that would otherwise be payable pursuant to the Nevada Holdco Option it replaces is divided by (ii) the Nevada Holdco Share Exchange Ratio, and any document evidencing a Nevada Holdco Option shall thereafter evidence and be deemed to evidence such Resulting Issuer Replacement Options for Compressed Shares. Except as provided herein, all terms and conditions of a Resulting Issuer Replacement Option for Compressed Shares, including the term to expiry, conditions to and manner of exercising, will be the same as the Nevada Holdco Option for which it was exchanged, and shall be governed by the terms of the Resulting Issuer Equity Incentive Plan and the exchange shall not provide any optionee with any additional benefits as compared to those under his or her original Nevada Holdco Option. It is intended that subsection 7(1.4) of Tax Act and U.S. Treas. Reg. Secs. 1.424-1(a)(5) and 1.409A-1(b)(5)(v)(D), as applicable, apply to such exchange of Nevada Holdco Options. Accordingly, and notwithstanding the foregoing, if required, the exercise price of a Resulting Issuer Replacement Option for Compressed Shares will be increased such that the In-The-Money Amount of the Resulting Issuer Replacement Options for Compressed Shares immediately after the exchange does not exceed the In-The-Money Amount of the Nevada Holdco Option (or a fraction thereof) exchanged for such Resulting Issuer Replacement Option for Compressed Shares immediately before the exchange and so on a share-by-share basis, the ratio of the exercise price to the fair market value of the Nevada Holdco Options being exchanged shall not be less favourable to the optionee than the ratio of the exercise price to the fair market value of the Resulting Issuer Replacement Options for Compressed Shares immediately following to the exchange; and

(i) one minute after 3.2(h) above, the Nevada Holdco Options exchanged pursuant to Subsection 3.2(h) shall be cancelled without payment;

provided that none of the foregoing events or transactions shall occur or be deemed to occur unless all of the foregoing occur or is deemed to occur.

3.3 Outstanding SVT Warrants

Each holder of an SVT Warrant shall, in accordance with the terms of each warrant certificate representing such SVT Warrant, receive (and such holder shall accept) upon the valid exercise of such holder's SVT Warrant, in lieu of each SVT Share to which such holder was theretofore entitled upon such exercise and for the same aggregate consideration payable therefor, Resulting Issuer Common Shares based on the SVT Share Exchange Ratio and such SVT Warrant shall continue to be governed by and be subject to the terms of its respective warrant certificate.

3.4 Distribution of Resulting Issuer Compressed Shares

After receiving Resulting Issuer Compressed Shares in accordance with this Plan of Arrangement, Sea Hunter Holdings shall be entitled to distribute, and intends to distribute, such Resulting Issuer Compressed Shares to members of Sea Hunter Holdings in accordance with the constating documents of Sea Hunter Holdings.

3.5 Issuance of Additional Resulting Issuer Common Shares

(a) Each holder of Resulting Issuer Replacement Options for Common Shares shall be issued and shall receive, upon the exercise by such holder of such Resulting Issuer Replacement Option for Common Shares in accordance with the terms of such option, Resulting Issuer Common Shares.

(b) Each holder of Resulting Issuer Compressed Shares, including holders of Resulting Issuer Replacement Options for Compressed Shares which exercise such options, shall be issued and shall receive, upon the conversion by such holder of such Resulting Issuer Compressed Shares in accordance with the special rights and restrictions attached to the Resulting Issuer Compressed Shares, Resulting Issuer Common Shares in accordance with the special rights and restrictions attached to the Resulting Issuer Compressed Shares.

3.6 Post-Effective Time Procedures

(a) Following the receipt of the Final Order and prior to the Effective Date, Nevada Holdco shall deliver or arrange to be delivered to the Depository such number of Resulting Issuer Compressed Shares and Resulting Issuer Common Shares in certificated or book-entry form required to be issued.

(b) Subject to the provisions of Article 5 hereof, and upon return of a properly completed Nevada Holdco Letter of Transmittal, or SVT Letter of Transmittal by a registered former Nevada Holdco Shareholder, SVT Shareholder, or Finco Shareholder, as the case may be, together with certificates, subscription receipts, or in the case of SVT Shares in book-entry form or uncertificated form, an "agent's message", representing SVT Shares and such other documents as the Depository may require, the Depositary shall deliver to former Nevada Holdco Shareholders, former SVT Shareholders, and former Finco Shareholder, as applicable, Resulting Issuer Compressed Shares or Resulting Issuer Common Shares, as the case may be, in certificated or book-entry form to which they are entitled.

3.7 No Fractional Resulting Issuer Securities

In no event shall any holder of Nevada Holdco Class A Shares, SVT Shares, SVT Options, SVT Warrants, Finco Common Shares or Finco Class A Shares, be entitled to a fractional security of the Resulting Issuer. Where the aggregate number of securities of the Resulting Issuer to be issued under this Business Combination would result in a fraction of securities of the Resulting Issuer being issuable, the number of securities of the Resulting Issuer to be received shall be rounded down to the nearest whole Resulting Issuer Compressed Share, Resulting Issuer Common Share or other Resulting Issuer security, as the case may be, except to the extent that such rounding would materially and adversely affect the intended tax treatment set forth in Section 2.15.

ARTICLE 4

DISSENT RIGHTS

4.1 Rights of Dissent

(a) Pursuant to the Interim Order, registered holders of Nevada Holdco Class A Shares

may exercise rights of dissent ("**Nevada Holdco Dissent Rights**") under Section 238 of the BCBCA, as modified by this Article 4, the Interim Order and the Final Order, with respect to Nevada Holdco Class A Shares in connection with the Business Combination, provided, however, that the written notice setting forth the objection of such registered Nevada Holdco Shareholders to the Business Combination and exercise of Nevada Holdco Dissent Rights, as contemplated by Section 242 of the BCBCA with respect to the Business Combination, must be received by Nevada Holdco not later than 5:00 p.m. on the Business Day that is five (5) Business Days before the Nevada Holdco Meeting or any date to which the Nevada Holdco Meeting may be postponed or adjourned and provided further that holders who exercise such Nevada Holdco Dissent Rights and who:

(i) are ultimately entitled to be paid fair value for their Nevada Holdco Dissenting Shares by Nevada Holdco, which fair value, notwithstanding anything to the contrary contained in the BCBCA shall be determined as of the close of business on the day before the Effective Date, shall be deemed to have transferred their Nevada Holdco Dissenting Shares to Nevada Holdco in exchange for the right to be paid fair value for such Nevada Holdco Dissenting Shares, and Nevada Holdco shall thereupon be obligated to pay the amount therefore determined to be the fair value of such Nevada Holdco Dissenting Shares; and

(ii) are ultimately not entitled, for any reason, to be paid fair value for their Nevada Holdco Class A Shares, shall be deemed to have participated in the Business Combination, as of the Effective Time, on the same basis as a non-dissenting holder of Nevada Holdco Class A Shares and shall be entitled to receive only the Resulting Issuer Compressed Shares contemplated above that such holder would have received pursuant to the Business Combination if such holder had not exercised Nevada Holdco Dissent Rights;

(b) Pursuant to the Interim Order, registered holders of SVT Shares may exercise rights

of dissent ("**SVT Dissent Rights**") under this Article 4, the Interim Order and the Final Order, with respect to SVT Shares in connection with the SVT Component of the Business Combination, provided, however, that the written notice setting forth the objection of such registered SVT Shareholders to the SVT Component of the Business Combination and exercise of SVT Dissent Rights must be received by SVT not later than 5:00 p.m. on the Business Day that is five (5) Business Days before the SVT Meeting or any date to which the SVT Meeting may be postponed or adjourned and provided further that holders who exercise such SVT Dissent Rights and who:

(i) are ultimately entitled to be paid fair value for their SVT Dissenting Shares,

which fair value, notwithstanding anything to the contrary contained in the BCBCA, shall be determined as of the close of business on the day before the Effective Date, shall be deemed to have transferred their SVT Dissenting Shares to SVT in exchange for the right to be paid fair value for such SVT Dissenting Shares, and SVT shall thereupon be obligated to pay the amount therefore determined to be the fair value of such SVT Dissenting Shares (with SVT funds not directly or indirectly provided by Nevada Holdco or its affiliates), provided that SVT shall not make any payment with respect to, settle or offer to settle, or otherwise negotiate, any exercise of such SVT Dissent Rights without the prior written consent of Nevada Holdco; and

(ii) are ultimately not entitled, for any reason, to be paid fair value for their SVT Shares, shall be deemed to have participated in the SVT Component of the Business Combination, as of the Effective Time, on the same basis as a non-dissenting holder of SVT Shares and shall be entitled to receive only the Resulting Issuer Common Shares contemplated above that such holder would have received pursuant to the SVT Component of the Business Combination if such holder had not exercised SVT Dissent Rights;

(c) In no circumstances shall Nevada Holdco, SVT, or any other person be required to recognize a person purporting to exercise Nevada Holdco Dissent Rights or SVT Dissent Rights, as the case maybe, unless such person is a registered holder of those Nevada Holdco Dissenting Shares or SVT Dissenting Shares, as applicable, in respect of which such rights are sought to be exercised; and

For greater certainty, in no case shall Nevada Holdco, SVT, or any other person be required to recognize Nevada Holdco Dissenting Shareholders or SVT Dissenting Shareholders as holders of Resulting Issuer Compressed Shares or Resulting Issuer Common Shares, respectively, after the Effective Time, and the names of such Nevada Holdco Dissenting Shareholders and SVT Dissenting Shareholders shall be deleted from the central securities registers of Nevada Holdco and SVT, respectively, as of the effective time of the transfers described in Sections 3.2(a) and (c), respectively. In addition to any other restrictions under the Interim Order and Section 238 of the BCBCA, and for greater certainty, none of the following shall be entitled to exercise (A) Nevada Holdco Dissent Rights: (i) holders of Nevada Holdco Options; and (ii) Nevada Holdco Shareholders who vote, or who have instructed a proxyholder to vote, in favour

of the Nevada Holdco Business Combination Resolution; or (B) SVT Dissent Rights: (i) holders of SVT Options; (ii) holders of SVT Warrants; and

( ) SVT Shareholders who vote, or who have instructed a proxyholder to vote, in favour of the SVT Component of the Business Combination Resolution.

ARTICLE 5

DELIVERY OF SHARES

5.1 Delivery of Resulting Issuer Compressed Shares and Resulting Issuer Common Shares Subject to Section 5.4:

(a) Upon surrender to the Depository for cancellation of a certificate, evidencing the surrender of such shares, that immediately before the Effective Time were deemed to have represented one or more outstanding Nevada Holdco Class A Shares that were exchanged for Resulting Issuer Compressed Shares together with such other documents and instruments as would have been required to effect the exchange of the Nevada Holdco Class A Shares under the BCBCA and the Articles of Nevada Holdco and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered Nevada Holdco Class A Shares shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder following the Effective Time, such number of Resulting Issuer Compressed Shares in certificated form or book-entry form that such holder is entitled to receive pursuant to this Plan of Arrangement.

(b) Upon surrender to the Depository for cancellation of a certificate, or in the case of SVT Shares in uncertificated or book-entry form, an "agent's message" evidencing the surrender of such shares, that immediately before the Effective Time represented one or more outstanding SVT Shares together with such other documents and instruments as would have been required under the BCBCA and the Articles of Nevada Holdco and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered SVT Shares shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder following the Effective Time, the Resulting Issuer Common Shares, in certificated or book-entry form, that such holder is entitled to receive in accordance with this Plan of Arrangement.

(c) Upon surrender to the Depository for cancellation of a Finco Subscription Receipt, together with such other documents and instruments as would have been required under the BCBCA and the Articles of Nevada Holdco and such additional documents and instruments as the Depository may reasonably require, the Finco Shareholder shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder following the Effective Time, the Resulting Issuer Common Shares or Resulting Issuer Compressed Shares, as the case may be, in certificated or book-entry form, that such holder is entitled to receive in accordance with this Plan of Arrangement.

(d) After the effective time of the exchange described in Section 3.2(b) and until surrendered for cancellation as contemplated by Subsection 5.1(a) hereof, each Nevada Holdco Class A Share (other than Nevada Holdco Class A Shares held immediately prior to such time by Nevada Holdco Dissenting Shareholders), and any certificates deemed to represent such Nevada Holdco Class A Shares, shall be deemed at all times to represent only the right to receive in exchange therefor the Resulting Issuer Compressed Shares that the holder is entitled to receive in accordance with this Plan of Arrangement.

(e) After the effective time of the exchange described in Section 3.2(d) and until surrendered for cancellation as contemplated by Subsection 5.1(b) hereof, each SVT Share (other than SVT Shares held immediately prior to such time by SVT Dissenting Shareholders) shall be deemed at all times to represent only the right to receive in exchange therefor the Resulting Issuer Common Shares that the holder is entitled to receive in accordance with this Plan of Arrangement.

(f) After the effective time of the exchange described in Section 3.2(e) and until surrendered for cancellation as contemplated by Subsection 5.1(c) hereof, each Finco Subscription Receipt, Finco Common Share and Finco Class A Share shall be deemed at all times to represent only the right to receive in exchange therefor the Resulting Issuer Common Shares or Resulting Issuer Compressed Shares, as the case may be, that the holder is entitled to receive in accordance with this Plan of Arrangement.

5.2 Lost Certificates

If any certificate, that immediately prior to the Effective Time represented, or was deemed to represent, one or more outstanding Nevada Holdco Class A Shares, SVT Shares, or Finco Subscription Receipts shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depository shall deliver in exchange for such lost, stolen or destroyed certificate, the Consideration that such holder is entitled to receive in accordance with this Plan of Arrangement. When authorizing such delivery of the Consideration that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom such Consideration is to be delivered shall, as a condition precedent to the delivery of such Consideration give a bond satisfactory to Nevada Holdco and the Depository (acting reasonably) in such amount as Nevada Holdco and the Depository (acting reasonably) may direct, or otherwise indemnify Nevada Holdco and the Depository in a manner satisfactory to Nevada Holdco and the Depository, acting reasonably, against any claim that may be made against Nevada Holdco or the Depository with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the Articles of Nevada Holdco.

5.3 Distributions with Respect to Unsurrendered Shares

No dividend or other distribution declared or made after the Effective Time with respect to the Resulting Issuer with a record date after the Effective Time shall be delivered to any former Nevada Holdco Shareholder, former SVT Shareholder, or former Finco Subscription Receipt Holder, unless and until the holder shall have complied with the provisions of Section 5.1 or Section 5.2 hereof. Subject to applicable law, at the time of such compliance, there shall, in addition to the delivery of Consideration to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Resulting Issuer Compressed Shares or Resulting Issuer Common Shares net of any amount deducted or withheld therefrom in accordance with Section 5.4 hereof.

5.4 Withholding Rights

The Resulting Issuer and the Depository shall deduct and withhold from all distributions or payments otherwise payable to any former Nevada Holdco Shareholder, former SVT Shareholder, or former Finco Subscription Receipt Holder (an "**Affected Person**") any amounts required to be deducted and withheld with respect to such payment under the Tax Act, the Code or any provision of any applicable federal, provincial, state, local or foreign law or treaty, in each case, as amended (a " **Withholding Obligation**"). To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the Affected Person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing authority. The

Resulting Issuer and the Depository shall also have the right to:

(a) withhold and sell, on their own account or through a broker (the "**Broker**"), and on behalf of any Affected Person; or

(b) require the Affected Person to irrevocably direct the sale through a Broker and irrevocably direct the Broker to pay the proceeds of such sale to the Resulting Issuer or the Depository as appropriate (and, in the absence of such irrevocable direction, the Affected Person shall be deemed to have provided such irrevocable direction);

such number of Resulting Issuer Compressed Shares and Resulting Issuer Common Shares and issued or issuable to such Affected Person pursuant to the Business Combination as is necessary to produce sale proceeds (after deducting commissions payable to the broker and other costs and expenses) sufficient to fund any Withholding Obligations. Any such sale of Resulting Issuer Compressed Shares or Resulting Issuer Common Shares, as applicable, shall be effected on a public market in accordance with applicable securities laws, and as soon as practicable following the Effective Date. None of the Resulting Issuer, the Depository or the Broker will be liable for any loss arising out of any sale of such Resulting Issuer Compressed Shares or Resulting Issuer Common Shares including any loss relating to the manner or timing of such sales, the prices at which Resulting Issuer Compressed Shares or Resulting Issuer Common Shares are sold or otherwise. The Resulting Issuer and the Depository shall provide prior written notice of any intention to deduct or withhold under applicable Withholding Obligations from any distributions or payments otherwise payable to any Affected Person so as to give each such Affected Person the reasonable opportunity to provide the Resulting Issuer and the Depository with any information or documentation sufficient to reduce or eliminate such Withholding Obligations.

If the Resulting Issuer or the Depository deducts or withholds any amount (or any Resulting Issuer Compressed Shares or Resulting Issuer Common Shares, as the case may be) pursuant to this Section 5.4, then:

(a) the Resulting Issuer or the Depository, as applicable, shall pay the full amount required to be deducted to the appropriate taxing authority on a timely basis and in accordance with applicable law; and

(b) as soon as practicable after payment of such amount to the appropriate taxing authority, the Resulting Issuer or the Depository, as applicable, shall deliver to the Affected Person the original or certified copy of a receipt issued by such taxing authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Affected Person.

Any agreement entered into in connection with the Depository's engagement shall require the Depository to take such actions that are set forth in this section.

5.5 Limitation and Proscription

To the extent that a former Nevada Holdco Shareholder, SVT Shareholder, or Finco Subscription Receipt Holder shall not have complied with the provisions of Section 5.1 or Section 5.2 hereof on or before the date that is six (6) years after the Effective Date (the "**final proscription date**"), then the Resulting Issuer Compressed Shares or Resulting Issuer Common Shares that such former Nevada Holdco Shareholder, SVT Shareholder, or Finco Subscription Receipt Holder was entitled to receive shall be automatically cancelled without any repayment of capital or other consideration in respect thereof and the Resulting Issuer Compressed Shares or Resulting Issuer Common Shares to which such former Nevada Holdco, SVT Shareholder, or Finco Subscription Receipt Holder was entitled, shall be delivered to the Resulting Issuer by the Depository and certificates representing Resulting Issuer Compressed Shares or Resulting Issuer Common Shares shall be cancelled by the Resulting Issuer, and the interest of the former Nevada Holdco Shareholder, SVT Shareholder, or Finco Subscription Receipt Holder, in such Resulting Issuer Compressed Shares or Resulting Issuer Common Shares to which it was entitled shall be terminated as of such final proscription date for no consideration.

5.6 No Liens

Any exchange, issuance or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens of any kind.

5.7 Paramountcy

From and after the Effective Time: (i) this Plan of Arrangement shall take precedence and priority over any and all Nevada Holdco Class A Shares, Nevada Holdco Options, SVT Shares, SVT Options, Finco Subscription Receipts, Finco Common Shares and Finco Class A Shares issued prior to the Effective Time or pursuant to this Plan of Arrangement; (ii) the rights and obligations of the registered holders of Nevada Holdco Class A Shares, Nevada Holdco Options, SVT Shares, SVT Options, Finco Common Shares and Finco Class A Shares, Nevada Holdco, SVT, the Depository and any transfer agent or other Depository in relation thereto, shall be solely as provided for in this Plan of Arrangement; and (iii) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to Nevada Holdco Class A Shares, Nevada Holdco Options, SVT Shares, SVT Options, Finco Subscription Receipts, Finco Common Shares and Finco Class A Shares, shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

ARTICLE 6

AMENDMENTS

6.1 Amendments to Plan of Arrangement

(a) The Parties reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided, however, that each such amendment, modification or supplement must be: (i) set out in writing; (ii) agreed to in writing by each of the Parties; (iii) filed with the Court and, if made following the Nevada Holdco Meeting or the SVT Meeting, approved by the Court; and (iv) communicated to holders or former holders of Nevada Holdco securities, SVT securities, or Finco securities if and as required by the Court.

(b) Subject to the provisions of the Interim Order, any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Parties prior to the Nevada Holdco Meeting and the SVT Meeting; provided, however, that the Parties shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the Nevada Holdco Meeting and the SVT Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Nevada Holdco Meeting or the SVT Meeting shall be effective only if: (i) it is consented to in writing by the Parties; (ii) it is filed with the Court (other than amendments contemplated in Subsection 6.1(d), which shall not require such filing) and (iii) if required by the Court, it is consented to by Nevada Holdco Shareholders or SVT Shareholders, as applicable, voting or consenting, as the case may be, in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made by the Parties without the approval of or communication to the Court or the Nevada Holdco Shareholders, the SVT Shareholders or the Finco Subscription Receipt Holders, provided that it concerns a matter which, in the reasonable opinion of the Parties is of an administrative or ministerial nature required to better give effect to the implementation of this Plan of Arrangement and is not materially adverse to the financial or economic interests of any of the Nevada Holdco Shareholders, SVT Shareholders or the Finco Subscription Receipt Holders, as applicable.

(e) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Business Combination Agreement.

ARTICLE 7

FURTHER ASSURANCES

7.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Business Combination Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out therein.

SCHEDULE B
ESCROW HOLDERS

(a) Any person or company who acted as a promoter of the Resulting Issuer within the last two (2) years

(b) Any director or senior officer of the Resulting Issuer or any of its material operating subsidiaries

(c) Any person or company that holds securities carrying more than 20% of the voting rights attached to the Resulting Issuer's outstanding securities immediately before and immediately after the Business Combination

(d) Any person or company that: (i) holds securities carrying more than 10% of the voting rights attached to the Resulting Issuer's outstanding securities immediately before and immediately after the Business Combination; and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Resulting Issuer or any of its material operating subsidiaries

SCHEDULE C

REPRESENTATIONS AND WARRANTIES OF SVT

Except as disclosed or included in (x) the SVT Disclosure Letter (which shall make reference to the applicable section, subsection, paragraph or subparagraph below in respect of which such qualification is being made), provided that information disclosed in any section, subsection, paragraph or subparagraph of the SVT Disclosure Letter will qualify any other section, subsection, paragraph or subparagraph below to the extent that the relevance or applicability of the information disclosed is reasonably apparent, notwithstanding the absence of a reference to such other section, subsection, paragraph or subparagraph below), or (y) the documents, materials, or agreements listed in the SVT Disclosure Letter, SVT hereby represents and warrants to Baker, Briteside, Sea Hunter, and Finco as follows, and acknowledges that such Parties are relying upon such representations and warranties in connection with the entering into of the Agreement:

(a) Organization and Qualification. SVT is duly incorporated and validly existing under the CBCA and has full corporate power and authority to own its assets now owned and conduct its business as now owned and conducted and as presently proposed to be conducted. SVT is duly qualified to carry on business and is in good standing in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified would not have an SVT Material Adverse Effect. True and complete copies of the constating documents of SVT have been delivered or made available to Baker, Briteside, Sea Hunter, and Finco, such documents are in full force and effect as of the date hereof, and SVT has not taken any action to amend or supersede such documents as of the date hereof.

(b) Authority Relative to this Agreement. SVT has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by SVT and the consummation by SVT of the transactions contemplated by this Agreement have been duly authorized by the SVT Board and no other corporate proceedings on the part of SVT are necessary to authorize this Agreement other than the SVT Shareholder Approval. This Agreement has been duly executed and delivered by SVT and assuming due authorization, execution and delivery by each of Baker, Briteside, Sea Hunter, and Finco, constitutes a valid and binding obligation of SVT, enforceable by Baker, Briteside, Sea Hunter, and Finco against SVT in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

(c) No Conflict; Required Filings and Consent. The execution and delivery by SVT of this Agreement and the performance by it of its obligations hereunder and the completion of the Business Combination will not violate, conflict with or result in a breach of any provision of the organizational documents of SVT or its Subsidiaries, and, except as would not have an SVT Material Adverse Effect, will not: (a) violate, conflict with or result in a breach of: (i) any SVT Material Contract; or (ii) any Law to which SVT or its Subsidiaries are subject or by which SVT or its Subsidiaries are bound; (b) give rise to any right of termination, or the acceleration of any indebtedness, under any SVT Material Contract or licence or permit held by SVT or its Subsidiaries; or (c) give rise to any rights of first refusal or rights of first offer, trigger any change in control or any restriction or limitation under any SVT Material Contract or licence or permit held by SVT or its Subsidiaries, or result in the imposition of any Lien upon any of SVT's assets or the assets of its Subsidiaries.

Other than the Interim Order, the Final Order and the filing of documents relating to the Business Combination with the CBCA Director, no Permit is necessary on the part of SVT for the consummation by SVT of its obligations in connection with the Business Combination under this Agreement or for the completion of the Business Combination not to cause or result in any loss of any rights or assets or any interest therein held by SVT or its Subsidiaries in any material properties, except for such Permits as to which the failure to obtain or make would not (x) individually or in the aggregate, prevent or materially delay consummation of the Business Combination or (y) have an SVT Material Adverse Effect.

(d) Subsidiaries. SVT does not have Subsidiaries or any material direct or indirect interests in any Person, other than those listed in Schedule "C", Section (d) of the SVT Disclosure Letter. Each Subsidiary of SVT is duly organized and is validly existing under the Laws of its jurisdiction of incorporation or organization, has full corporate power and authority to own its assets now owned and conduct its business as now owned and conducted by it and as presently proposed to be conducted by it and is duly qualified to carry on business in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified would not have an SVT Material Adverse Effect. SVT beneficially owns, directly or indirectly, all of the issued and outstanding securities of its Subsidiaries. All of the outstanding shares in the capital of each Subsidiary are: (a) validly issued, fully-paid and non-assessable and all such shares are owned free and clear of all Liens; and (b) except as set forth in the organizational documents (including, without limitation), any operating agreements of each Subsidiary are free of any other restrictions including any restriction on the right to vote, sell or otherwise dispose of shares.

(e) Compliance with Laws.

(i) Except for non-compliance or violations that would not have an SVT Material Adverse Effect, the operations of SVT and its Subsidiaries have been and are now conducted in material compliance with all Laws of each jurisdiction, the Laws of which have been and are now applicable to the operations of SVT or its Subsidiaries and none of SVT nor its Subsidiaries has received any written notice of any alleged violation of any such Laws.

(ii) None of SVT or its Subsidiaries are in conflict with, or in default (including cross defaults) under or in violation of: (a) its articles or by-laws or equivalent organizational documents, in any case in any material respect; or (b) any SVT Material Contract, except for any conflicts, defaults or violations that would not have an SVT Material Adverse Effect.

(iii) No Governmental Order preventing, ceasing or suspending trading in any securities of SVT is issued and outstanding and no proceeding for either of such purposes have been instituted or, to the knowledge of SVT, are pending, contemplated or threatened.

(iv) SVT is in compliance in all material respects with all its disclosure obligations under the Securities Laws (including, without limitation, all of its disclosure obligations pursuant to NI 51-102 - *Continuous Disclosure Obligations* and pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators). Each of the SVT Public Documents is, as of the date thereof, in compliance in all material respects with the Securities Laws and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and such documents collectively constitute full, true and plain disclosure of all material facts relating to SVT and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, as of the date thereof. There is no fact known to SVT which SVT has not publicly disclosed which results in an SVT Material Adverse Effect, or so far as SVT can reasonably foresee, will have an SVT Material Adverse Effect or materially adversely affect the ability of SVT to perform its obligations under this Agreement.

(v) No order preventing, ceasing or suspending trading in any securities of SVT is issued and outstanding and no proceedings for either of such purposes have been instituted or, to the best of the knowledge of SVT, are pending, contemplated or threatened.

(vi) None of SVT nor its Subsidiaries conducts any material cannabis-related activities nor engages in any material business in any jurisdiction where such activities are not expressly authorized by applicable Laws; in those jurisdictions where such cannabis-related activities are expressly authorized by applicable Laws, SVT and its Subsidiaries comply in all material respects, and SVT reasonably believes that any third party with which it engages in business or transactions complies in all material respects, with such Laws and have all material Permits necessary for the conduct of such cannabis-related activities.

(f) Licenses and Permits.

(i) Schedule "C", Section (f)(i) of the SVT Disclosure Letter lists all material Permits issued to each of SVT and its Subsidiaries which are required for the conduct of the operations of SVT and its Subsidiaries as currently conducted or as presently proposed to be conducted or the ownership and use of the assets of SVT and its Subsidiaries now owned and used, including the names of the Permits and their respective dates of issuance and expiration. All material Permits required for each of SVT and its Subsidiaries to conduct the operations of SVT and its Subsidiaries as currently conducted or for the ownership and use of the assets of SVT and its Subsidiaries now owned have been obtained by SVT or its Subsidiaries, as applicable, and are valid and in full force and effect. Except as disclosed in Schedule "C", Section (f)(i) of the SVT Disclosure Letter, SVT and its Subsidiaries are in material compliance with all material Permits, as they are required to hold for the conduct of the operations of SVT and its Subsidiaries as currently conducted. There is no material action, investigation or proceeding pending or, to the knowledge of SVT, threatened, regarding any of the Permits.

(ii) To the knowledge of SVT, no event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit set forth in Schedule "C", Section (f)(i) of the SVT Disclosure Letter.

(iii) None of SVT or its Subsidiaries has received any written notice of revocation or non-renewal of any Permits, or of any intention of any Person to revoke or refuse to renew any of such Permits, except in each case, for revocations or non-renewals which would not have an SVT Material Adverse Effect.

(g) Capitalization and Listing.

(i) The authorized share capital of SVT consists of an unlimited number of SVT Shares. As at the date of this Agreement there are: (A) 254,358,411 SVT Shares validly issued and outstanding as fully-paid and non-assessable shares of SVT; (B) outstanding SVT Options providing for the issuance of 5,000,000 SVT Shares upon the exercise thereof; and (C) outstanding SVT Warrants providing for the issuance of 17,993,268 SVT Shares upon the exercise thereof. The terms of the SVT Options and SVT Warrants (including exercise price) are disclosed in Schedule "C", Section (g)(i) to the SVT Disclosure Letter. Except as disclosed in Schedule "C", Section (g)(i) of the SVT Disclosure Letter (x) there are no options, warrants, conversion privileges, calls or other rights, shareholder rights plans, agreements, arrangements, commitments, or obligations of SVT or its Subsidiaries to issue or sell any shares of SVT or its Subsidiaries or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire any shares of SVT or its Subsidiaries, and (y) no Person is entitled to any pre-emptive or other similar right granted by SVT or its Subsidiaries. The SVT Shares are listed on the CSE, and are not listed or quoted on any market other than the CSE.

(ii) Schedule "C", Section (g)(ii) of the SVT Disclosure Letter sets forth, as of the date hereof, the holders of all outstanding SVT Options and the number, class or series of shares, exercise prices, vesting schedules (including acceleration terms, if any) and expiration dates of each grant to such holders. All SVT Shares that may be issued pursuant to the exercise of outstanding SVT Options will, when issued in accordance with the terms of such SVT Options, be duly authorized, validly issued, fully-paid and non-assessable and are not and will not be subject to or issued in violation of any pre-emptive rights.

(iii) Schedule "C", Section (g)(iii) of the SVT Disclosure Letter sets forth, as of the date hereof, the holders of all outstanding SVT Warrants and the number, exercise prices and expiration dates of each grant to such holders. All SVT Shares that may be issued pursuant to the exercise of outstanding SVT Warrants will, when issued in accordance with its SVT Warrants, be duly authorized, validly issued, fully-paid and non-assessable and are not and will not be subject to or issued in violation of any pre-emptive rights.

(iv) There are no outstanding obligations of SVT or its Subsidiaries, contractual or otherwise, to repurchase, redeem or otherwise acquire any SVT Shares or any shares of its Subsidiaries. No Subsidiary of SVT owns any SVT Shares.

(v) No Governmental Order ceasing or suspending trading in securities of SVT nor prohibiting the sale of such securities has been issued and is outstanding against SVT or its directors, officers or promoters.

(h) Shareholder and Similar Agreements. SVT is not party to any shareholder, pooling, voting trust or other similar agreement relating to the issued and outstanding shares in the capital of SVT or its Subsidiaries.

(i) U.S. Securities Law Matters.

(i) SVT is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act.

(ii) There is no class of securities of SVT which is registered pursuant to Section 12 of the U.S. Exchange Act, nor is SVT subject to any reporting obligation (whether active or suspended) pursuant to section 15(d) of the U.S. Exchange Act. SVT is not, and has never been, subject to any requirement to register any class of its equity securities pursuant to Section 12(g) of the U.S. Exchange Act.

(iii) SVT is not an investment company registered or required to be registered under the U.S. Investment Company Act of 1940, as amended.

(iv) Where necessary, each of the SVT Shares have been issued under a valid exemption under the U.S. Securities Act and in accordance with any applicable state securities Laws.

(j) Financial Statements.

(i) The: (i) audited consolidated financial statements for Santé Veritas Therapeutics Inc. as at and for each of the fiscal years ended on January 31, 2018 and January 31, 2017 including the notes thereto and the reports by Santé Veritas Therapeutics Inc.'s auditors thereon; (ii) audited consolidated financial statements for Marchwell Ventures Ltd. as at and for each of the fiscal years ended on November 30, 2017 and November 30, 2016 including the notes thereto and the reports by Marchwell Ventures Ltd.'s auditors thereon; and (iii) unaudited condensed consolidated financial statements for Marchwell Ventures Ltd. as at and for the three (3) month period ended February 28, 2018; (collectively, the "**SVT Financial Statements**") have been prepared in accordance with IFRS, and all financial statements of SVT which are publicly disseminated by SVT in respect of any subsequent periods prior to the Effective Date will be prepared in accordance with IFRS applied on a basis consistent with prior periods and all applicable Laws and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), consolidated financial position and results of operations of SVT and its Subsidiaries as of the respective dates thereof and its results of operations and cash flows for the respective periods covered thereby (except as may be indicated expressly in the notes thereto). There are no outstanding loans made by SVT or its Subsidiaries to any executive officer or director of SVT.

(ii) Each of SVT and its Subsidiaries maintains internal control over financial reporting. Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS and includes policies and procedures that: (A) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of SVT are being made only with appropriate authorizations of management and directors of SVT, as applicable; and (B) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the assets of SVT that could have a material effect on its financial statements. To the knowledge of SVT, as of the date of this Agreement, neither is, nor has been, any fraud with respect to SVT, whether or not material, relating to the financial reporting or internal control over financial reporting of SVT.

(iii) Neither SVT nor its Subsidiaries has received any material written complaint, allegation, assertion, or claim that SVT or its Subsidiaries has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the SVT Board (or, if applicable, the audit committee thereof), or has not been disclosed to Baker, Briteside, Sea Hunter, and Finco.

(k) Undisclosed Liabilities. Except as disclosed in Schedule "C", Section (k) of the SVT Disclosure Letter, neither SVT nor its Subsidiaries have any material liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, except for: (a) liabilities and obligations that are adequately presented or reserved on the balance sheets forming part of the SVT Financial Statements (the "**SVT Balance Sheets**") or disclosed in the notes thereto; or (b) liabilities and obligations incurred in the ordinary course of business consistent with past practice that are not and would not, individually or in the aggregate with all other liabilities and obligations of SVT and its Subsidiaries (other than those disclosed on the SVT Balance Sheets and/or in the notes to the SVT financial statements), have an SVT Material Adverse Effect, or, as a consequence of the consummation of the SVT Component of the Business Combination, have an SVT Material Adverse Effect. Without limiting the foregoing, the SVT Balance Sheets reflects reasonable reserves in accordance with IFRS for contingent liabilities of SVT and its Subsidiaries.

(l) Interest in SVT Property. SVT or one of its Subsidiaries has good and marketable title to, or in the case of leased property, has valid leasehold interests in, all of the SVT property material to their business as presently conducted, whether tangible or intangible, free and clear of all Liens, other than Permitted Liens**.** SVT is not aware of any facts or circumstances which might limit, affect or prejudice its ownership rights over the SVT property.

(m) Operational Matters. Except as would not, individually or in the aggregate, result in an SVT Material Adverse Effect all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any assets of SVT and its Subsidiaries have been: (A) duly paid; (B) duly performed; or (C) provided for prior to the date hereof.

(n) Employment Matters.

(i) Neither SVT nor its Subsidiaries has entered into any binding Contract providing for severance, termination or other change in control-related payments to any director, officer or employee in connection with the termination of their position or their employment as a direct result of a change in control of SVT.

(ii) Neither SVT nor its Subsidiaries (i) is a party to any collective bargaining agreement, or (ii) is subject to any application for certification or, to the knowledge of SVT, actual or threatened union-organizing campaigns for employees not covered under a collective bargaining agreement.

(iii) Neither SVT nor its Subsidiaries is subject to any claim for wrongful dismissal, constructive dismissal or any other tort claim, actual or, to the knowledge of SVT, threatened, or any litigation actual, or to the actual knowledge of SVT, threatened, relating to employment or termination of employment of employees or independent contractors, except for such claims or litigation which individually or in the aggregate would not have an SVT Material Adverse Effect.

(iv) To the knowledge of SVT, no labour strike, lock-out, slowdown or work stoppage is pending or threatened against or directly affecting SVT, except as would not have an SVT Material Adverse Effect.

(v) Neither SVT nor its Subsidiaries has implemented any plant closing, layoff of employees, or taken any other action that would result in a violation of, or require any action with respect to, the mass termination provisions of applicable employment standards legislation or any similar applicable Law, and no such action shall be implemented prior to the Closing Date.

(o) Absence of Certain Changes or Events. Since February 28, 2018:

(i) SVT and its Subsidiaries have conducted their respective businesses in the ordinary course of business and consistent with past practice in all material respects;

(ii) there has not been any event, circumstance or occurrence which has given rise to an SVT Material Adverse Effect;

(iii) there has not been any material change in the accounting practices used by SVT and its Subsidiaries, except as disclosed in the SVT Public Documents;

(iv) except as disclosed in the SVT Public Documents and except for ordinary course adjustments to salary, bonus, severance or other remuneration payable to any non-executive employees, there has not been any increase in the salary, bonus, or other remuneration payable to any employees of any of SVT or its Subsidiaries;

(v) there has not been any redemption, repurchase or other acquisition of SVT Shares by SVT, or any declaration, setting aside or payment of any dividend or other distribution (whether in cash, shares or property) with respect to the SVT Shares;

(vi) there has not been any entering into, or an amendment of, any SVT Material Contract other than (A) in the ordinary course of business consistent with past practice, or (B) renewals of any such SVT Material Contract; and

(vii) there has not been any satisfaction or settlement of any material claims or material liabilities that were not reflected in SVT's financial statements, other than the settlement of such claims or such liabilities incurred in the ordinary course of business consistent with past practice.

(p) Litigation. There is no claim, action or proceeding pending or, to the knowledge of SVT, claim, action, proceeding or investigation threatened against or relating to SVT or its Subsidiaries, the business of SVT or its Subsidiaries or affecting any of their properties or assets, or against any current officer or senior executive relating to such individual's current or prior role with or services to SVT and its Subsidiaries, before or by any Governmental Entity which, if adversely determined, would have an SVT Material Adverse Effect or prevent or materially delay the consummation of the Business Combination (provided that the representation in this Section (n) shall not apply to claims, actions, proceedings, or investigations which may arise after the date of this Agreement which do not have a reasonable prospect of succeeding or, if successful, would not give rise to an SVT Material Adverse Effect). Neither SVT nor its Subsidiaries is subject to any judgments that are unsatisfied, any Governmental Order which in each such case has had an SVT Material Adverse Effect or which would prevent or materially delay consummation of the transactions contemplated by this Agreement.

(q) Taxes.

(i) Each of SVT and its Subsidiaries have duly and in a timely manner made or prepared all material Tax Returns required to be made or prepared by it in accordance with applicable Law, and duly and in a timely manner filed all material Tax Returns required to be filed by it with the appropriate Governmental Entity, such Tax Returns were complete and correct in all material respects and SVT and its Subsidiaries have paid all material Taxes, including instalments on account of Taxes for the current year required by applicable Law, which are due and payable by it whether or not assessed by the appropriate Governmental Entity, other than Taxes which are being contested in good faith through appropriate proceedings.

(ii) SVT has made adequate provisions or reserves in accordance with IFRS in the most recently published financial statements of SVT for any Taxes of SVT and its Subsidiaries for the period covered by such financial statements that have not been paid whether or not shown as being due on any material Tax Returns. Since such publication date, no material liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business.

(iii) Each of SVT and its Subsidiaries have duly and timely withheld all material Taxes and other amounts required by applicable Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the benefit of any Person) and has duly and timely remitted to the appropriate Governmental Entity such Taxes or other amounts required by applicable Law to be remitted by it.

(iv) Each of SVT and its Subsidiaries have duly and timely collected all material amounts on account of any sales, use or transfer Taxes, including goods and services, harmonized sales, provincial and territorial taxes and state and local taxes, required by applicable Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity such amounts required by applicable Law to be remitted by it and has duly and timely paid any and all material sales, use or transfer Taxes required to be paid or self-assessed by it pursuant to applicable Laws and has claimed eligible exemptions, refunds and input Tax credits in respect thereof in all material respects in accordance with applicable Laws.

(v) Each of SVT and its Subsidiaries have remitted all Canada Pension Plan contributions, provincial pension plan contributions, employment insurance premiums, employer health taxes, payroll taxes and other Taxes payable by it in respect of its employees, agents and consultants, as applicable, and has remitted such material amounts to the appropriate Governmental Entity within the time required under applicable Laws.

(vi) None of SVT nor any of its Subsidiaries has made, prepared and/or filed any elections, designations or similar filings relating to Taxes or entered into any agreement or other arrangement in respect of Taxes or Tax Returns that has effect for any period ending after the Effective Date.

(vii) There are no proceedings, investigations, audits, proposed adjustments or claims now pending or, to the knowledge of SVT, asserted or threatened against SVT or its Subsidiaries in respect of any Taxes and there are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes.

(viii) None of SVT nor its Subsidiaries has acquired property from a non-arm's length Person, within the meaning of the Tax Act: (i) for consideration the value of which is less than the fair market value of the property; or (ii) as a contribution of capital for which no shares were issued by the acquirer of the property.

(ix) For all transactions between SVT or its Subsidiaries and any Person who is not resident in Canada for purposes of the Tax Act with whom SVT or its Subsidiary was not dealing at arm's length for purposes of the Tax Act, SVT or its Subsidiary, as the case may be, has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act (or comparable provisions of any other applicable legislation).

(x) SVT has made available to Baker, Briteside, Sea Hunter, and Finco copies of all Tax Returns for the taxation years ended January 31, 2018 and January 31, 2017, and all assessments or reassessments, correspondence related to any assessment or reassessment, requests for Tax rulings, Tax rulings issued by any Governmental Entity, and correspondence related to any audit or proposed audit of SVT or its Subsidiaries, to the extent relating to periods or events in respect of which any Governmental Entity may in accordance with applicable Law assess or otherwise impose any Taxes on SVT or its Subsidiaries.

(xi) For the purposes of the Tax Act and any other relevant Tax purposes:

(A) SVT is resident in Canada and is a taxable Canadian corporation; and

(B) its Subsidiaries are resident in the jurisdiction in which they were formed, and is not resident in any other country.

(xii) No circumstances exist or may reasonably be expected to arise as a result of matters existing before the Effective Date that may result in SVT or its Subsidiaries being subject to the application of Section 159 or Section 160 of the Tax Act (or comparable provisions of any other applicable legislation).

(xiii) None of Sections 78 or 80 to 80.04 of the Tax Act (or comparable provisions of any other applicable legislation) have applied to SVT or its Subsidiary, and there are no circumstances existing which could reasonably be expected to result in the application of Sections 78 or 80 to 80.04 of the Tax Act (or comparable provisions of any other applicable legislation) to SVT or its Subsidiaries.

(xiv) There are no circumstances which exist and would result in, or which have existed and resulted in, Section 17 of the Tax Act applying to SVT or its Subsidiaries.

(xv) None of SVT nor its Subsidiaries is obligated to make any payments or is a party to any agreement under which it could be obligated to make any payment that will not be deductible in computing its income under the Tax Act by virtue of Section 67 of the Tax Act.

(xvi) There are no Liens for Taxes upon any properties or assets of SVT or its Subsidiaries (other than Liens relating to Taxes not yet due and payable or for Taxes which are being contested in good faith through appropriate proceedings and for which adequate provisions or reserves have been recorded on the most recent balance sheet included in SVT's audited financial statements).

(r) Books and Records. The corporate records and minute books of SVT and its Subsidiaries have been maintained in accordance with all applicable Laws, and the minute books of SVT and its Subsidiaries as provided to Baker, Briteside, Sea Hunter, and Finco are complete and accurate in all material respects. The corporate minute books for SVT and its Subsidiaries contain minutes of all meetings and resolutions of the directors and securityholders held.

(s) Insurance.

(i) Schedule "C", Section (s)(i) of the SVT Disclosure Letter sets out a true and complete list as of the date of this Agreement of SVT's and its Subsidiaries' material policies of insurance.

(ii) SVT has in place reasonable and prudent insurance policies appropriate for its size, nature and stage of development. All premiums payable prior to the date hereof under such policies of insurance have been paid and neither SVT nor its Subsidiaries has failed to make any material claim thereunder on a timely basis.

(iii) Each of such material policies is in full force and effect on the date hereof and SVT will use commercially reasonable efforts to keep them in full force and effect or renew them as appropriate through the Effective Date. No written notice of cancellation or termination has been received by SVT or its Subsidiaries with respect to any such policy. No material claim under any insurance policy of SVT or its Subsidiaries has been denied during the prior two (2) years.

(t) Non-Arm's Length Transactions. Except for (i) employment, consulting or employment compensation agreements entered into in the ordinary course of business, (ii) customary director and officer indemnification arrangements on market terms, (iii) financing agreements or shareholder agreements with SVT's shareholders entered into in connection with financings or other transactions to which SVT's shareholders are generally parties and that will terminate at or prior to the Effective Time as a result of the transactions contemplated hereby, or (iv) as set out in Schedule "C", Section (t) of the SVT Disclosure Letter, there are no current Contracts, or other transactions (including relating to indebtedness by SVT or its Subsidiaries) between SVT or its Subsidiaries on the one hand, and (a) any officer or director of SVT or its Subsidiaries, (b) any holder of record or, to the knowledge of SVT, beneficial owner of five percent or more of the voting securities of SVT, or (c) any affiliate or Associate of any officer, director or beneficial owner, on the other hand.

(u) Benefit Plans.

(i) Schedule "C", Section (u)(i) of the SVT Disclosure Letter contains a true and complete list of each pension, benefit, retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock-based, change in control, retention, severance, vacation, paid time off, welfare, fringe-benefit and other similar agreement, plan, policy, program or arrangement (and any amendments thereto), in each case whether or not reduced to writing and whether funded or unfunded, which is or has been maintained, sponsored, contributed to, or required to be contributed to by SVT or its Subsidiaries for the benefit of any current or former employee, officer, director, retiree, independent contractor or consultant or any spouse or dependent of such individual, or under which SVT or its Subsidiaries has or may have any Liability, contingent or otherwise (as listed on Schedule "C", Section (u)(i) of the SVT Disclosure Letter, each, a "**SVT Benefit Plan**");

(ii) Each SVT Benefit Plan and related trust (other than any multiemployer plan as defined in applicable Law (a "**SVT Multiemployer Plan"**)) has been established, administered, funded and maintained in accordance with its terms and in compliance with all applicable Laws;

(iii) Other than as required under applicable Law, no SVT Benefit Plan or other arrangement provides post-termination or retiree benefits to any individual for any reason;

(iv) To the knowledge of SVT there is no pending or threatened action relating to an SVT Benefit Plan (other than routine claims for benefits), and no SVT Benefit Plan has within the three years prior to the date hereof been the subject of an examination or audit by a Governmental Entity or the subject of an application or filing under, or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Entity;

(v) Each SVT Benefit Plan has been administered, invested and funded in compliance with its terms and in accordance with all applicable Law;

(vi) Neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events): (i) entitle any current or former director, officer, employee, independent contractor or consultant of the business of SVT and its Subsidiaries to severance pay or any other payment; (ii) accelerate the time of payment, funding or vesting, or increase the amount of compensation due to any such individual; or (iii) increase the amount payable under or result in any other material obligation pursuant to any SVT Benefit Plan;

(vii) No SVT Benefit Plan is: (i) a registered retirement savings plan (as defined in the Income Tax Act (Canada); or (ii) a retirement compensation arrangement (as defined in the Income Tax Act (Canada).

(v) Environmental. Except for any matters that would not have an SVT Material Adverse Effect:

(i) all facilities and operations of SVT and its Subsidiaries have been conducted, and are now, in compliance with all applicable Environmental Laws;

(ii) no environmental, reclamation or closure obligation, demand, notice, work order or other liabilities presently exist with respect to any portion of any currently or formerly owned, leased, used or otherwise controlled property, interests and rights or relating to the operations and business of SVT and its Subsidiaries and, to the knowledge of SVT, there is no reasonable basis for any such obligations, demands, notices, work orders or liabilities to arise in the future as a result of any activity in respect of such property, interests, rights, operations and business occurring as of or prior to the date hereof;

(iii) none of SVT nor its Subsidiaries is subject to any proceeding, application, order or directive which relates to environmental, health or safety matters, and which may require any material work, repairs, construction or expenditures;

(iv) to the knowledge of SVT, there is no renewal, modification, revocation, reassurance, alteration, transfer or amendment of any environmental Permits, or any review by or approval of, any Governmental Entity, of any environmental Permit, that are required in connection with the execution or delivery of this Agreement, the consummation of the transactions contemplated herein or the continuation of the business of SVT or its Subsidiary following the Effective date;

(v) SVT and its Subsidiaries have made available to Baker, Briteside, Sea Hunter, and Finco all material audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information in its possession or under its control with respect to environmental matters; and

(vi) to the knowledge of SVT, SVT and its Subsidiaries are not subject to any past or present fact, condition or circumstance that could reasonably be expected to result in liability under any Environmental Laws.

(w) Restrictions on Business Activities. There is no Contract or Governmental Order binding upon SVT or its Subsidiaries the terms of which prohibit or restrict any business practice of SVT or its Subsidiaries, any acquisition of property by SVT or its Subsidiaries or the conduct of business by SVT or its Subsidiaries as currently conducted other than such Contracts or Governmental Orders which would not have an SVT Material Adverse Effect.

(x) Material Contracts. Except in each case where there would not be an SVT Material Adverse Effect, (i) SVT and its Subsidiaries have performed in all material respects all respective obligations required to be performed by them to date under any material Contracts currently in effect as of the date hereof (collectively, and together with the Intellectual Property Agreements of SVT and its Subsidiaries, the "**SVT Material Contracts**"), (ii) none of SVT nor its Subsidiaries has received written notice of any breach or default under any such SVT Material Contract by any other party thereto, (iii) prior to the date hereof, SVT has made available to Baker, Briteside, Sea Hunter, and Finco true and complete copies of all of SVT Material Contracts, and (iv) all SVT Material Contracts are legal, valid and binding against SVT or its applicable Subsidiaries, are in full force and effect and are enforceable by SVT (or its Subsidiaries, as the case may be) in accordance with their respective terms (subject to bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and to general principles of equity) and are the products of fair and arms' length negotiations between the parties thereto.

(y) Intellectual Property.

(i) Schedule "C", Section (y)(i) of the SVT Disclosure Letter lists all Owned Intellectual Property Registrations of Owned Intellectual Property Assets owned or purported to be owned by SVT. All required filings and fees related to such Owned Intellectual Property Registrations have been timely filed with and paid to the relevant Governmental Entities and authorized registrars, and all such Owned Intellectual Property Registrations are otherwise in good standing. SVT has provided the other Parties with true and complete copies of file histories, documents, certificates, office actions, correspondence and other materials related to all such Owned Intellectual Property Registrations.

(ii) To the knowledge of SVT, except as set forth in Schedule "C", Section (y)(ii) of the SVT Disclosure Letter, SVT or one of its Subsidiaries is the sole and exclusive legal and beneficial, owner of its Owned Intellectual Property Registrations, and has the valid right to use all other Intellectual Property used in or necessary for the conduct of its business as currently conducted, in each case, free and clear of Liens (other than Permitted Liens), except, in each case, as would not have an SVT Material Adverse Effect.

(iii) The Intellectual Property Assets of SVT and its Subsidiaries are all of the Intellectual Property necessary to operate the business of SVT and its Subsidiaries as presently conducted or as planned to be conducted. Except as set forth in Schedule "C", Section (y)(iii) of the SVT Disclosure Letter, the consummation of the transactions contemplated under this Agreement will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other Person in respect of, the SVT and its Subsidiaries right to own, use or hold for use any Intellectual Property as owned, used or held for use in the conduct of the business of SVT and its Subsidiaries as currently conducted or as planned to be conducted.

(iv) To the knowledge of SVT, and except as would not have an SVT Material Adverse Effect, SVT's and its Subsidiaries' rights in its Intellectual Property Assets of SVT are valid, subsisting and enforceable. SVT and its Subsidiaries have taken commercially reasonable steps to maintain the Intellectual Property Assets of SVT and to protect and preserve the confidentiality of all trade secrets included in the Intellectual Property Assets.

(v) To the knowledge of SVT, and except as would not have an SVT Material Adverse Effect, (i) the conduct of SVT's and its Subsidiaries' business as currently conducted, and the Intellectual Property Assets as currently owned, licensed or used by SVT or its Subsidiaries, have not and do not infringe, misappropriate or otherwise violate the Intellectual Property or other rights of any Person and (ii) no Person has infringed, misappropriated, diluted or otherwise violated, or is currently infringing, misappropriating, diluting or otherwise violating, any Owned Intellectual Property Assets of SVT.

(vi) Neither SVT nor its Subsidiaries is subject to any outstanding or prospective Governmental Order (including any motion or petition therefor) that does or would restrict or impair the use of any of SVT's or its Subsidiaries' Intellectual Property Assets in any material respect.

(z) Bank Accounts. Schedule "C", Section (z) of the SVT Disclosure Letter sets forth a complete list of all of the accounts maintained by SVT and its Subsidiaries as of the date hereof with banks, credit unions, trust companies and other similar financial institutions and each individual with signatory authority with respect to such accounts.

(aa) Relationships with Customers, Suppliers, Distributors and Sales Representatives. SVT has not received any written communication that any material customer, supplier, distributor or sales representative intends to, or constitutes a threat that any such Person may, cancel, terminate or otherwise modify or not renew its relationship with SVT, which in any of such cases would have an SVT Material Adverse Effect.

(bb) Brokers. None of SVT, its Subsidiary, or any of their respective officers, directors or employees on behalf of SVT or its Subsidiaries has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the transactions contemplated by this Agreement.

(cc) Reporting Issuer Status. As of the date hereof, SVT is a reporting issuer not in default (or the equivalent) under the Securities Laws of British Columbia, Alberta and Ontario.

(dd) Stock Exchange Compliance. SVT is in compliance in all material respects with the applicable listing and rules and regulations of the CSE.

(ee) No Expropriation. No property or asset of SVT or its Subsidiaries has been taken or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced nor, to the knowledge of SVT, is there any intent or proposal to give any such notice or to commence any such proceeding.

(ff) Anti-Money Laundering. The operations of SVT and its Subsidiaries are and have been conducted, at all times, in material compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering Laws of the jurisdictions in which SVT conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "**SVT Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any Governmental Entity against SVT with respect to the SVT Anti-Money Laundering Laws is pending. None of SVT nor its Subsidiaries has, directly or indirectly: (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction in violation of applicable Laws; or (B) made any contribution to any candidate for public office, in either case where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (United States) or the rules and regulations promulgated thereunder or under any other Laws of any relevant jurisdiction covering a similar subject matter applicable to SVT, its Subsidiaries and their operations. Neither SVT, its Subsidiaries, or, to the knowledge of SVT, any director, officer, agent, employee, affiliate or Person acting on behalf of SVT has been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department.

(gg) Corrupt Practices Legislation. None of SVT, its Subsidiaries or affiliates, nor any of their respective officers, directors or employees acting on behalf of SVT or its Subsidiaries or affiliates has violated the United States' *Foreign Corrupt Practices Act* (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any applicable Law, and to the knowledge of SVT, no such action has been taken by any of its agents, representatives or other Persons acting on behalf of SVT or its Subsidiaries or any of its affiliates.

(hh) No Insolvency. SVT and its Subsidiaries are not insolvent and are able to meet all of their respective financial liabilities as they become due and no winding-up, liquidation, dissolution or bankruptcy proceedings have been commenced or are being commenced or contemplated by SVT or its Subsidiaries, and none of SVT nor its Subsidiaries have knowledge of any such proceedings or transactions having been commenced or being contemplated in respect of SVT or its subsidiaries by any other party.

The representations and warranties of SVT contained in this Schedule "C" shall not survive the completion of the Business Combination and shall expire and be terminated on the earlier of the Effective Time and the date on which the Agreement is terminated in accordance with its terms.

SCHEDULE D

REPRESENTATIONS AND WARRANTIES OF BAKER

Except as disclosed or included in (x) the Baker Disclosure Letter (which shall make reference to the applicable section, subsection, paragraph or subparagraph below in respect of which such qualification is being made), provided that information disclosed in any section, subsection, paragraph or subparagraph of the Baker Disclosure Letter will qualify any other section, subsection, paragraph or subparagraph below to the extent that the relevance or applicability of the information disclosed is reasonably apparent, notwithstanding the absence of a reference to such other section, subsection, paragraph or subparagraph below), or (y) the documents, materials, or agreements listed in the Baker Disclosure Letter, Baker hereby represents and warrants to SVT, Briteside, Sea Hunter, and Finco as follows, and acknowledges that such Parties are relying upon such representations and warranties in connection with the entering into of the Agreement:

(a) Organization and Qualification. Baker is duly incorporated and validly existing under the laws of the state of Delaware and has full corporate power and authority to own its assets now owned and conduct its business as now owned and conducted and as presently proposed to be conducted. Baker is duly qualified to carry on business and is in good standing in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified would not have a Baker Material Adverse Effect. True and complete copies of the constating documents of Baker have been delivered or made available to SVT, Briteside, Sea Hunter, and Finco, such documents are in full force and effect as of the date hereof, and Baker has not taken any action to amend or supersede such documents as of the date hereof.

(b) Authority Relative to this Agreement. Baker has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Baker and the consummation by Baker of the transactions contemplated by this Agreement have been duly authorized by the Baker Board and no other corporate proceedings on the part of Baker are necessary to authorize this Agreement other than: (i) the approval and adoption of this Agreement by the holders of Baker Capital Stock in accordance with the provisions of the NRS and the DGCL, including the approval of (x) the holders of a majority of the shares of Series Seed Preferred Stock and Series A Preferred Stock of Baker, voting together as a single class and on an as-converted basis, and (y) the holders of a majority of the Baker Capital Stock, voting together as a single class and on an as-converted basis; (ii) the Nevada Holdco Shareholder Approval; and (iii) and approval of the Nevada Holdco Continuance Resolution and the Nevada Holdco Arrangement Resolution. This Agreement has been duly executed and delivered by Baker and, assuming due authorization, execution and delivery by each of SVT, Briteside, Sea Hunter, and Finco, constitutes a valid and binding obligation of Baker, enforceable by SVT, Briteside, Sea Hunter, and Finco against Baker in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

(c) No Conflict; Required Filings and Consent. The execution and delivery by Baker of this Agreement and the performance by it of its obligations hereunder and the completion of the Business Combination will not violate, conflict with or result in a breach of any provision of the organizational documents of Baker or its Subsidiaries, and, except as would not have a Baker Material Adverse Effect, will not: (a) violate, conflict with or result in a breach of: (i) any Baker Material Contract; or (ii) any Law to which Baker or its Subsidiaries are subject or by which Baker or its Subsidiaries are bound; (b) give rise to any right of termination, or the acceleration of any indebtedness, under any Baker Material Contract or licence or permit held by Baker or its Subsidiaries; or (c) give rise to any rights of first refusal or rights of first offer, trigger any change in control or any restriction or limitation under any Baker Material Contract or licence or permit held by Baker or its Subsidiaries, or result in the imposition of any Lien upon any of Baker's assets or the assets of its Subsidiaries. Other than the Interim Order, the Final Order and the filing of documents relating to the Business Combination with the CBCA Director, no Permit is necessary on the part of Baker for the consummation by Baker of its obligations in connection with the Business Combination under this Agreement or for the completion of the Business Combination not to cause or result in any loss of any rights or assets or any interest therein held by Baker or its Subsidiaries in any material properties, except for such Permits as to which the failure to obtain or make would not (x) individually or in the aggregate, prevent or materially delay consummation of the Business Combination or (y) have a Baker Material Adverse Effect.

(d) Subsidiaries. Baker does not have Subsidiaries or any material direct or indirect interests in any Person, other than those listed in Schedule "D", Section (d) of the Baker Disclosure Letter. Each Subsidiary of Baker is duly organized and is validly existing under the Laws of its jurisdiction of incorporation or organization, has full corporate power and authority to own its assets now owned and conduct its business as now owned and conducted by it and as presently proposed to be conducted by it and is duly qualified to carry on business in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified would not have a Baker Material Adverse Effect. Baker beneficially owns, directly or indirectly, all of the issued and outstanding securities of its Subsidiaries. All of the outstanding shares in the capital of each Subsidiary are: (a) validly issued, fully-paid and non-assessable and all such shares are owned free and clear of all Liens; and (b) except set forth in the organizational documents (including, without limitation), any operating agreements of each Subsidiary are free of any other restrictions including any restriction on the right to vote, sell or otherwise dispose of shares.

(e) Compliance with Laws.

(i) Except (x) as disclosed in Schedule "D", Section (e)(i) of the Baker Disclosure Letter or (y) for non-compliance or violations that would not have a Baker Material Adverse Effect, the operations of Baker and its Subsidiaries have been and are now conducted in material compliance with all Laws of each jurisdiction, the Laws of which have been and are now applicable to the operations of Baker or its Subsidiaries and none of Baker nor its Subsidiaries has received any written notice of any alleged violation of any such Laws.

(ii) Except as disclosed in Schedule "D", Section (e)(ii) of the Baker Disclosure Letter, none of Baker or its Subsidiaries are in conflict with, or in default (including cross defaults) under or in violation of: (a) its articles or by-laws or equivalent organizational documents in any case in any material respect; or (b) any Baker Material Contract, except for any conflicts, defaults or violations that would not have a Baker Material Adverse Effect.

(iii) No Governmental Order preventing, ceasing or suspending trading in any securities of Baker is issued and outstanding and no proceeding for either of such purposes have been instituted or, to the knowledge of Baker, are pending, contemplated or threatened.

(iv) Except as set forth in Schedule "D", Section (e)(iv) of the Baker Disclosure Letter, none of Baker nor its Subsidiaries conducts any material cannabis-related activities nor engages in any material business in any jurisdiction where such activities are not expressly authorized by applicable state Laws; in those jurisdictions where such cannabis-related activities are expressly authorized by state Laws, Baker and its Subsidiaries comply, in all material respects, and Baker reasonably believes that any third party with which it engages in business or transactions complies, in all material respects, with such state Laws and have all material Permits necessary for the conduct of such cannabis-related activities.

(f) Licenses and Permits.

(i) Schedule "D", Section (f)(i) of the Baker Disclosure Letter lists all material Permits issued to each of Baker and its Subsidiaries which are required for the conduct of the operations of Baker and its Subsidiaries as currently conducted or as presently proposed to be conducted or the ownership and use of the assets of Baker and its Subsidiaries now owned and used, including the names of the Permits and their respective dates of issuance and expiration. All material Permits required for each of Baker and its Subsidiaries to conduct the operations of Baker and its Subsidiaries as currently conducted or for the ownership and use of the assets of Baker and its Subsidiaries now owned have been obtained by Baker or its Subsidiaries, as applicable, and are valid and in full force and effect. Except as disclosed in Schedule "D", Section (f)(i) of the Baker Disclosure Letter, Baker and its Subsidiaries are in material compliance with all material Permits, as they are required to hold for the conduct of the operations of Baker and its Subsidiaries as currently conducted. There is no material action, investigation or proceeding pending or, to the knowledge of Baker, threatened, regarding any of the Permits.

(ii) To the knowledge of Baker, no event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit set forth in Schedule "D", Section (f)(i) of the Baker Disclosure Letter.

(iii) None of Baker or its Subsidiaries has received any written notice of revocation or non-renewal of any Permits, or of any intention of any Person to revoke or refuse to renew any of such Permits, except in each case, for revocations or non-renewals which would not have a Baker Material Adverse Effect.

(g) Capitalization and Listing.

(i) The authorized share capital of Baker consists of 27,500,000 shares of common stock, par value $0.01 per share, of Baker ("**Baker Common Stock**"), and 10,850,800 shares of Baker Preferred Stock, of which 5,350,800 shares are designed Series Seed Preferred Stock and 5,500,000 shares are designated Series A Preferred Stock. As at the date of this Agreement there are: (A) 10,354,455 shares of Baker Preferred Stock validly issued and outstanding as fully-paid and non-assessable shares of Baker, of which 5,350,800 are shares of Baker's Series Seed Preferred Stock, and of which 5,003,655 are shares of Baker's Series A Preferred Stock; (B) 10,473,124 Baker Shares validly issued and outstanding as fully-paid and non-assessable shares of Baker, (C) issued and outstanding Baker Options for the purchase of 2,659,008 Baker Shares upon the exercise thereof; (D) no issued and outstanding Baker Warrants, and (E) outstanding Baker SAFEs in an aggregate face amount of $2,250,000, which Baker SAFEs are convertible into Baker Capital Stock on the terms set forth therein. Except as set forth in this paragraph above or as disclosed in Schedule "D", Section (g)(i) of the Baker Disclosure Letter (x) there are no options, warrants, conversion privileges, calls or other rights, shareholder rights plans, agreements, arrangements, commitments, or obligations of Baker or its Subsidiaries to issue or sell any shares of Baker or its Subsidiaries or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire any shares of Baker or its Subsidiaries, and (y) no Person is entitled to any pre-emptive or other similar right granted by Baker or its Subsidiaries.

(ii) Schedule "D", Section (g)(ii) of the Baker Disclosure Letter sets forth, as of the date hereof, the holders of all outstanding Baker Options and the number, class or series of shares, exercise prices, vesting schedules (including acceleration terms, if any) and expiration dates of each grant to such holders. All Baker Shares that may be issued pursuant to the exercise of outstanding Baker Options will, when issued in accordance with the terms of such Baker Options, be duly authorized, validly issued, fully-paid and non-assessable and are not and will not be subject to or issued in violation of any pre-emptive rights.

(iii) Schedule "D", Section (g)(iii) of the Baker Disclosure Letter sets forth, as of the date hereof, the holders of all outstanding Baker SAFEs and the face amount of each such Baker SAFE. All Baker Shares that may be issued pursuant to the conversion of outstanding Baker SAFEs will, when issued in accordance therewith, be duly authorized, validly issued, fully-paid and non-assessable and are not and will not be subject to or issued in violation of any pre-emptive rights.

(iv) Except as set forth in Schedule "D", Section (g)(iv) of the Baker Disclosure Letter, there are no outstanding obligations of Baker or its Subsidiaries, contractual or otherwise, to repurchase, redeem or otherwise acquire any Baker Shares or any shares of its Subsidiaries. No Subsidiary of Baker owns any Baker Shares.

(v) No Governmental Order ceasing or suspending trading in securities of Baker nor prohibiting the sale of such securities has been issued and is outstanding against Baker or its directors, officers or promoters.

(h) Shareholder and Similar Agreements. Except as set forth in Schedule "D", Section (h) of the Baker Disclosure Letter, Baker is not party to any shareholder, pooling, voting trust or other similar agreement relating to the issued and outstanding shares in the capital of Baker or its Subsidiaries.

(i) U.S. Securities Law Matters.

(i) There is no class of securities of Baker which is registered pursuant to Section 12 of the U.S. Exchange Act, nor is Baker subject to any reporting obligation (whether active or suspended) pursuant to section 15(d) of the U.S. Exchange Act. Baker is not, and has never been, subject to any requirement to register any class of its equity securities pursuant to Section 12(g) of the U.S. Exchange Act.

(ii) Baker is not an investment company registered or required to be registered under the U.S. Investment Company Act of 1940, as amended.

(iii) The Baker Shares, Baker Options and Baker SAFEs and any other Baker securities have been issued under a valid exemption under the U.S. Securities Act and in accordance with any applicable state securities Laws.

(j) Financial Statements.

(i) The audited consolidated financial statements for Baker as at and for each of the fiscal years ended on December 31, 2017 and December 31, 2016 including the notes thereto and the reports by Baker's auditors thereon, and the unaudited consolidated financial statements for Baker as at and for the three (3) month period ending March 31, 2018 have been prepared in accordance with U.S. GAAP, and all financial statements of Baker which are prepared by Baker in respect of any subsequent periods prior to the Effective Date will be, prepared in accordance with U.S. GAAP applied on a basis consistent with prior periods and all applicable Laws and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), consolidated financial position of Baker and its Subsidiaries as of the respective dates thereof and its results of operations and cash flows for the respective periods covered thereby (except as may be indicated expressly in the notes thereto). Other than those listed on Schedule "D", Section (j) of the Baker Disclosure Letter, there are no outstanding loans made by Baker to any executive officer or director of Baker.

(ii) Each of Baker and its Subsidiaries maintains internal control over financial reporting. Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP and includes policies and procedures that: (A) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of Baker are being made only with appropriate authorizations of management and directors of Baker, as applicable; and (B) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the assets of Baker that could have a material effect on its financial statements. To the knowledge of Baker, as of the date of this Agreement, neither is, nor has been, any fraud with respect to Baker, whether or not material, relating to the financial reporting or internal control over financial reporting of Baker.

(iii) Neither Baker nor its Subsidiaries has received any material written complaint, allegation, assertion, or claim that Baker or its Subsidiaries has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the Baker Board (or, if applicable, the audit committee thereof), or has not been disclosed to SVT, Briteside, Sea Hunter, and Finco.

(k) Undisclosed Liabilities. Other than as disclosed in Schedule "D", Section (k) of the Baker Disclosure Letter, neither Baker nor its Subsidiaries have any material liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, except for: (a) liabilities and obligations that are adequately presented or reserved on the audited balance sheet of Baker as of March 31, 2018 (the "**Baker Balance Sheet**") or disclosed in the notes thereto; or (b) liabilities and obligations incurred in the ordinary course of business consistent with past practice that are not and would not, individually or in the aggregate with all other liabilities and obligations of Baker and its Subsidiaries (other than those disclosed on the Baker Balance Sheet and/or in the notes to the Baker financial statements) have a Baker Material Adverse Effect, or, as a consequence of the consummation of the Business Combination have a Baker Material Adverse Effect. Without limiting the foregoing, the Baker Balance Sheet reflects reasonable reserves in accordance with IFRS for contingent liabilities of Baker and its Subsidiaries.

(l) Interest in Baker Property. Baker or one of its Subsidiaries has good and marketable title to, or in the case of leased property, has valid leasehold interests in, all of the Baker property material to their business as presently conducted, whether tangible or intangible, free and clear of all Liens, other than (a) Permitted Liens and (b) as set out in Schedule "D", Section (l)(i) of the Baker Disclosure Letter. Baker is not aware of any facts or circumstances which might limit, affect or prejudice its ownership rights over the Baker property.

(m) Operational Matters. Except as would not, individually or in the aggregate, result in a Baker Material Adverse Effect all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any assets of Baker and its Subsidiaries have been: (A) duly paid; (B) duly performed; or (C) provided for prior to the date hereof.

(n) Employment Matters.

(i) Other than as disclosed in Schedule "D", Section (n)(i) of the Baker Disclosure Letter, neither Baker nor its Subsidiaries has entered into any binding Contract providing for severance, termination or other change in control-related payments to any director, officer or employee in connection with the termination of their position or their employment as a direct result of a change in control of Baker.

(ii) Neither Baker nor its Subsidiaries (i) is a party to any collective bargaining agreement, or (ii) is subject to any application for certification or, to the knowledge of Baker, actual or threatened union-organizing campaigns for employees not covered under a collective bargaining agreement.

(iii) Neither Baker nor its Subsidiaries is subject to any claim for wrongful dismissal, constructive dismissal or any other tort claim, actual or, to the knowledge of Baker, threatened, or any litigation actual, or to the actual knowledge of Baker, threatened, relating to employment or termination of employment of employees or independent contractors, except for such claims or litigation which individually or in the aggregate would not have a Baker Material Adverse Effect.

(iv) To the knowledge of Baker, no labour strike, lock-out, slowdown or work stoppage is pending or threatened against or directly affecting Baker, except as would not have a Baker Material Adverse Effect.

(v) Neither Baker nor its Subsidiaries has implemented any plant closing, layoff of employees, or taken any other action that would result in a violation of, or require any action with respect to, the WARN Act, and no such action shall be implemented prior to the Closing Date.

(o) Absence of Certain Changes or Events. Except as set forth in Schedule "D", Section (o) of the Baker Disclosure Letter, since March 31, 2018:

(i) Baker and its Subsidiaries have conducted their respective businesses in the ordinary course of business and consistent with past practice in all material respects;

(ii) there has not been any event, circumstance or occurrence which has given rise to a Baker Material Adverse Effect;

(iii) there has not been any material change in the accounting practices used by Baker and its Subsidiaries;

(iv) there has not been any redemption, repurchase or other acquisition of Baker Shares by Baker, or any declaration, setting aside or payment of any dividend or other distribution (whether in cash, shares or property) with respect to the Baker Shares;

(v) there has not been any entering into, or an amendment of, any Baker Material Contract other than (A) in the ordinary course of business consistent with past practice, or (B) renewals of any such Baker Material Contract;

(vi) there has not been any satisfaction or settlement of any material claims or material liabilities that were not reflected in Baker's financial statements, other than the settlement of such claims or such liabilities incurred in the ordinary course of business consistent with past practice; and

(vii) except for ordinary course adjustments to salary, bonus, or other remuneration payable to any officers or senior or executive officers, there has not been any increase in the salary, bonus, severance or other remuneration payable to any senior or executive officers of Baker or its Subsidiaries.

(p) Litigation. Except as set forth in Schedule "D", Section (p) of the Baker Disclosure Letter, there is no claim, action or proceeding pending or, to the knowledge of Baker, claim, action, proceeding or investigation threatened against or relating to Baker or its Subsidiaries, the business of Baker or its Subsidiaries or affecting any of their properties or assets, or against any current officer or senior executive relating to such individual's current or prior role with or services to Baker and its Subsidiaries, before or by any Governmental Entity which, if adversely determined, would have a Baker Material Adverse Effect or prevent or materially delay the consummation of the Business Combination (provided that the representation in this Section (n) shall not apply to claims, actions, proceedings, or investigations which may arise after the date of this Agreement which do not have a reasonable prospect of succeeding or, if successful, would not give rise to a Baker Material Adverse Effect). Neither Baker nor its Subsidiaries is subject to any judgments that are unsatisfied, any Governmental Order which in each such case has had a Baker Material Adverse Effect or which would prevent or materially delay consummation of the transactions contemplated by this Agreement.

(q) Taxes.

(i) Each of Baker and its Subsidiaries have duly and in a timely manner made or prepared all material Tax Returns required to be made or prepared by it in accordance with applicable Law, and duly and in a timely manner filed all material Tax Returns required to be filed by it with the appropriate Governmental Entity, such Tax Returns were complete and correct in all material respects and Baker and its Subsidiaries have paid all material Taxes, including instalments on account of Taxes for the current year required by applicable Law, which are due and payable by it whether or not assessed by the appropriate Governmental Entity, other than Taxes which are being contested in good faith through appropriate proceedings.

(ii) Baker has made adequate provisions or reserves in accordance with U.S. GAAP in the most recently published financial statements of Baker for any Taxes of Baker and its Subsidiaries for the period covered by such financial statements that have not been paid whether or not shown as being due on any material Tax Returns. Since such publication date, no material liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business.

(iii) Each of Baker and its Subsidiaries have duly and timely withheld all material Taxes and other amounts required by applicable Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the benefit of any Person) and has duly and timely remitted to the appropriate Governmental Entity such Taxes or other amounts required by applicable Law to be remitted by it.

(iv) Each of Baker and its Subsidiaries have duly and timely collected all material amounts on account of any sales, use or transfer Taxes, including goods and services, harmonized sales, provincial and territorial taxes and state and local taxes, required by applicable Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity such amounts required by applicable Law to be remitted by it and has duly and timely paid any and all material sales, use or transfer Taxes required to be paid or self-assessed by it pursuant to applicable Laws and has claimed eligible exemptions, refunds and input Tax credits in respect thereof in all material respects in accordance with applicable Laws.

(v) Each of Baker and its Subsidiaries have remitted all material pension plan contributions, employment insurance premiums, employer health taxes, payroll taxes and other Taxes payable by it in respect of its employees, agents and consultants, as applicable, and has remitted such material amounts to the appropriate Governmental Entity within the time required under applicable Laws.

(vi) None of Baker nor any of its Subsidiaries has made, prepared and/or filed any elections, designations or similar filings relating to Taxes or entered into any agreement or other arrangement in respect of Taxes or Tax Returns that has effect for any period ending after the Effective Date.

(vii) There are no proceedings, investigations, audits, proposed adjustments or claims now pending or, to the knowledge of Baker, asserted or threatened against Baker or its Subsidiaries in respect of any Taxes and there are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes.

(viii) There are no Liens for Taxes upon any properties or assets of Baker or its

Subsidiaries (other than Liens relating to Taxes not yet due and payable or for Taxes which are being contested in good faith through appropriate proceedings and for which adequate provisions or reserves have been recorded on the most recent balance sheet included in Baker's audited financial statements).

(r) Books and Records. The corporate records and minute books of Baker and its Subsidiaries have been maintained in accordance with all applicable Laws, and the minute books of Baker and its Subsidiaries as provided to SVT, Briteside, Sea Hunter, and Finco are complete and accurate in all material respects. The corporate minute books for Baker and its Subsidiaries contain minutes of all meetings and resolutions of the directors and securityholders held.

(s) Insurance.

(i) Schedule "D", Section (s)(i) of the Baker Disclosure Letter set out a true and complete list as of the date of this Agreement of Baker's and its Subsidiaries' material policies of insurance.

(ii) Baker has in place reasonable and prudent insurance policies appropriate for its size, nature and stage of development. All premiums payable prior to the date hereof under such material policies of insurance have been paid and Baker has not failed to make any material claim thereunder on a timely basis.

(iii) Each of such material policies is in full force and effect on the date hereof and Baker will use commercially reasonable efforts to keep them in full force and effect or renew them as appropriate through the Effective Date. No written notice of cancellation or termination has been received by Baker or its Subsidiaries with respect to any such policy. No material claim under any insurance policy of Baker or its Subsidiaries has been denied during the prior two (2) years.

(t) Non-Arm's Length Transactions. Except for (i) employment, consulting or employment compensation agreements entered into in the ordinary course of business, (ii) customary director and officer indemnification arrangements on market terms, (iii) financing agreements or shareholder agreements with Baker's shareholders entered into in connection with financings or other transactions to which Baker's shareholders are generally parties, or (iv) as set out in Schedule "D", Section (t) of the Baker Disclosure Letter, there are no current Contracts or other transactions (including relating to indebtedness by Baker or its Subsidiaries) between Baker or its Subsidiaries on the one hand, and (a) any officer or director of Baker or its Subsidiaries, (b) any holder of record or, to the knowledge of Baker, beneficial owner of five percent or more of the voting securities of Baker, or (c) any affiliate or Associate of any officer, director or beneficial owner, on the other hand.

(u) Benefit Plans.

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

(ii) To the knowledge of Baker, except as set forth in Schedule "D", Section (u)(ii) of the Baker Disclosure Letter, each Baker Benefit Plan and related trust (other than any multiemployer plan within the meaning of Section 3(37) of ERISA (each a "**Baker Multiemployer Plan"**)) has been established, administered, funded and maintained in accordance with its terms and in compliance with all applicable Laws (including ERISA, the Code and any applicable local Laws). Except as set forth in Schedule "D", Section (e) of the Baker Disclosure Letter, each Baker Benefit Plan that is intended to be qualified under Section 401(a) of the Code (a "**Baker Qualified Benefit Plan**") is so qualified and has received a favorable and current determination letter from the United States Internal Revenue Service, or with respect to a prototype plan, can rely on an opinion letter from the United States Internal Revenue Service to the prototype plan sponsor, to the effect that such Baker Qualified Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and nothing has occurred that would reasonably be expected to adversely affect the qualified status of any Baker Qualified Benefit Plan.

(iii) Except as set forth in Schedule "D", Section (u)(iii) of the Baker Disclosure Letter and other than as required under Section 601, et seq. of ERISA Section 4980B of the Code or other applicable Law, no Baker Benefit Plan or other arrangement provides post-termination or retiree benefits to any individual for any reason.

(iv) Except as set forth in Schedule "D", Section (u)(iv) of the Baker Disclosure Letter, to the knowledge of Baker there is no pending or threatened action relating to a Baker Benefit Plan (other than routine claims for benefits), and no Baker Benefit Plan has within the three years prior to the date hereof been the subject of an examination or audit by a Governmental Entity or the subject of an application or filing under, or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Entity.

(v) Except as set forth in Schedule "D", Section (u)(v) of the Baker Disclosure Letter, neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events): (i) entitle any current or former director, officer, employee, independent contractor or consultant of the business of Baker and its Subsidiaries to severance pay or any other payment; (ii) accelerate the time of payment, funding or vesting, or increase the amount of compensation due to any such individual; (iii) increase the amount payable under or result in any other material obligation pursuant to any Baker Benefit Plan; (iv) result in "excess parachute payments" within the meaning of Section 280G(b) of the Code; or (v) require a "gross-up" or other payment to any "disqualified individual" within the meaning of Section 280G(c) of the Code..

(iv) Except as set forth in Schedule "D", Section (u)(vi) of the Baker Disclosure Letter, no Baker Benefit Plan is: (i) "multiple employer plan" within the meaning of Section 413(c) of the Code; or (ii) a "multiple employer welfare arrangement" within the meaning of Section 3(40) of ERISA. Neither Baker nor any of its ERISA Affiliates currently has an obligation to contribute to a "defined benefit plan" within the meaning of Section 3(3) of ERISA, a Multiemployer Plan, or any other plan subject to Title IV of ERISA or Section 412 of the Code.

(v) Each Baker Benefit Plan that is subject to Section 409A of the Code has been administered in compliance with its terms and the operational and documentary requirements of Section 409A of the Code and all applicable regulatory guidance (including, notices, rulings and proposed and final regulations) thereunder in all material respects. Briteside and its Subsidiaries do not have any obligation to gross up, indemnify or otherwise reimburse any individual for any excise taxes, interest or penalties incurred pursuant to Section 409A of the Code.

(v) Environmental. Except for any matters that would not have a Baker Material Adverse Effect:

(i) all facilities and operations of Baker and its Subsidiaries have been conducted, and are now, in compliance with all applicable Environmental Laws;

(ii) no environmental, reclamation or closure obligation, demand, notice, work order or other liabilities presently exist with respect to any portion of any currently or formerly owned, leased, used or otherwise controlled property, interests and rights or relating to the operations and business of Baker and its Subsidiaries and, to the knowledge of Baker, there is no reasonable basis for any such obligations, demands, notices, work orders or liabilities to arise in the future as a result of any activity in respect of such property, interests, rights, operations and business occurring as of or prior to the date hereof;

(iii) none of Baker nor its Subsidiaries is subject to any proceeding, application, order or directive which relates to environmental, health or safety matters, and which may require any material work, repairs, construction or expenditures;

(iv) to the knowledge of Baker, there is no renewal, modification, revocation, reassurance, alteration, transfer or amendment of any environmental Permits, or any review by or approval of, any Governmental Entity, of any environmental Permit, that are required in connection with the execution or delivery of this Agreement, the consummation of the transactions contemplated herein or the continuation of the business of Baker or its Subsidiary following the Effective date;

(v) Baker and its Subsidiaries have made available to SVT, Briteside, Sea Hunter, and Finco all material audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information in its possession or under its control with respect to environmental matters; and

(vi) to the knowledge of Baker, Baker and its Subsidiaries are not subject to any past or present fact, condition or circumstance that could reasonably be expected to result in liability under any Environmental Laws.

(w) Restrictions on Business Activities. There is no Contract or Governmental Order binding upon Baker or its Subsidiaries the terms of which prohibit or restrict any business practice of Baker or its Subsidiaries, any acquisition of property by Baker or its Subsidiaries or the conduct of business by Baker or its Subsidiaries as currently conducted other than such Contracts or Governmental Orders which would not have a Baker Material Adverse Effect.

(x) Material Contracts. Except in each case where there would not be a Baker Material Adverse Effect, (i) Baker and its Subsidiaries have performed in all material respects all respective obligations required to be performed by them to date under any material Contracts currently in effect as of the date hereof (collectively, and together with the Intellectual Property Agreements of Baker and its Subsidiaries, the "**Baker Material Contracts**"), (ii) none of Baker nor its Subsidiaries has received written notice of any breach or default under any such Baker Material Contract by any other party thereto, (iii) prior to the date hereof, Baker has made available to SVT, Briteside, Sea Hunter, and Finco true and complete copies of all of Baker Material Contracts, and (iv) all Baker Material Contracts are legal, valid and binding against Baker or its applicable Subsidiaries, are in full force and effect and, other than as disclosed in Schedule "D", Section (x) of the Baker Disclosure Letter, are enforceable by Baker (or its Subsidiaries, as the case may be) in accordance with their respective terms (subject to bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and to general principles of equity) and are the products of fair and arms' length negotiations between the parties thereto.

(y) Intellectual Property.

(i) Schedule "D", Section (y)(i) of the Baker Disclosure Letter lists all Owned Intellectual Property Registrations of Owned Intellectual Property Assets owned or purported to be Owned by Baker. All required filings and fees related to such Owned Intellectual Property Registrations have been timely filed with and paid to the relevant Governmental Entities and authorized registrars, and all such Owned Intellectual Property Registrations are otherwise in good standing. Baker has provided the other Parties with true and complete copies of file histories, documents, certificates, office actions, correspondence and other materials related to all such Owned Intellectual Property Registrations.

(ii) To the knowledge of Baker, except as set forth in Schedule "D", Section (y)(ii) of the Baker Disclosure Letter, Baker or one of its Subsidiaries is the sole and exclusive legal and beneficial, owner of its Owned Intellectual Property Registrations, and has the valid right to use all other Intellectual Property used in or necessary for the conduct of its business as currently conducted, in each case, free and clear of Liens (other than Permitted Liens), except in each case, as would not have a Baker Material Adverse Effect.

(iii) The Intellectual Property Assets of Baker and its Subsidiaries are all of the Intellectual Property necessary to operate the business of Baker and its Subsidiaries as presently conducted or as planned to be conducted. Except as set forth in Schedule "D", Section (y)(iii) of the Baker Disclosure Letter, the consummation of the transactions contemplated under this Agreement will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other Person in respect of, the Baker and its Subsidiaries right to own, use or hold for use any Intellectual Property as owned, used or held for use in the conduct of the business of Baker and its Subsidiaries as currently conducted or as planned to be conducted.

(iv) To the knowledge of Baker and except as would not have a Baker Material Adverse Effect, Baker's and its Subsidiaries' rights in its Intellectual Property Assets of Baker are valid, subsisting and enforceable. Baker and its Subsidiaries have taken commercially reasonable steps to maintain the Intellectual Property Assets of Baker and to protect and preserve the confidentiality of all trade secrets included in the Intellectual Property Assets.

(v) Except as set forth in Schedule "D", Section (y)(v) of the Baker Disclosure Letter, to the knowledge of Baker, and except as would not have a Baker Material Adverse Effect, (i) the conduct of Baker's and its Subsidiaries' business as currently conducted, and the Intellectual Property Assets as currently owned, licensed or used by Baker or its Subsidiaries, have not and do not infringe, misappropriate or otherwise violate the Intellectual Property or other rights of any Person and (ii) no Person has infringed, misappropriated, diluted or otherwise violated, or is currently infringing, misappropriating, diluting or otherwise violating, any Owned Intellectual Property Assets of Baker.

(vi) Neither Baker nor its Subsidiaries is subject to any outstanding or prospective Governmental Order (including any motion or petition therefor) that does or would restrict or impair the use of any of Baker's or its Subsidiaries' Intellectual Property Assets in any material respect.

(z) Bank Accounts. Schedule "D", Section (z) of the Baker Disclosure Letter sets forth a complete list of all of the accounts maintained by Baker and its Subsidiaries as of the date hereof with banks, credit unions, trust companies and other similar financial institutions and each individual with signatory authority with respect to such accounts.

(aa) Relationships with Customers, Suppliers, Distributors and Sales Representatives. Baker has not received any written communication that any material customer, supplier, distributor or sales representative intends to, or constitutes a threat that any such Person may, cancel, terminate or otherwise modify or not renew its relationship with Baker, which in any of such cases would have a Baker Material Adverse Effect.

(bb) Brokers. Except for the fees to be paid as set out in Schedule "D", Section (bb) of the Baker Disclosure Letter, none of Baker, its Subsidiary, or any of their respective officers, directors or employees on behalf of Baker or its Subsidiaries has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the transactions contemplated by this Agreement.

(cc) No Expropriation. No property or asset of Baker or its Subsidiaries has been taken or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced nor, to the knowledge of Baker, is there any intent or proposal to give any such notice or to commence any such proceeding.

(dd) Anti-Money Laundering. The operations of Baker and its Subsidiaries are and have been conducted, at all times, in material compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering Laws of the jurisdictions in which Baker conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "**Baker Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any Governmental Entity against Baker with respect to the Baker Anti-Money Laundering Laws is pending. None of Baker nor its Subsidiaries has, directly or indirectly: (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction in violation of applicable Laws; or (B) made any contribution to any candidate for public office, in either case where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (United States) or the rules and regulations promulgated thereunder or under any other Laws of any relevant jurisdiction covering a similar subject matter applicable to Baker, its Subsidiaries and their operations. Neither Baker, its Subsidiaries, or, to the knowledge of Baker, any director, officer, agent, employee, affiliate or Person acting on behalf of Baker has been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department.

(ee) Corrupt Practices Legislation. None of Baker, its Subsidiaries or affiliates, nor any of their respective officers, directors or employees acting on behalf of Baker or its Subsidiaries or affiliates has violated the United States' *Foreign Corrupt Practices Act* (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any applicable Law, and to the knowledge of Baker, no such action has been taken by any of its agents, representatives or other Persons acting on behalf of Baker or its Subsidiaries or any of its affiliates.

(ff) No Insolvency. Baker and its Subsidiaries are not insolvent and are able to meet all of their respective financial liabilities as they become due and no winding-up, liquidation, dissolution or bankruptcy proceedings have been commenced or are being commenced or contemplated by Baker or its Subsidiaries, and none of Baker or its Subsidiaries have knowledge of any such proceedings or transactions having been commenced or being contemplated in respect of Baker or its subsidiaries by any other party.

The representations and warranties of Baker contained in this Schedule "D" shall not survive the completion of the Business Combination and shall expire and be terminated on the earlier of the Effective Time and the date on which the Agreement is terminated in accordance with its terms.

SCHEDULE E

REPRESENTATIONS AND WARRANTIES OF BRITESIDE

Except as disclosed or included in (x) the Briteside Disclosure Letter (which shall make reference to the applicable section, subsection, paragraph or subparagraph below in respect of which such qualification is being made), provided that information disclosed in any section, subsection, paragraph or subparagraph of the Briteside Disclosure Letter will qualify any other section, subsection, paragraph or subparagraph below to the extent that the relevance or applicability of the information disclosed is reasonably apparent, notwithstanding the absence of a reference to such other section, subsection, paragraph or subparagraph below), or (y) the documents, materials, or agreements listed in the Briteside Disclosure Letter, Briteside hereby represents and warrants to SVT, Baker, Sea Hunter, and Finco as follows, and acknowledges that such Parties are relying upon such representations and warranties in connection with the entering into of the Agreement:

(a) Organization and Qualification. Briteside is a limited liability company validly existing under the laws of the state of Tennessee and has all necessary limited liability company power and authority to own its assets now owned and conduct its business as now owned and conducted and as presently proposed to be conducted. Briteside is duly qualified to carry on business and is in good standing in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified would not have a Briteside Material Adverse Effect. True and complete copies of the constating documents of Briteside have been delivered or made available to SVT, Baker, Sea Hunter, and Finco, such documents are in full force and effect as of the date hereof, and Briteside has not taken any action to amend or supersede such documents as of the date hereof.

(b) Authority Relative to this Agreement. Briteside has the requisite limited liability company power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Briteside and the consummation by Briteside of the transactions contemplated by this Agreement have been duly authorized by the Briteside Board and no other proceedings on the part of Briteside are necessary to authorize this Agreement other than the Nevada Holdco Shareholder Approval and approval of the Nevada Holdco Continuance Resolution and the Nevada Holdco Arrangement Resolution. This Agreement has been duly executed and delivered by Briteside and, assuming due authorization, execution and delivery by each of SVT, Baker, Sea Hunter, and Finco, constitutes a valid and binding obligation of Briteside, enforceable by SVT, Baker, Sea Hunter, and Finco against Briteside in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

(c) No Conflict; Required Filings and Consent. The execution and delivery by Briteside of this Agreement and the performance by it of its obligations hereunder and the completion of the Business Combination will not violate, conflict with or result in a breach of any provision of the organizational documents of Briteside or its Subsidiaries, and, except as would not have a Briteside Material Adverse Effect, will not: (a) violate, conflict with or result in a breach of: (i) any Briteside Material Contract; or (ii) any Law to which Briteside or its Subsidiaries are subject or by which Briteside or its Subsidiaries are bound; (b) give rise to any right of termination, or the acceleration of any indebtedness, under any Briteside Material Contract or licence or permit held by Briteside or its Subsidiaries; or (c) give rise to any rights of first refusal or rights of first offer, trigger any change in control or any restriction or limitation under any Briteside Material Contract or licence or permit held by Briteside or its Subsidiaries, or result in the imposition of any Lien upon any of Briteside's assets or the assets of its Subsidiaries. Other than the Interim Order, the Final Order and the filing of documents relating to the Business Combination with the CBCA Director, no Permit is necessary on the part of Briteside for the consummation by Briteside of its obligations in connection with the Business Combination under this Agreement or for the completion of the Business Combination not to cause or result in any loss of any rights or assets or any interest therein held by Briteside or its Subsidiaries in any material properties, except for such Permits as to which the failure to obtain or make would not (x) individually or in the aggregate, prevent or materially delay consummation of the Business Combination or (y) have a Briteside Material Adverse Effect.

(d) Subsidiaries. Briteside does not have Subsidiaries or any material direct or indirect interests in any Person, other than those listed in Schedule "E", Section (d) of the Briteside Disclosure Letter. Each Subsidiary of Briteside is duly organized or incorporated, as applicable, and is validly existing under the Laws of its jurisdiction of organization, has all necessary limited liability company power and authority to own its assets now owned and conduct its business as now owned and conducted by it and as presently proposed to be conducted by it and is duly qualified to carry on business in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified would not have a Briteside Material Adverse Effect. Briteside beneficially owns, directly or indirectly, all of the issued and outstanding equity securities of its Subsidiaries. All of the outstanding equity securities in the capital of each Subsidiary are: (a) validly issued, fully-paid and non-assessable and all such equity securities are owned free and clear of all Liens; and (b) except as set forth in the organizational documents (including, without limitation, any operating agreement) of each Subsidiary, are free of any other restrictions including any restriction on the right to vote, sell or otherwise dispose of shares.

(e) Compliance with Laws.

(i) Except (x) as disclosed in Schedule "E", Section (e)(i) of the Briteside Disclosure Letter or (y) for non-compliance or violations that would not have a Briteside Material Adverse Effect, the operations of Briteside and its Subsidiaries have been and are now conducted in material compliance with all Laws of each jurisdiction, the Laws of which have been and are now applicable to the operations of Briteside or its Subsidiaries and none of Briteside nor its Subsidiaries has received any written notice of any alleged violation of any such Laws.

(ii) Except as disclosed in Schedule "E", Section (e)(ii) of the Briteside Disclosure Letter, none of Briteside or its Subsidiaries are in conflict with, or in default (including cross defaults) under or in violation of: (a) its articles or by-laws or equivalent organizational documents in any case in any material respect; or (b) any Briteside Material Contract, except for any conflicts, defaults or violations that would not have a Briteside Material Adverse Effect.

(iii) No Governmental Order preventing, ceasing or suspending trading in any securities of Briteside is issued and outstanding and no proceeding for either of such purposes have been instituted or, to the knowledge of Briteside, are pending, contemplated or threatened.

(iv) None of Briteside nor its Subsidiaries conducts any material cannabis-related activities nor engages in any material business in any jurisdiction where such activities are not expressly authorized by applicable state Laws; in those jurisdictions where such cannabis-related activities are expressly authorized by state Laws, Briteside and its Subsidiaries comply in all material respects, and Briteside reasonably believes that any third party with which it engages in business or transactions complies in all material respects, with such state Laws and have all material Permits necessary for the conduct of such cannabis-related activities.

(f) Licenses and Permits.

(i) Schedule "E", Section (f) of the Briteside Disclosure Letter lists all material Permits issued to each of Briteside and its Subsidiaries which are required for the conduct of the operations of Briteside and its Subsidiaries as currently conducted or as presently proposed to be conducted or the ownership and use of the assets of Briteside and its Subsidiaries now owned and used, including the names of the Permits and their respective dates of issuance and expiration. All material Permits required for each of Briteside and its Subsidiaries to conduct the operations of Briteside and its Subsidiaries as currently conducted or for the ownership and use of the assets of Briteside and its Subsidiaries now owned have been obtained by Briteside or its Subsidiaries, as applicable, and are valid and in full force and effect. Except as disclosed in Schedule "E", Section (f) of the Briteside Disclosure Letter, Briteside and its Subsidiaries are in material compliance with all material Permits, as they are required to hold for the conduct of the operations of Briteside and its Subsidiaries as currently conducted There is no material action, investigation or proceeding pending or, to the knowledge of Briteside, threatened, regarding any of the Permits.

(ii) To the knowledge of Briteside, no event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit set forth in Schedule "E", Section (f) of the Briteside Disclosure Letter.

(iii) None of Briteside or its Subsidiaries has received any written notice of revocation or non-renewal of any Permits, or of any intention of any Person to revoke or refuse to renew any of such Permits, except in each case, for revocations or non-renewals which would not have a Briteside Material Adverse Effect.

(g) Capitalization and Listing.

(i) The authorized equity capital of Briteside consists of an unlimited number of Briteside Membership Interests. As at the date of this Agreement: (A) 100% of the Briteside Membership Interests are validly issued and outstanding as fully-paid and non-assessable limited liability company membership interests of Briteside; (B) there are no outstanding Briteside Options; and (C) there are outstanding Briteside Warrants providing for the issuance of 5% of Briteside Membership Interests upon the exercise thereof. The terms of the Briteside Options and Briteside Warrants (including exercise price) are disclosed in Schedule "E", Section (g)(i) to the Briteside Disclosure Letter. As disclosed in Schedule "E", Section (g)(i) of the Briteside Disclosure Letter (x) there are no options, warrants, conversion privileges, calls or other rights, shareholder rights plans, agreements, arrangements, commitments, or obligations of Briteside or its Subsidiaries to issue or sell any equity securities of Briteside or its Subsidiaries or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire any equity securities of Briteside or its Subsidiaries, and (y) no Person is entitled to any pre-emptive or other similar right granted by Briteside or its Subsidiaries.

(ii) Schedule "E", Section (g)(ii) of the Briteside Disclosure Letter sets forth, as of the date hereof, the holders of all outstanding Briteside Options and the number, class or series of shares, exercise prices, vesting schedules (including acceleration terms, if any) and expiration dates of each grant to such holders. All Briteside Membership Interests that may be issued pursuant to the exercise of outstanding Briteside Options will, when issued in accordance with the terms of such Briteside Options, be duly authorized, validly issued, fully-paid and non-assessable and are not and will not be subject to or issued in violation of any pre-emptive rights.

(iii) Schedule "E", Section (g)(iii) of the Briteside Disclosure Letter sets forth, as of the date hereof, the holders of all outstanding Briteside Warrants and the number, exercise prices and expiration dates of each grant to such holders. All Briteside Membership Interests that may be issued pursuant to the exercise of outstanding Briteside Warrants will, when issued in accordance with its Briteside Warrants, be duly authorized, validly issued, fully-paid and non-assessable and are not and will not be subject to or issued in violation of any pre-emptive rights.

(iv) Except as set forth in Schedule "E", Section (g)(iv) of the Briteside Disclosure Letter, there are no outstanding obligations of Briteside or its Subsidiaries, contractual or otherwise, to repurchase, redeem or otherwise acquire any Briteside Membership Interests or any shares or equity securities of its Subsidiaries. No Subsidiary of Briteside owns any Briteside Membership Interests.

(v) No Governmental Order ceasing or suspending trading in Briteside Membership Interests nor prohibiting the sale of Briteside Membership Interests has been issued and is outstanding against Briteside or its directors, officers or promoters.

(h) Shareholder and Similar Agreements. Except as set forth in Schedule "E", Section (h) of the Briteside Disclosure Letter, Briteside is not party to any shareholder, pooling, voting trust or other similar agreement relating to the issued and outstanding equity securities in the capital of Briteside or its Subsidiaries.

(i) U.S. Securities Law Matters.

(i) There is no class of securities of Briteside which is registered pursuant to Section 12 of the U.S. Exchange Act, nor is Briteside subject to any reporting obligation (whether active or suspended) pursuant to section 15(d) of the U.S. Exchange Act. Briteside is not, and has never been, subject to any requirement to register any class of its equity securities pursuant to Section 12(g) of the U.S. Exchange Act.

(ii) Briteside is not an investment company registered or required to be registered under the U.S. Investment Company Act of 1940, as amended.

(iii) The Briteside Membership Interests, Briteside Options, Briteside Warrants and other equity securities of Briteside have been issued under a valid exemption under the U.S. Securities Act and in accordance with any applicable state securities laws.

(j) Financial Statements.

(i) The audited consolidated financial statements for Briteside as at and for each of the fiscal years ended on December 31, 2017, including the notes thereto and the reports by Briteside's auditors thereon, and the unaudited consolidated financial statements for Briteside as at and for the three (3) month period ending March 31, 2018 have been prepared in accordance with U.S. GAAP, and all financial statements of Briteside which are prepared by Briteside in respect of any subsequent periods prior to the Effective Date will be, prepared in accordance with U.S. GAAP applied on a basis consistent with prior periods and all applicable Laws and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), consolidated financial position of Briteside and its Subsidiaries as of the respective dates thereof and its results of operations and cash flows for the respective periods covered thereby (except as may be indicated expressly in the notes thereto). There are no outstanding loans made by Briteside to any executive officer or director of Briteside.

(ii) Each of Briteside and its Subsidiaries maintains internal control over financial reporting. Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP and includes policies and procedures that: (A) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of Briteside are being made only with appropriate authorizations of management and directors of Briteside, as applicable; and (B) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the assets of Briteside that could have a material effect on its financial statements. To the knowledge of Briteside, as of the date of this Agreement, neither is, nor has been, any fraud with respect to Briteside, whether or not material, relating to the financial reporting or internal control over financial reporting of Briteside.

(iii) Neither Briteside nor its Subsidiaries has received any material written complaint, allegation, assertion, or claim that Briteside or its Subsidiaries has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the Briteside Board (or, if applicable, the audit committee thereof), or has not been disclosed to SVT, Baker, Sea Hunter, and Finco.

(k) Undisclosed Liabilities. Neither Briteside nor its Subsidiaries have material any liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, except for: (a) liabilities and obligations that are adequately presented or reserved on the audited balance sheet of Briteside as of March 31, 2018 (the "**Briteside Balance Sheet**") or disclosed in the notes thereto; or (b) liabilities and obligations incurred in the ordinary course of business consistent with past practice that are not and would not, individually or in the aggregate with all other liabilities and obligations of Briteside and its Subsidiaries (other than those disclosed on the Briteside Balance Sheet and/or in the notes to the Briteside financial statements) have a Briteside Material Adverse Effect, or, as a consequence of the consummation of the Business Combination, have a Briteside Material Adverse Effect. Without limiting the foregoing, the Briteside Balance Sheet reflects reasonable reserves in accordance with IFRS for contingent liabilities of Briteside and its Subsidiaries.

(l) Interest in Briteside Property. Briteside or one of its Subsidiaries has good and marketable title to, or in the case of leased property, has valid leasehold interests in, all of the Briteside property material to their business as presently conducted, whether tangible or intangible, free and clear of all Liens, other than (a) Permitted Liens and (b) as set out in Schedule "E", Section (l)(i) of the Briteside Disclosure Letter. Briteside is not aware of any facts or circumstances which might limit, affect or prejudice its ownership rights over the Briteside property.

(m) Operational Matters. Except as would not, individually or in the aggregate, result in a Briteside Material Adverse Effect all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any assets of Briteside and its Subsidiaries have been: (A) duly paid; (B) duly performed; or (C) provided for prior to the date hereof.

(n) Employment Matters.

(i) Neither Briteside nor its Subsidiaries has entered into any binding Contract providing for severance, termination or other change in control-related payments to any director, officer or employee in connection with the termination of their position or their employment as a direct result of a change in control of Briteside.

(ii) Neither Briteside nor its Subsidiaries (i) is a party to any collective bargaining agreement, or (ii) is subject to any application for certification or, to the knowledge of Briteside, actual or threatened union-organizing campaigns for employees not covered under a collective bargaining agreement.

(iii) Neither Briteside nor its Subsidiaries is subject to any claim for wrongful dismissal, constructive dismissal or any other tort claim, actual or, to the knowledge of Briteside, threatened, or any litigation actual, or to the actual knowledge of Briteside, threatened, relating to employment or termination of employment of employees or independent contractors, except for such claims or litigation which individually or in the aggregate would not have a Briteside Material Adverse Effect.

(iv) To the knowledge of Briteside, no labour strike, lock-out, slowdown or work stoppage is pending or threatened against or directly affecting Briteside, except as would not have a Briteside Material Adverse Effect.

(v) Neither Briteside nor its Subsidiaries has implemented any plant closing, layoff of employees, or taken any other action that would result in a violation of, or require any action with respect to, the WARN Act, and no such action shall be implemented prior to the Closing Date.

(o) Absence of Certain Changes or Events. Since March 31, 2018:

(i) Briteside and its Subsidiaries have conducted their respective businesses only in the ordinary course of business and consistent with past practice in all material respects;

(ii) there has not been any event, circumstance or occurrence which has given rise to a Briteside Material Adverse Effect;

(iii) there has not been any material change in the accounting practices used by Briteside and its Subsidiaries;

(iv) there has not been any redemption, repurchase or other acquisition of Briteside Membership Interests by Briteside, or any declaration, setting aside or payment of any dividend or other distribution (whether in cash, shares or property) with respect to the Briteside Membership Interests;

(v) there has not been any entering into, or an amendment of, any Briteside Material Contract other than (A) in the ordinary course of business consistent with past practice, or (B) renewals of any such Briteside Material Contract;

(vi) there has not been any satisfaction or settlement of any material claims or material liabilities that were not reflected in Briteside's financial statements, other than the settlement of such claims or such liabilities incurred in the ordinary course of business consistent with past practice; and

(vii) except for ordinary course adjustments to salary, bonus, or other remuneration payable to any officers or senior or executive officers, there has not been any increase in the salary, bonus, severance or other remuneration payable to any senior or executive officers of Briteside or its Subsidiaries.

(p) Litigation. There is no claim, action or proceeding pending or, to the knowledge of Briteside, claim, action, proceeding or investigation threatened against or relating to Briteside or its Subsidiaries, the business of Briteside or its Subsidiaries or affecting any of their properties or assets, or against any current officer or senior executive relating to such individual's current or prior role with or services to Briteside and its Subsidiaries, before or by any Governmental Entity which, if adversely determined, would have a Briteside Material Adverse Effect or prevent or materially delay the consummation of the Business Combination (provided that the representation in this Section (n) shall not apply to claims, actions, proceedings, or investigations which may arise after the date of this Agreement which do not have a reasonable prospect of succeeding or, if successful, would not give rise to a Briteside Material Adverse Effect). Neither Briteside nor its Subsidiaries is subject to any judgments that are unsatisfied, any Governmental Order which in each such case has had a Briteside Material Adverse Effect or which would prevent or materially delay consummation of the transactions contemplated by this Agreement.

(q) Taxes.

(i) Each of Briteside and its Subsidiaries have duly and in a timely manner made or prepared all material Tax Returns required to be made or prepared by it in accordance with applicable Law, and duly and in a timely manner filed all material Tax Returns required to be filed by it with the appropriate Governmental Entity, such Tax Returns were complete and correct in all material respects and Briteside and its Subsidiaries have paid all material Taxes, including instalments on account of Taxes for the current year required by applicable Law, which are due and payable by it whether or not assessed by the appropriate Governmental Entity, other than Taxes which are being contested in good faith through appropriate proceedings.

(ii) Briteside has made adequate provisions or reserves in accordance with U.S. GAAP in the most recently published financial statements of Briteside for any Taxes of Briteside and its Subsidiaries for the period covered by such financial statements that have not been paid whether or not shown as being due on any material Tax Returns. Since such publication date, no material liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business.

(iii) Each of Briteside and its Subsidiaries have duly and timely withheld all material Taxes and other amounts required by applicable Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the benefit of any Person) and has duly and timely remitted to the appropriate Governmental Entity such Taxes or other amounts required by applicable Law to be remitted by it.

(iv) Each of Briteside and its Subsidiaries have duly and timely collected all material amounts on account of any sales, use or transfer Taxes, including goods and services, harmonized sales, provincial and territorial taxes and state and local taxes, required by applicable Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity such amounts required by applicable Law to be remitted by it and has duly and timely paid any and all material sales, use or transfer Taxes required to be paid or self-assessed by it pursuant to applicable Laws and has claimed eligible exemptions, refunds and input Tax credits in respect thereof in all material respects in accordance with applicable Laws.

(v) Each of Briteside and its Subsidiaries have remitted all material pension plan contributions, employment insurance premiums, employer health taxes, payroll taxes and other Taxes payable by it in respect of its employees, agents and consultants, as applicable, and has remitted such material amounts to the appropriate Governmental Entity within the time required under applicable Laws.

(vi) None of Briteside nor any of its Subsidiaries has made, prepared and/or filed any elections, designations or similar filings relating to Taxes or entered into any agreement or other arrangement in respect of Taxes or Tax Returns that has effect for any period ending after the Effective Date.

(vii) There are no proceedings, investigations, audits, proposed adjustments or claims now pending or, to the knowledge of Briteside, asserted or threatened against Briteside or its Subsidiaries in respect of any Taxes and there are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes.

(viii) There are no Liens for Taxes upon any properties or assets of Briteside or its Subsidiaries (other than Liens relating to Taxes not yet due and payable or for Taxes which are being contested in good faith through appropriate proceedings and for which adequate provisions or reserves have been recorded on the most recent balance sheet included in Briteside's audited financial statements).

(r) Books and Records. The corporate records and minute books of Briteside and its Subsidiaries have been maintained in accordance with all applicable Laws, and the minute books of Briteside and its Subsidiaries as provided to SVT, Baker, Sea Hunter, and Finco are complete and accurate in all material respects. The corporate minute books for Briteside and its Subsidiaries contain minutes of all meetings and resolutions of the directors and securityholders held.

(s) Insurance.

(i) Schedule "E", Section (s)(i) of the Briteside Disclosure Letter set out a true and complete list as of the date of this Agreement, of Briteside's and its Subsidiaries' material policies of insurance.

(ii) Briteside has in place reasonable and prudent insurance policies appropriate for its size, nature and stage of development. All premiums payable prior to the date hereof under such material policies of insurance have been paid and Briteside has not failed to make any material claim thereunder on a timely basis.

(iii) Each of such material policies is in full force and effect on the date hereof and Briteside will use commercially reasonable efforts to keep them in full force and effect or renew them as appropriate through the Effective Date. No written notice of cancellation or termination has been received by Briteside or its Subsidiaries with respect to any such policy. No material claim under any insurance policy of Briteside or its Subsidiaries has been denied during the prior two (2) years.

(t) Non-Arm's Length Transactions. Except for (i) employment, consulting or employment compensation agreements entered into in the ordinary course of business, (ii) customary director and officer indemnification arrangements on market terms, or (iii) financing agreements or shareholder agreements with Briteside's shareholders entered into in connection with financings or other transactions to which Briteside's shareholders are generally parties, there are no current Contracts or other transactions (including relating to indebtedness by Briteside or its Subsidiaries) between Briteside or its Subsidiaries on the one hand, and (a) any officer or director of Briteside or its Subsidiaries, (b) any holder of record or, to the knowledge of Briteside, beneficial owner of five percent or more of the voting securities of Briteside, or (c) any affiliate or Associate of any officer, director or beneficial owner, on the other hand.

(u) Benefit Plans.

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

(ii) To the knowledge of Briteside, each Briteside Benefit Plan and related trust (other than any multiemployer plan within the meaning of Section 3(37) of ERISA (each a "**Briteside Multiemployer Plan"**)) has been established, administered, funded and maintained in accordance with its terms and in compliance with all applicable Laws (including ERISA, the Code and any applicable local Laws). Except as set forth in Schedule "E", Section (u) of the Briteside Disclosure Letter, each Briteside Benefit Plan that is intended to be qualified under Section 401(a) of the Code (a "**Briteside Qualified Benefit Plan**") is so qualified and has received a favorable and current determination letter from the United States Internal Revenue Service, or with respect to a prototype plan, can rely on an opinion letter from the United States Internal Revenue Service to the prototype plan sponsor, to the effect that such Briteside Qualified Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and nothing has occurred that would reasonably be expected to adversely affect the qualified status of any Briteside Qualified Benefit Plan.

(iii) Other than as required under Section 601, et seq. of ERISA Section 4980B of the Code or other applicable Law, no Briteside Benefit Plan or other arrangement provides post-termination or retiree benefits to any individual for any reason.

(iv) To the knowledge of Briteside there is no pending or threatened action relating to a Briteside Benefit Plan (other than routine claims for benefits), and no Briteside Benefit Plan has within the three years prior to the date hereof been the subject of an examination or audit by a Governmental Entity or the subject of an application or filing under, or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Entity.

(v) Except as set forth in Schedule "E", Section (u)(v) of the Briteside Disclosure Letter, neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events): (i) entitle any current or former director, officer, employee, independent contractor or consultant of the business of Briteside and its Subsidiaries to severance pay or any other payment; (ii) accelerate the time of payment, funding or vesting, or increase the amount of compensation due to any such individual; (iii) increase the amount payable under or result in any other material obligation pursuant to any Briteside Benefit Plan; (iv) result in "excess parachute payments" within the meaning of Section 280G(b) of the Code; or (v) require a "gross-up" or other payment to any "disqualified individual" within the meaning of Section 280G(c) of the Code.

(vi) No Briteside Benefit Plan is: (i) a "multiple employer plan" within the meaning of Section 413(c) of the Code; or (ii) a "multiple employer welfare arrangement" within the meaning of Section 3(40) of ERISA. Neither Briteside nor any of its ERISA Affiliates currently has an obligation to contribute to a "defined benefit plan" within the meaning of Section 3(3) of ERISA, a Multiemployer Plan, or any other plan subject to Title IV of ERISA or Section 412 of the Code.

(vii) Each Briteside Benefit Plan that is subject to Section 409A of the Code has been administered in compliance with its terms and the operational and documentary requirements of Section 409A of the Code and all applicable regulatory guidance (including, notices, rulings and proposed and final regulations) thereunder in all material respects. Briteside and its Subsidiaries do not have any obligation to gross up, indemnify or otherwise reimburse any individual for any excise taxes, interest or penalties incurred pursuant to Section 409A of the Code.

(v) Environmental. Except for any matters that would not have a Briteside Material Adverse Effect:

(i) all facilities and operations of Briteside and its Subsidiaries have been conducted, and are now, in compliance with all applicable Environmental Laws;

(ii) no environmental, reclamation or closure obligation, demand, notice, work order or other liabilities presently exist with respect to any portion of any currently or formerly owned, leased, used or otherwise controlled property, interests and rights or relating to the operations and business of Briteside and its Subsidiaries and, to the knowledge of Briteside, there is no reasonable basis for any such obligations, demands, notices, work orders or liabilities to arise in the future as a result of any activity in respect of such property, interests, rights, operations and business occurring as of or prior to the date hereof;

(iii) none of Briteside nor its Subsidiaries is subject to any proceeding, application, order or directive which relates to environmental, health or safety matters, and which may require any material work, repairs, construction or expenditures;

(iv) to the knowledge of Briteside, there is no renewal, modification, revocation, reassurance, alteration, transfer or amendment of any environmental Permits, or any review by or approval of, any Governmental Entity, of any environmental Permit, that are required in connection with the execution or delivery of this Agreement, the consummation of the transactions contemplated herein or the continuation of the business of Briteside or its Subsidiary following the Effective date;

(v) Briteside and its Subsidiaries have made available to SVT, Baker, Sea Hunter, and Finco all material audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information in its possession or under its control with respect to environmental matters; and

(vi) to the knowledge of Briteside, Briteside and its Subsidiaries are not subject to any past or present fact, condition or circumstance that could reasonably be expected to result in liability under any Environmental Laws.

(w) Restrictions on Business Activities. There is no Contract or Governmental Order binding upon Briteside or its Subsidiaries the terms of which prohibit or restrict any business practice of Briteside or its Subsidiaries, any acquisition of property by Briteside or its Subsidiaries or the conduct of business by Briteside or its Subsidiaries as currently conducted other than such Contracts or Governmental Orders which would not have a Briteside Material Adverse Effect.

(x) Material Contracts. Except in each case where there would not be a Briteside Material Adverse Effect, (i) Briteside and its Subsidiaries have performed in all material respects all respective obligations required to be performed by them to date under any material Contracts currently in effect as of the date hereof (collectively, and together with the Intellectual Property Agreements of Briteside and its Subsidiaries, the "**Briteside Material Contracts**"), (ii) none of Briteside nor its Subsidiaries has received written notice of any breach or default under any such Briteside Material Contract by any other party thereto, (iii) prior to the date hereof, Briteside has made available to SVT, Baker, Sea Hunter, and Finco true and complete copies of all of Briteside Material Contracts, and (iv) all Briteside Material Contracts are legal, valid and binding against Briteside or its applicable Subsidiaries, are in full force and effect and, other than as disclosed in Schedule "E", Section (x) of the Briteside Disclosure Letter, are enforceable by Briteside (or its Subsidiaries, as the case may be) in accordance with their respective terms (subject to bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and to general principles of equity) and are the products of fair and arms' length negotiations between the parties thereto.

(y) Intellectual Property.

(i) Schedule "E", Section (y)(i) of the Briteside Disclosure Letter lists all Owned Intellectual Property Registrations of Owned Intellectual Property Assets owned or purported to be owned by Briteside. All required filings and fees related to such Owned Intellectual Property Registrations have been timely filed with and paid to the relevant Governmental Entities and authorized registrars, and all Owned Intellectual Property Registrations are otherwise in good standing. Briteside has provided the other Parties with true and complete copies of file histories, documents, certificates, office actions, correspondence and other materials related to all such Owned Intellectual Property Registrations.

(ii) To the knowledge of Briteside, Briteside or one of its Subsidiaries is the sole and exclusive legal and beneficial, owner of its Owned Intellectual Property Registrations, and has the valid right to use all other Intellectual Property used in or necessary for the conduct of its business as currently conducted, in each case, free and clear of Liens (other than Permitted Liens), except, in each case, as would not have a Briteside Material Adverse Effect.

(iii) The Intellectual Property Assets of Briteside and its Subsidiaries are all of the Intellectual Property necessary to operate the business of Briteside and its Subsidiaries as presently conducted or as planned to be conducted. The consummation of the transactions contemplated under this Agreement will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other Person in respect of, the Briteside and its Subsidiaries right to own, use or hold for use any Intellectual Property as owned, used or held for use in the conduct of the business of Briteside and its Subsidiaries as currently conducted or as planned to be conducted.

(iv) To the knowledge of Briteside, and except as would not have a Briteside Material Adverse Effect, Briteside's and its Subsidiaries' rights in its Intellectual Property Assets of Briteside are valid, subsisting and enforceable. Briteside and its Subsidiaries have taken commercially reasonable steps to maintain the Intellectual Property Assets of Briteside and to protect and preserve the confidentiality of all trade secrets included in the Intellectual Property Assets.

(v) To the knowledge of Briteside, and except as would not have a Briteside Material Adverse Effect, (i) the conduct of Briteside's and its Subsidiaries' business as currently conducted, and the Intellectual Property Assets as currently owned, licensed or used by Briteside or its Subsidiaries, have not and do not infringe, misappropriate or otherwise violate the Intellectual Property or other rights of any Person and (ii) no Person has infringed, misappropriated, diluted or otherwise violated, or is currently infringing, misappropriating, diluting or otherwise violating, any Owned Intellectual Property Assets of Briteside.

(vi) Neither Briteside nor its Subsidiaries is subject to any outstanding or prospective Governmental Order (including any motion or petition therefor) that does or would restrict or impair the use of any of Briteside's or its Subsidiaries' Intellectual Property Assets in any material respect.

(z) Bank Accounts. Schedule "E", Section (z) of the Briteside Disclosure Letter sets forth a complete list of all of the accounts maintained by Briteside and its Subsidiaries as of the date hereof with banks, credit unions, trust companies and other similar financial institutions and each individual with signatory authority with respect to such accounts.

(aa) Relationships with Customers, Suppliers, Distributors and Sales Representatives. Briteside has not received any written communication that any material customer, supplier, distributor or sales representative intends to, or constitutes a threat that any such Person may, cancel, terminate or otherwise modify or not renew its relationship with Briteside, which in any of such cases would have a Briteside Material Adverse Effect.

(bb) Brokers. None of Briteside, its Subsidiary, or any of their respective officers, directors or employees on behalf of Briteside or its Subsidiaries has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the transactions contemplated by this Agreement.

(cc) No Expropriation. No property or asset of Briteside or its Subsidiaries has been taken or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced nor, to the knowledge of Briteside, is there any intent or proposal to give any such notice or to commence any such proceeding.

(dd) Anti-Money Laundering. The operations of Briteside and its Subsidiaries are and have been conducted, at all times, in material compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering Laws of the jurisdictions in which Briteside conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "**Briteside Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any Governmental Entity against Briteside with respect to the Briteside Anti-Money Laundering Laws is pending. None of Briteside nor its Subsidiaries has, directly or indirectly: (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction in violation of applicable Laws; or (B) made any contribution to any candidate for public office, in either case where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (United States) or the rules and regulations promulgated thereunder or under any other Laws of any relevant jurisdiction covering a similar subject matter applicable to Briteside, its Subsidiaries and their operations. Neither Briteside, its Subsidiaries, or, to the knowledge of Briteside, any director, officer, agent, employee, affiliate or Person acting on behalf of Briteside has been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department.

(ee) Corrupt Practices Legislation. None of Briteside, its Subsidiaries or affiliates, nor any of their respective officers, directors or employees acting on behalf of Briteside or its Subsidiaries or affiliates has violated the United States' *Foreign Corrupt Practices Act* (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any applicable Law, and to the knowledge of Briteside, no such action has been taken by any of its agents, representatives or other Persons acting on behalf of Briteside or its Subsidiaries or any of its affiliates.

(ff) No Insolvency. Briteside and its Subsidiaries are not insolvent and are able to meet all of their respective financial liabilities as they become due and no winding-up, liquidation, dissolution or bankruptcy proceedings have been commenced or are being commenced or contemplated by Briteside or its Subsidiaries, and none of Briteside or its Subsidiaries have knowledge of any such proceedings or transactions having been commenced or being contemplated in respect of Briteside or its subsidiaries by any other party.

The representations and warranties of Briteside contained in this Schedule "E" shall not survive the completion of the Business Combination and shall expire and be terminated on the earlier of the Effective Time and the date on which the Agreement is terminated in accordance with its terms.

SCHEDULE F

REPRESENTATIONS AND WARRANTIES OF SEA HUNTER

Except as disclosed or included in (x) the Sea Hunter Disclosure Letter (which shall make reference to the applicable section, subsection, paragraph or subparagraph below in respect of which such qualification is being made), provided that information disclosed in any section, subsection, paragraph or subparagraph of the Sea Hunter Disclosure Letter will qualify any other section, subsection, paragraph or subparagraph below to the extent that the relevance or applicability of the information disclosed is reasonably apparent, notwithstanding the absence of a reference to such other section, subsection, paragraph or subparagraph below), or (y) the documents, materials, or agreements listed in the Sea Hunter Disclosure Letter, Sea Hunter hereby represents and warrants to SVT, Baker, Briteside, and Finco as follows, and acknowledges that such Parties are relying upon such representations and warranties in connection with the entering into of the Agreement:

(a) Organization and Qualification. Sea Hunter is a limited liability company validly existing under the laws of the state of Delaware and has all necessary limited liability company power and authority to own its assets now owned and conduct its business as now owned and conducted and as presently proposed to be conducted. Sea Hunter is duly qualified to carry on business and is in good standing in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified would not have a Sea Hunter Material Adverse Effect. True and complete copies of the organizational documents of Sea Hunter have been delivered or made available to SVT, Baker, Briteside, and Finco, such documents are in full force and effect as of the date hereof, and Sea Hunter has not taken any action to amend or supersede such documents as of the date hereof.

(b) Authority Relative to this Agreement. Sea Hunter has the requisite limited liability company power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Sea Hunter and the consummation by Sea Hunter of the transactions contemplated by this Agreement have been duly authorized by the Sea Hunter Board and no other proceedings on the part of Sea Hunter are necessary to authorize this Agreement other than the Nevada Holdco Shareholder Approval and approval of the Nevada Holdco Continuance Resolution and the Nevada Holdco Arrangement Resolution. This Agreement has been duly executed and delivered by Sea Hunter and, assuming due authorization, execution and delivery by each of SVT, Baker, Briteside, and Finco, constitutes a valid and binding obligation of Sea Hunter, enforceable by SVT, Baker, Briteside, and Finco against Sea Hunter in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

(c) No Conflict; Required Filings and Consent. Except as disclosed in Schedule "F", Section (c) of the Sea Hunter Disclosure Letter, the execution and delivery by Sea Hunter of this Agreement and the performance by it of its obligations hereunder and the completion of the Business Combination will not violate, conflict with or result in a breach of any provision of the organizational documents of Sea Hunter or its Subsidiaries, and, except as would not have a Sea Hunter Material Adverse Effect, will not: (a) violate, conflict with or result in a breach of: (i) any Sea Hunter Material Contract; or (ii) any Law to which Sea Hunter or its Subsidiaries are subject or by which Sea Hunter or its Subsidiaries are bound; (b) give rise to any right of termination, or the acceleration of any indebtedness, under any Sea Hunter Material Contract or licence or permit held by Sea Hunter or its Subsidiaries; or (c) give rise to any rights of first refusal or rights of first offer, trigger any change in control or any restriction or limitation under any Sea Hunter Material Contract or licence or permit held by Sea Hunter or its Subsidiaries, or result in the imposition of any Lien upon any of Sea Hunter's assets or the assets of its Subsidiaries. Other than the Interim Order, the Final Order and the filing of documents relating to the Business Combination with the CBCA Director, no Permit is necessary on the part of Sea Hunter for the consummation by Sea Hunter of its obligations in connection with the Business Combination under this Agreement or for the completion of the Business Combination not to cause or result in any loss of any rights or assets or any interest therein held by Sea Hunter or its Subsidiaries in any material properties, except for such Permits as to which the failure to obtain or make would not (x) individually or in the aggregate, prevent or materially delay consummation of the Business Combination or (y) have a Sea Hunter Material Adverse Effect.

(d) Subsidiaries. Sea Hunter does not have Subsidiaries or any material interests in any Person, other than those listed in Schedule "F", Section (d) of the Sea Hunter Disclosure Letter. Each Subsidiary of Sea Hunter is duly organized or incorporated, as applicable, and is validly existing under the Laws of its jurisdiction of organization, has all necessary limited liability company power and authority to own its assets now owned and conduct its business as now owned and conducted by it and is duly qualified to carry on business in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified would not have a Sea Hunter Material Adverse Effect. Sea Hunter beneficially owns, directly or indirectly, all of the issued and outstanding equity securities of its Subsidiaries. All of the outstanding equity securities of each Subsidiary are: (a) validly issued, fully-paid and non-assessable and all such equity securities are owned free and clear of all Liens; and (b) except as set forth in the organizational documents (including, without limitation, any operating agreement) of each Subsidiary, are free of any other restrictions including any restriction on the right to vote, sell or otherwise dispose of shares.

(e) Compliance with Laws.

(i) Except (x) as disclosed in Schedule "F", Section (e)(i) of the Sea Hunter Disclosure Letter or (y) for non-compliance or violations that would not have a Sea Hunter Material Adverse Effect, the operations of Sea Hunter and its Subsidiaries have been and are now conducted in material compliance with all Laws of each jurisdiction, the Laws of which have been and are now applicable to the operations of Sea Hunter or its Subsidiaries and none of Sea Hunter nor its Subsidiaries has received any written notice of any alleged violation of any such Laws.

(ii) Except as disclosed in Schedule "F", Section (e)(ii) of the Sea Hunter Disclosure Letter, none of Sea Hunter or its Subsidiaries are in conflict with, or in default (including cross defaults) under or in violation of: (a) its articles or by-laws or equivalent organizational documents in any case in any material respect; or (b) any Sea Hunter Material Contract, except for any conflicts, defaults or violations that would not have a Sea Hunter Material Adverse Effect.

(iii) No Governmental Order preventing, ceasing or suspending trading in any securities of Sea Hunter is issued and outstanding and no proceeding for either of such purposes have been instituted or, to the knowledge of Sea Hunter, are pending, contemplated or threatened.

(iv) Except as disclosed in Schedule "F", Section (e)(iv) of the Sea Hunter Disclosure Letter, none of Sea Hunter nor its Subsidiaries conducts any material cannabis-related activities nor engages in any material business in any jurisdiction where such activities are not expressly authorized by applicable state Laws; in those jurisdictions where such cannabis-related activities are expressly authorized by state Laws, Sea Hunter and its Subsidiaries comply in all material respects, and Sea Hunter reasonably believes that any third party with which it engages in business or transactions complies in all material respects, with such state Laws and have all material Permits necessary for the conduct of such cannabis-related activities.

(f) Licenses and Permits.

(i) Schedule "F", Section (f) of the Sea Hunter Disclosure Letter lists all material Permits issued to each of Sea Hunter and its Subsidiaries which are required for the conduct of the operations of Sea Hunter and its Subsidiaries as currently conducted or as presently proposed to be conducted or the ownership and use of the assets of Sea Hunter and its Subsidiaries now owned and used, including the names of the Permits and their respective dates of issuance and expiration. All material Permits required for each of Sea Hunter and its Subsidiaries to conduct the operations of Sea Hunter and its Subsidiaries as currently conducted or for the ownership and use of the assets of Sea Hunter and its Subsidiaries now owned have been obtained by Sea Hunter or its Subsidiaries, as applicable, and are valid and in full force and effect. Except as disclosed in Schedule "F", Section (f)(i) of the Sea Hunter Disclosure Letter, Sea Hunter and its Subsidiaries are in material compliance with all material Permits, as they are required to hold for the conduct of the operations of Sea Hunter and its Subsidiaries as currently conducted. There is no material action, investigation or proceeding pending or, to the knowledge of Sea Hunter, threatened, regarding any of the Permits.

(ii) To the knowledge of Sea Hunter, no event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit set forth in Schedule "F", Section (f) of the Sea Hunter Disclosure Letter.

(iii) None of Sea Hunter or its Subsidiaries has received any written notice of revocation or non-renewal of any Permits, or of any intention of any Person to revoke or refuse to renew any of such Permits, except in each case, for revocations or non-renewals which would not have a Sea Hunter Material Adverse Effect.

(g) Capitalization and Listing.

(i) Schedule "F", Section (g) of the Sea Hunter Disclosure Letter sets forth the holder of Sea Hunter Membership Interests as of the date of this Agreement, which such Sea Hunter Membership Interests are validly issued and outstanding as fully-paid and non-assessable limited liability company membership interests of Sea Hunter. Except as described in this Section (f)(i) or as disclosed in Schedule "F", Section (g) of the Sea Hunter Disclosure Letter, (x) there are no options, warrants, conversion privileges, calls or other rights, shareholder rights plans, agreements, arrangements, commitments, or obligations of Sea Hunter or its Subsidiaries to issue or sell any equity securities of Sea Hunter or its Subsidiaries or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire any equity securities of Sea Hunter or its Subsidiaries, and (y) no Person is entitled to any pre-emptive or other similar right granted by Sea Hunter or its Subsidiaries.

(ii) There are no outstanding contractual obligations of Sea Hunter or its Subsidiaries to repurchase, redeem or otherwise acquire any Sea Hunter Membership Interests or any shares or other equity securities of its Subsidiaries. No Subsidiary of Sea Hunter owns any Sea Hunter Membership Interests.

(iii) No Governmental Order ceasing or suspending trading in Sea Hunter Membership Interests nor prohibiting the sale of such Sea Hunter Membership Interests has been issued and is outstanding against Sea Hunter or its directors, officers or promoters.

(h) Shareholder and Similar Agreements. Except as set forth on Schedule "F", Section (h) of the Sea Hunter Disclosure Letter, Sea Hunter is not party to any shareholder, pooling, voting trust or other similar agreement relating to the issued and outstanding equity securities of Sea Hunter or its Subsidiaries.

(i) U.S. Securities Law Matters.

(i) There is no class of securities of Sea Hunter which is registered pursuant to Section 12 of the U.S. Exchange Act, nor is Sea Hunter subject to any reporting obligation (whether active or suspended) pursuant to section 15(d) of the U.S. Exchange Act. Sea Hunter is not, subject to any requirement to register any class of its equity securities pursuant to Section 12(g) of the U.S. Exchange Act.

(ii) Sea Hunter is not an investment company registered or required to be registered under the U.S. Investment Company Act of 1940, as amended.

(iii) The Sea Hunter Membership Interests, and other equity securities of Sea Hunter have been issued under a valid exemption under the U.S. Securities Act and in accordance with all applicable state securities Laws.

(j) Financial Statements.

(i) Except as disclosed in Schedule "F", Section (j)(i) of the Sea Hunter Disclosure Letter, the audited consolidated financial statements for Sea Hunter as at and for the fiscal year ended on December 31, 2017, including the notes thereto, and the unaudited consolidated financial statements for Sea Hunter as at and for the three (3) month period ending March 31, 2018, have been prepared in accordance with IFRS, and all financial statements of Sea Hunter which are prepared by Sea Hunter in respect of any subsequent periods prior to the Effective Date will be prepared in accordance with IFRS applied on a basis consistent with prior periods and all applicable Laws and present fairly, in all material respects the consolidated financial position of Sea Hunter and its Subsidiaries as of the respective dates thereof and their results of operations and cash flows for the respective periods covered thereby (except as may be indicated expressly in the notes thereto). Other than those listed on Schedule "F", Section (j) of the Sea Hunter Disclosure Letter, there are no outstanding loans made by Sea Hunter to any executive officer or director of Sea Hunter.

(ii) Except as disclosed in Schedule "F", Section (j)(ii) of the Sea Hunter Disclosure Letter, each of Sea Hunter and its Subsidiaries maintains internalcontrol over financial reporting. Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP and includes policies and procedures that: (A) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of Sea Hunter are being made only with appropriate authorizations of management and directors of Sea Hunter, as applicable; and (B) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the assets of Sea Hunter that could have a material effect on its financial statements. To the knowledge of Sea Hunter, as of the date of this Agreement, neither is, nor has been, any fraud with respect to Sea Hunter, whether or not material, relating to the financial reporting or internal control over financial reporting of Sea Hunter.

(iii) Neither Sea Hunter nor its Subsidiaries has received any material written complaint, allegation, assertion, or claim that Sea Hunter or its Subsidiaries has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the Sea Hunter Board (or, if applicable, the audit committee thereof), or has not been disclosed to SVT, Baker, Briteside, and Finco.

(k) Undisclosed Liabilities. Other than as disclosed in Schedule "F", Section (k) of the Sea Hunter Disclosure Letter, neither Sea Hunter nor its Subsidiaries have any material liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, except for: (a) liabilities and obligations that are adequately presented or reserved on the unaudited balance sheet of Sea Hunter as of March 31, 2018 (the "**Sea Hunter Balance Sheef**') or disclosed in the notes thereto; or (b) liabilities and obligations incurred in the ordinary course of business consistent with past practice that are not and would not, individually or in the aggregate with all other liabilities and obligations of Sea Hunter and its Subsidiaries (other than those disclosed on the Sea Hunter Balance Sheet and/or in the notes to the Sea Hunter financial statements), have a Sea Hunter Material Adverse Effect, or, as a consequence of the consummation of the Business Combination, have a Sea Hunter Material Adverse Effect. Without limiting the foregoing, the Sea Hunter Balance Sheet reflects reasonable reserves in accordance with IFRS for contingent liabilities of Sea Hunter and its Subsidiaries.

(l) Interest in Sea Hunter Property. Sea Hunter or one of its Subsidiaries has good and marketable title to, or in the case of leased property, has valid leasehold interests in, all Sea Hunter property material to their business as presently conducted, whether tangible or intangible, free and clear of all Liens, other than (a) Permitted Liens and (b) as set out in Schedule "F", Section (l) of the Sea Hunter Disclosure Letter.

(m) Operational Matters. Except as noted in Schedule "F", Section (m) of the Sea Hunter Disclosure Letter, and except as would not, individually or in the aggregate, result in a Sea Hunter Material Adverse Effect all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any assets of Sea Hunter and its Subsidiaries have been: (A) duly paid; (B) duly performed; or (C) provided for prior to the date hereof.

(n) Employment Matters.

(i) Other than as disclosed in Schedule "F", Section (n)(i) of the Sea Hunter Disclosure Letter, neither Sea Hunter nor its Subsidiaries has entered into any binding Contract providing for severance, termination or other change in control-related payments to any director, officer or employee in connection with the termination of their position or their employment as a direct result of a change in control of Sea Hunter.

(ii) Neither Sea Hunter nor its Subsidiaries (i) is a party to any collective bargaining agreement, or (ii) is subject to any application for certification or, to the knowledge of Sea Hunter, actual or threatened union-organizing campaigns for employees not covered under a collective bargaining agreement.

(iii) Neither Sea Hunter nor its Subsidiaries is subject to any claim for wrongful dismissal, constructive dismissal or any other tort claim, actual or, to the knowledge of Sea Hunter, threatened, or any litigation actual, or to the actual knowledge of Sea Hunter, threatened, relating to employment or termination of employment of employees or independent contractors, except for such claims or litigation which individually or in the aggregate would not have a Sea Hunter Material Adverse Effect.

(iv) To the knowledge of Sea Hunter, no labour strike, lock-out, slowdown or work stoppage is pending or threatened against or directly affecting Sea Hunter, except as would not have a Sea Hunter Material Adverse Effect.

(v) Neither Sea Hunter nor its Subsidiaries has implemented any plant closing, layoff of employees, or taken any other action that would result in a violation of, or require any action with respect to, the WARN Act, and no such action shall be implemented prior to the Closing Date.

(o) Absence of Certain Changes or Events. Except as noted in Schedule "F", Section (o) of the Sea Hunter Disclosure Letter, since March 31, 2018:

(i) Sea Hunter and its Subsidiaries have conducted their respective businesses only in the ordinary course of business and consistent with past practice in all material respects;

(ii) there has not been any event, circumstance or occurrence which has given rise to a Sea Hunter Material Adverse Effect;

(iii) there has not been any material change in the accounting practices used by Sea Hunter and its Subsidiaries;

(iv) there has not been any redemption, repurchase or other acquisition of Sea Hunter Membership Interests by Sea Hunter, or any declaration, setting aside or payment of any dividend or other distribution (whether in cash, shares or property) with respect to the Sea Hunter Membership Interests;

(v) there has not been any entering into, or an amendment of, any Sea Hunter Material Contract other than (A) in the ordinary course of business consistent with past practice, or (B) renewals of any such Sea Hunter Material Contract; and

(vi) there has not been any satisfaction or settlement of any material claims or material liabilities that were not reflected in Sea Hunter's financial statements, other than the settlement of such claims or such liabilities incurred in the ordinary course of business consistent with past practice; and

(vii) except for ordinary course adjustments to salary, bonus, or other remuneration payable to any officers or senior or executive officers, there has not been any increase in the salary, bonus, severance or other remuneration payable to any senior or executive officers of Sea Hunter or its Subsidiaries.

(p) Litigation. Except as noted in Schedule "F", Section (p) of the Sea Hunter Disclosure Letter, there is no claim, action or proceeding pending or, to the knowledge of Sea Hunter, claim, action, proceeding or investigation threatened against or relating to Sea Hunter or its Subsidiaries, the business of Sea Hunter or its Subsidiaries or affecting any of their properties or assets, or against any current officer or senior executive relating to such individual's current or prior role with or services to Sea Hunter and its Subsidiaries, before or by any Governmental Entity which, if adversely determined, would have a Sea Hunter Material Adverse Effect or prevent or materially delay the consummation of the Business Combination (provided that the representation in this Section (n) shall not apply to claims, actions, proceedings, or investigations which may arise after the date of this Agreement which do not have a reasonable prospect of succeeding or, if successful, would not give rise to a Sea Hunter Material Adverse Effect). Neither Sea Hunter nor its Subsidiaries is subject to any judgments that are unsatisfied, any Governmental Order which in each such case has had a Sea Hunter Material Adverse Effect or which would prevent or materially delay consummation of the transactions contemplated by this Agreement.

(q) Taxes.

(i) Each of Sea Hunter and its Subsidiaries have duly and in a timely manner made or prepared all material Tax Returns required to be made or prepared by it in accordance with applicable Law, and duly and in a timely manner filed all material Tax Returns required to be filed by it with the appropriate Governmental Entity, such Tax Returns were complete and correct in all material respects and Sea Hunter and its Subsidiaries have paid all material Taxes, including instalments on account of Taxes for the current year required by applicable Law, which are due and payable by it whether or not assessed by the appropriate Governmental Entity, other than Taxes which are being contested in good faith through appropriate proceedings.

(ii) Sea Hunter has made adequate provisions or reserves in accordance with IFRS in the Sea Hunter Balance Sheets for any Taxes of Sea Hunter and its Subsidiaries for the period covered by such financial statements that have not been paid whether or not shown as being due on any material Tax Returns. Since such publication date, no material liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business.

(iii) Each of Sea Hunter and its Subsidiaries have duly and timely withheld all material Taxes and other amounts required by applicable Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the benefit of any Person) and has duly and timely remitted to the appropriate Governmental Entity such Taxes or other amounts required by applicable Law to be remitted by it.

(iv) Each of Sea Hunter and its Subsidiaries have duly and timely collected all material amounts on account of any sales, use or transfer Taxes, including goods and services, harmonized sales, provincial and territorial taxes and state and local taxes, required by applicable Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity such amounts required by applicable Law to be remitted by it and has duly and timely paid any and all material sales, use or transfer Taxes required to be paid or self-assessed by it pursuant to applicable Laws and has claimed eligible exemptions, refunds and input Tax credits in respect thereof in all material respects in accordance with applicable Laws.

(v) Each of Sea Hunter and its Subsidiaries have remitted all material pension plan contributions, employment insurance premiums, employer health taxes, payroll taxes and other Taxes payable by it in respect of its employees, agents and consultants, as applicable, and has remitted such material amounts to the appropriate Governmental Entity within the time required under applicable Laws.

(vi) None of Sea Hunter nor any of its Subsidiaries has made, prepared and/or filed any elections, designations or similar filings relating to Taxes or entered into any agreement or other arrangement in respect of Taxes or Tax Returns that has effect for any period ending after the Effective Date.

(vii) There are no proceedings, investigations, audits, proposed adjustments or claims now pending or, to the knowledge of Sea Hunter, asserted or threatened against Sea Hunter or its Subsidiaries in respect of any Taxes and there are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes.

(viii) There are no Liens for Taxes upon any properties or assets of Sea Hunter or its Subsidiaries (other than Liens relating to Taxes not yet due and payable or for Taxes which are being contested in good faith through appropriate proceedings and for which adequate provisions or reserves have been recorded on the most recent balance sheet included in Sea Hunter's audited financial statements).

(r) Books and Records. Except as noted in Schedule "F", Section (r) of the Sea Hunter Disclosure Letter, the corporate records and minute books of Sea Hunter and its Subsidiaries have been maintained in accordance with all applicable Laws, and the minute books of Sea Hunter and its Subsidiaries as provided to SVT, Baker, Briteside, and Finco are complete and accurate in all material respects. The corporate minute books for Sea Hunter and its Subsidiaries contain minutes of all meetings and resolutions of the directors and securityholders held.

(s) Insurance.

(i) Schedule "F", Section (s) of the Sea Hunter Disclosure Letter set out a true and complete list, as of the date of this Agreement, of Sea Hunter's and its Subsidiaries material policies of insurance.

(ii) Sea Hunter has in place reasonable and prudent insurance policies appropriate for its size, nature and stage of development. All premiums payable prior to the date hereof under such material policies of insurance have been paid and Sea Hunter has not failed to make any material claim thereunder on a timely basis.

(iii) Each of such material policies is in full force and effect on the date hereof and Sea Hunter will use commercially reasonable efforts to keep them in full force and effect or renew them as appropriate through the Effective Date. No written notice of cancellation or termination has been received by Sea Hunter or its Subsidiaries with respect to any such policy. No material claim under any insurance policy of Sea Hunter or its Subsidiaries has been denied during the prior two (2) years.

(t) Non-Arm's Length Transactions. Except for (i) employment, consulting or employment compensation agreements entered into in the ordinary course of business, (ii) customary director and officer indemnification arrangements on market terms, (iii) financing agreements or shareholder agreements with Sea Hunter's shareholders entered into in connection with financings or other transactions to which Sea Hunter's shareholders are generally parties, or (iv) as set out in Schedule "F", Section (t) of the Sea Hunter Disclosure Letter, there are no current Contracts or other transactions (including relating to indebtedness by Sea Hunter or its Subsidiaries) between Sea Hunter or its Subsidiaries on the one hand, and (a) any officer or director of Sea Hunter or its Subsidiaries, (b) any holder of record or, to the knowledge of Sea Hunter, beneficial owner of five percent or more of the voting securities of Sea Hunter, or (c) any affiliate or Associate of any officer, director or beneficial owner, on the other hand.

(u) Benefit Plans.

(i) Schedule "F", Section (u)(i) of the Sea Hunter Disclosure Letter contains a true and complete list of each material pension, benefit, retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock-based, change in control, retention, severance, vacation, paid time off, welfare, fringe-benefit and other similar agreement, plan, policy, program or arrangement (and any amendments thereto), in each case whether or not reduced to writing and whether funded or unfunded, including each "employee benefit plan" within the meaning of Section 3(3) of ERISA, whether or not tax-qualified and whether or not subject to ERISA, which is or has been maintained, sponsored, contributed to, or required to be contributed to by Sea Hunter or its Subsidiaries for the benefit of any current or former employee, officer, director, retiree, independent contractor or consultant or any spouse or dependent of such individual, or under which Sea Hunter or its Subsidiaries or any of their ERISA Affiliates has or may have any Liability, contingent or otherwise (as listed on Schedule "F", Section (u)(i) of the Sea Hunter Disclosure Letter, each, a "**Sea Hunter Benefit Plan**").

(ii) To the knowledge of Sea Hunter, except as set forth in Schedule "F", Section (u)(ii) of the Sea Hunter Disclosure Letter, each Sea Hunter Benefit Plan and related trust (other than any multiemployer plan within the meaning of Section 3(37) of ERISA (each a "**Sea Hunter Multiemployer Plan"**)) has been established, administered, funded and maintained in accordance with its terms and in compliance with all applicable Laws (including ERISA, the Code and any applicable local Laws). Except as set forth in Schedule "F", Section (e) of the Sea Hunter Disclosure Letter, each Sea Hunter Benefit Plan that is intended to be qualified under Section 401(a) of the Code (a "**Sea Hunter Qualified Benefit Plan**") is so qualified and has received a favorable and current determination letter from the United States Internal Revenue Service, or with respect to a prototype plan, can rely on an opinion letter from the United States Internal Revenue Service to the prototype plan sponsor, to the effect that such Sea Hunter Qualified Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and nothing has occurred that would reasonably be expected to adversely affect the qualified status of any Sea Hunter Qualified Benefit Plan.

(iii) Except as set forth in Schedule "F", Section (u)(iii) of the Sea Hunter Disclosure Letter and other than as required under Section 601, et seq. of ERISA Section 4980B of the Code or other applicable Law, no Sea Hunter Benefit Plan or other arrangement provides post-termination or retiree benefits to any individual for any reason.

(iv) Except as set forth in Schedule "F", Section (u)(iv) of the Sea Hunter Disclosure Letter, to the knowledge of Sea Hunter there is no pending or threatened action relating to a Sea Hunter Benefit Plan (other than routine claims for benefits), and no Sea Hunter Benefit Plan has within the three years prior to the date hereof been the subject of an examination or audit by a Governmental Entity or the subject of an application or filing under, or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Entity.

(v) Except as set forth in Schedule "F", Section (u)(v) of the Sea Hunter Disclosure Letter, neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events): (i) entitle any current or former director, officer, employee, independent contractor or consultant of the business of Sea Hunter and its Subsidiaries to severance pay or any other payment; (ii) accelerate the time of payment, funding or vesting, or increase the amount of compensation due to any such individual; (iii) increase the amount payable under or result in any other material obligation pursuant to any Sea Hunter Benefit Plan; (iv) result in "excess parachute payments" within the meaning of Section 280G(b) of the Code; or (v) require a "gross-up" or other payment to any "disqualified individual" within the meaning of Section 280G(c) of the Code.

(vi) Except as set forth in Schedule "F", Section (u)(vi) of the Sea Hunter Disclosure Letter, no Sea Hunter Benefit Plan is: (i) a "multiple employer plan" within the meaning of Section 413(c) of the Code; or (ii) a "multiple employer welfare arrangement" within the meaning of Section 3(40) of ERISA. Neither Sea Hunter nor any of its ERISA Affiliates currently has an obligation to contribute to a "defined benefit plan" within the meaning of Section 3(3) of ERISA, a Multiemployer Plan, or any other plan subject to Title IV of ERISA or Section 412 of the Code.

(vii) Each Sea Hunter Benefit Plan that is subject to Section 409A of the Code has been administered in compliance with its terms and the operational and documentary requirements of Section 409A of the Code and all applicable regulatory guidance (including, notices, rulings and proposed and final regulations) thereunder in all material respects. Briteside and its Subsidiaries do not have any obligation to gross up, indemnify or otherwise reimburse any individual for any excise taxes, interest or penalties incurred pursuant to Section 409A of the Code.

(v) Environmental. Except for any matters that would not have a Sea Hunter Material Adverse Effect:

(i) all facilities and operations of Sea Hunter and its Subsidiaries have been conducted, and are now, in compliance with all applicable Environmental Laws;

(ii) no environmental, reclamation or closure obligation, demand, notice, work order or other liabilities presently exist with respect to any portion of any currently or formerly owned, leased, used or otherwise controlled property, interests and rights or relating to the operations and business of Sea Hunter and its Subsidiaries and, to the knowledge of Sea Hunter, there is no reasonable basis for any such obligations, demands, notices, work orders or liabilities to arise in the future as a result of any activity in respect of such property, interests, rights, operations and business occurring as of or prior to the date hereof;

(iii) none of Sea Hunter nor its Subsidiaries is subject to any proceeding, application, order or directive which relates to environmental, health or safety matters, and which may require any material work, repairs, construction or expenditures;

(iv) to the knowledge of Sea Hunter, there is no renewal, modification, revocation, reassurance, alteration, transfer or amendment of any environmental Permits, or any review by or approval of, any Governmental Entity, of any environmental Permit, that are required in connection with the execution or delivery of this Agreement, the consummation of the transactions contemplated herein or the continuation of the business of Sea Hunter or its Subsidiary following the Effective date;

(v) Sea Hunter and its Subsidiaries have made available to SVT, Baker, Briteside, and Finco all material audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information in its possession or under its control with respect to environmental matters; and

(vi) to the knowledge of Sea Hunter, Sea Hunter and its Subsidiaries are not subject to any past or present fact, condition or circumstance that could reasonably be expected to result in liability under any Environmental Laws.

(w) Restrictions on Business Activities. Except as noted in Schedule "F", Section (w) of the Sea Hunter Disclosure Letter, there is no Contract or Governmental Order binding upon Sea Hunter or its Subsidiaries the terms of which prohibit or restrict any business practice of Sea Hunter or its Subsidiaries, any acquisition of property by Sea Hunter or its Subsidiaries or the conduct of business by Sea Hunter or its Subsidiaries as currently conducted other than such Contracts or Governmental Orders which would not have a Sea Hunter Material Adverse Effect.

(x) Material Contracts. Except in each case where there would not be a Sea Hunter Material Adverse Effect, (i) Sea Hunter and its Subsidiaries have performed in all material respects all respective obligations required to be performed by them to date under any material Contracts currently in effect as of the date hereof (collectively, and together with the Intellectual Property Agreements of Sea Hunter and its Subsidiaries, the "**Sea Hunter Material Contracts**"), (ii) none of Sea Hunter nor its Subsidiaries has received written notice of any breach or default under any such Sea Hunter Material Contract by any other party thereto, (iii) prior to the date hereof, Sea Hunter has made available to SVT, Baker, Briteside, and Finco true and complete copies of all of Sea Hunter Material Contracts, and (iv) all Sea Hunter Material Contracts are legal, valid and binding against Sea Hunter or its applicable Subsidiaries, are in full force and effect and, other than as disclosed in Schedule "F", Section (x) of the Sea Hunter Disclosure Letter, are enforceable by Sea Hunter (or its Subsidiaries, as the case may be) in accordance with their respective terms (subject to bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and to general principles of equity) and are the products of fair and arms' length negotiations between the parties thereto.

(y) Intellectual Property.

(i) Schedule "F", Section (y)(i) of the Sea Hunter Disclosure Letter lists all Owned Intellectual Property Registrations of Owned Intellectual Property Assets owned or purported to be owned by Sea Hunter. All required filings and fees related to such Owned Intellectual Property Registrations have been timely filed with and paid to the relevant Governmental Entities and authorized registrars, and all Owned Intellectual Property Registrations are otherwise in good standing. Sea Hunter has provided the other Parties with true and complete copies of file histories, documents, certificates, office actions, correspondence and other materials related to all such Owned Intellectual Property Registrations.

(ii) To the knowledge of Sea Hunter, except as set forth in Schedule "F", Section (y)(ii) of the Sea Hunter Disclosure Letter, Sea Hunter or one of its Subsidiaries is the sole and exclusive legal and beneficial, owner of its Owned Intellectual Property Registrations, and has the valid right to use all other Intellectual Property used in or necessary for the conduct of its business as currently conducted, in each case, free and clear of Liens (other than Permitted Liens), except, in each case, as would not have a Sea Hunter Material Adverse Effect.

(iii) The Intellectual Property Assets of Sea Hunter and its Subsidiaries are all of the Intellectual Property necessary to operate the business of Sea Hunter and its Subsidiaries as presently conducted or as planned to be conducted. Except as set forth in Schedule "F", Section (y) of the Sea Hunter Disclosure Letter, the consummation of the transactions contemplated under this Agreement will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other Person in respect of, the Sea Hunter and its Subsidiaries right to own, use or hold for use any Intellectual Property as owned, used or held for use in the conduct of the business of Sea Hunter and its Subsidiaries as currently conducted or as planned to be conducted.

(iv) To the knowledge of Sea Hunter, and except as would not have a Sea Hunter Material Adverse Effect, Sea Hunter's and its Subsidiaries' rights in its Intellectual Property Assets of Sea Hunter are valid, subsisting and enforceable. Sea Hunter and its Subsidiaries have taken commercially reasonable steps to maintain the Intellectual Property Assets of Sea Hunter and to protect and preserve the confidentiality of all trade secrets included in the Intellectual Property Assets.

(v) To the knowledge of Sea Hunter, and except as would not have a Sea Hunter Material Adverse Effect, (i) the conduct of Sea Hunter's and its Subsidiaries' business as currently conducted, and the Intellectual Property Assets as currently owned, licensed or used by Sea Hunter or its Subsidiaries, have not and do not infringe, misappropriate or otherwise violate the Intellectual Property or other rights of any Person and (ii) no Person has infringed, misappropriated, diluted or otherwise violated, or is currently infringing, misappropriating, diluting or otherwise violating, any Owned Intellectual Property Assets of Sea Hunter.

(vi) Neither Sea Hunter nor its Subsidiaries is subject to any outstanding or prospective Governmental Order (including any motion or petition therefor) that does or would restrict or impair the use of any of Sea Hunter's or its Subsidiaries' Intellectual Property Assets in any material respect.

(z) Bank Accounts. Schedule "F", Section (z) of the Sea Hunter Disclosure Letter sets forth a complete list of all of the accounts maintained by Sea Hunter and its Subsidiaries as of the date hereof with banks, credit unions, trust companies and other similar financial institutions and each individual with signatory authority with respect to such accounts.

(aa) Relationships with Customers, Suppliers, Distributors and Sales Representatives. Except as noted in Schedule "F", Section (aa) of the Sea Hunter Disclosure Letter, Sea Hunter has not received any written communication that any material customer, supplier, distributor or sales representative intends to, or constitutes a threat that any such Person may, cancel, terminate or otherwise modify or not renew its relationship with Sea Hunter, which in any of such cases would have a Sea Hunter Material Adverse Effect.

(bb) Brokers. Except for the fees to be paid as set out in Schedule "F", Section (bb) of the Sea Hunter Disclosure Letter, none of Sea Hunter, its Subsidiary, or any of their respective officers, directors or employees on behalf of Sea Hunter or its Subsidiaries has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the transactions contemplated by this Agreement.

(cc) No Expropriation. No property or asset of Sea Hunter or its Subsidiaries has been taken or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced nor, to the knowledge of Sea Hunter, is there any intent or proposal to give any such notice or to commence any such proceeding.

(dd) Anti-Money Laundering. Except as noted in Schedule "F", Section (dd) of the Sea Hunter Disclosure Letter, the operations of Sea Hunter and its Subsidiaries are and have been conducted, at all times, in material compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering Laws of the jurisdictions in which Sea Hunter conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "**Sea Hunter Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any Governmental Entity against Sea Hunter with respect to the Sea Hunter Anti-Money Laundering Laws is pending. None of Sea Hunter nor its Subsidiaries has, directly or indirectly: (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction in violation of applicable Laws; or (B) made any contribution to any candidate for public office, in either case where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (United States) or the rules and regulations promulgated thereunder or under any other Laws of any relevant jurisdiction covering a similar subject matter applicable to Sea Hunter, its Subsidiaries and their operations. Neither Sea Hunter, its Subsidiaries, or, to the knowledge of Sea Hunter, any director, officer, agent, employee, affiliate or Person acting on behalf of Sea Hunter has been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department.

(ee) Corrupt Practices Legislation. None of Sea Hunter, its Subsidiaries or affiliates, nor any of their respective officers, directors or employees acting on behalf of Sea Hunter or its Subsidiaries or affiliates has violated the United States' *Foreign Corrupt Practices Act* (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any applicable Law, and to the knowledge of Sea Hunter, no such action has been taken by any of its agents, representatives or other Persons acting on behalf of Sea Hunter or its Subsidiaries or any of its affiliates.

(ff) No Insolvency. Sea Hunter and its Subsidiaries are not insolvent and are able to meet all of their respective financial liabilities as they become due and no winding-up, liquidation, dissolution or bankruptcy proceedings have been commenced or are being commenced or contemplated by Sea Hunter or its Subsidiaries, and none of Sea Hunter or its Subsidiaries have knowledge of any such proceedings or transactions having been commenced or being contemplated in respect of Sea Hunter or its subsidiaries by any other party.

The representations and warranties of Sea Hunter contained in this Schedule "F" shall not survive the completion of the Business Combination and shall expire and be terminated on the earlier of the Effective Time and the date on which the Agreement is terminated in accordance with its terms.

SCHEDULE G

REPRESENTATIONS AND WARRANTIES OF FINCO

Finco hereby represents and warrants to SVT, Baker, Briteside, and Sea Hunter as follows, and acknowledges that such Parties are relying upon such representations and warranties in connection with the entering into of the Agreement:

(a) Organization and Qualification. Finco is duly incorporated and validly existing under the BCBCA and has full corporate power and authority to own its assets now owned and conduct its business as now owned and conducted and as presently proposed to be conducted. Finco is duly qualified to carry on business and is in good standing in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified would not have a Finco Material Adverse Effect. True and complete copies of the constating documents of Finco have been delivered or made available to SVT, Baker, Briteside, and Sea Hunter, such documents are in full force and effect as of the date hereof, and Finco has not taken any action to amend or supersede such documents as of the date hereof.

(b) Authority Relative to this Agreement. Finco has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Finco and the consummation by Finco of the transactions contemplated by this Agreement have been duly authorized by the Finco Board and no other corporate proceedings on the part of Finco are necessary to authorize this Agreement. This Agreement has been duly executed and delivered by Finco and assuming due authorization, execution and delivery by each of SVT, Baker, Briteside and Sea Hunter, constitutes a valid and binding obligation of Finco, enforceable by SVT, Baker, Briteside, and Sea Hunter against Finco in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

(c) No Conflict; Required Filings and Consent. The execution and delivery by Finco of this Agreement and the performance by it of its obligations hereunder and the completion of the Business Combination will not violate, conflict with or result in a breach of any provision of the organizational documents of Finco, and except as would not have a Finco Material Adverse Effect, will not: (a) violate, conflict with or result in a breach of: (i) any Finco Material Contract; or (ii) any Law to which Finco is subject or by which Finco is bound; (b) give rise to any right of termination, or the acceleration of any indebtedness, under any Finco Material Contract; or (c) give rise to any rights of first refusal or rights of first offer, trigger any change in control or any restriction or limitation under any Finco Material Contract, or result in the imposition of any Lien upon any of Finco's assets. Other than the Interim Order, the Final Order and the filing of documents relating to the Business Combination under the BCBCA, no Permit is necessary on the part of Finco for the consummation by Finco of its obligations in connection with the Business Combination under this Agreement or for the completion of the Business Combination not to cause or result in any loss of any rights or assets or any interest therein held by Finco in any material properties, except for such Permits as to which the failure to obtain or make would not (x) individually or in the aggregate, prevent or materially delay consummation of the Business Combination or (y) have a Finco Material Adverse Effect.

(d) Subsidiaries. Finco does not have Subsidiaries or any direct or indirect interests in any Person.

(e) Compliance with Laws.

(i) Finco does not have any operations, and has not received any written notice of any alleged violation of any Laws.

(ii) Finco is not in conflict with, or in default (including cross defaults) under or in violation of: (a) its articles or by-laws or equivalent organizational documents in any case in any material respect; or (b) any Finco Material Contract, except for any conflicts, defaults or violations that would not have a Finco Material Adverse Effect.

(iii) No Governmental Order preventing, ceasing or suspending trading in any securities of Finco is issued and outstanding and no proceeding for either of such purposes have been instituted or, to the knowledge of Finco, are pending, contemplated or threatened.

(iv) Finco does not conduct any material cannabis-related activities nor engage in any material business in any jurisdiction.

(f) Licenses and Permits.

(i) Finco does not hold any material Permits.

(ii) Finco has not received any written notice of revocation or non-renewal of any Permits, or of any intention of any Person to revoke or refuse to renew any of such Permits, except in each case, for revocations or non-renewals which, individually or in the aggregate, would not have a Finco Material Adverse Effect.

(g) Capitalization and Listing.

(i) The authorized share capital of Finco consists of an unlimited number of common shares ("**Finco Common Shares**"). As at the date of this Agreement there is one (1) Finco Common Share validly issued and outstanding as a fully-paid and non-assessable share of Finco. There are no options, warrants, conversion privileges, calls or other rights, shareholder rights plans, agreements, arrangements, commitments, or obligations of Finco to issue or sell any Finco Common Shares or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire any Finco Common Shares, and (y) no Person is entitled to any pre-emptive or other similar right granted by Finco.

(ii) No Governmental Order ceasing or suspending trading in Finco Common Shares nor prohibiting the sale of such securities has been issued and is outstanding against Finco or its directors, officers or promoters.

(h) Shareholder and Similar Agreements. Finco is not party to any shareholder, pooling, voting trust or other similar agreement relating to the issued and outstanding Finco Common Shares.

(i) U.S. Securities Law Matters.

(i) There is no class of securities of Finco which is registered pursuant to Section 12 of the U.S. Exchange Act, nor is Finco subject to any reporting obligation (whether active or suspended) pursuant to section 15(d) of the U.S. Exchange Act. Finco is not, and has never been, subject to any requirement to register any class of its equity securities pursuant to Section 12(g) of the U.S. Exchange Act.

(ii) Finco is not an investment company registered or required to be registered under the U.S. Investment Company Act of 1940, as amended.

(iii) The Finco Common Shares have been issued under a valid exemption under the U.S. Securities Act and in accordance with any applicable state securities Laws.

(j) Financial Statements. Finco has not yet had to prepare or file any financial statements. All financial statements of Finco which are prepared by Finco in respect of any subsequent periods prior to the Effective Date will be, prepared in accordance with IFRS and all applicable Laws and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), consolidated financial position of Finco as of the respective dates thereof and its results of operations and cash flows for the respective periods covered thereby (except as may be indicated expressly in the notes thereto). There are no outstanding loans made by Finco to any executive officer or director of Finco.

(k) Undisclosed Liabilities. Finco does not have any material liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, that are not and would not, individually or in the aggregate with all other liabilities and obligations of Finco, have a Finco Material Adverse Effect, or, as a consequence of the consummation of the Finco Component of the Business Combination, have an Finco Material Adverse Effect.

(l) Finco Property. Aside from cash, Finco does not own any property, whether directly or indirectly, tangible or intangible, real or personal.

(m) Operational Matters. Finco does not have any operations, and was formed for the purposes of the transactions contemplated by this Agreement.

(n) Employment Matters. Finco does not have any employees, and has not entered into any binding Contract providing for severance, termination or other change in control-related payments to any director, officer or employee in connection with the termination of their position or their employment as a direct result of a change in control of Finco.

(o) Absence of Certain Changes or Events. Since March 31, 2018:

(i) There has not been any event, circumstance or occurrence which has given rise to a Finco Material Adverse Effect;

(ii) there has not been any redemption, repurchase or other acquisition of Finco Common Shares by Finco, or any declaration, setting aside or payment of any dividend or other distribution (whether in cash, shares or property) with respect to the Finco Common Shares; and

(iii) there has not been any entering into, or an amendment of, any Baker Material Contract other than in the ordinary course of business consistent with past practice.

(p) Litigation. There is no claim, action or proceeding pending or, to the knowledge of Finco, claim, action, proceeding or investigation threatened against or relating to Finco or against any current officer or senior executive relating to such individual's current or prior role with or services to Finco before or by any Governmental Entity which, if adversely determined, would have an Finco Material Adverse Effect or prevent or materially delay the consummation of the Business Combination (provided that the representation in this Section (g) shall not apply to claims, actions, proceedings, or investigations which may arise after the date of this Agreement which do not have a reasonable prospect of succeeding or, if successful, would not give rise to an Finco Material Adverse Effect). Finco is not subject to any judgments that are unsatisfied, any Governmental Order which in each such case has had a Finco Material Adverse Effect which would prevent or materially delay consummation of the transactions contemplated by this Agreement.

(q) Taxes. Finco has not had any Tax Returns required to be made or prepared by it in accordance with applicable Law, or filed with the appropriate Governmental Entity.

(r) Books and Records. The corporate records and minute books of Finco have been maintained in accordance with all applicable Laws, and the minute books of Finco are complete and accurate in all material respects. The corporate minute books for Finco contain minutes of all meetings and resolutions of the directors and securityholders held.

(s) Insurance. Finco does not have any policies of insurance.

(t) Non-Arm's Length Transactions. There are no current Contracts or other transactions (including relating to indebtedness by Finco) between Finco on the one hand, and (a) any officer or director of Finco, (b) any holder of record or, to the knowledge of Finco, beneficial owner of five percent or more of the voting securities of Finco, or (c) any affiliate or Associate of any officer, director or beneficial owner, on the other hand.

(u) Benefit Plans. Finco does not have any pension, benefit, retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock-based, change in control, retention, severance, vacation, paid time off, welfare, fringe-benefit and other similar agreement, plan, policy, program or arrangement (and any amendments thereto), in each case whether or not reduced to writing and whether funded or unfunded, which is or has been maintained, sponsored, contributed to, or required to be contributed to by Finco.

(v) Environmental. Except for any matters that would not have a Finco Material Adverse Effect:

(i) Finco is not subject to any proceeding, application, order or directive which relates to environmental, health or safety matters, and which may require any material work, repairs, construction or expenditures;

(ii) to the knowledge of Finco, Finco is not subject to any past or present fact, condition or circumstance that could reasonably be expected to result in liability under any Environmental Laws; and

(iii) Finco is not aware, based on its reasonable due diligence, of any material non-compliance with applicable Environmental Laws.

(w) Restrictions on Business Activities. There is no Contract or Governmental Order binding upon Finco, the terms of which prohibit or restrict any acquisition of property by Finco, other than such Contracts or Governmental Orders which would not have a Finco Material Adverse Effect.

(x) Material Contracts. Except in each case where there would not be an Finco Material Adverse Effect, (i) Finco has performed in all material respects all respective obligations required to be performed by them to date under any material Contracts currently in effect as of the date hereof (the "**Finco Material Contracts**"), (ii) Finco has not received any written notice of any breach or default under any such Finco Material Contract by any other party thereto, (iii) prior to the date hereof, Finco has made available to SVT, Baker, Briteside, and Sea Hunter true and complete copies of all of Finco Material Contracts, and (iv) all Finco Material Contracts are legal, valid and binding against Finco are in full force and effect and are enforceable by Finco in accordance with their respective terms (subject to bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and to general principles of equity) and are the products of fair and arms' length negotiations between the parties thereto.

(y) Intellectual Property. Finco does not have any Owned Intellectual Property Registrations of Owned Intellectual Property Assets.

(z) Bank Accounts. Finco does not currently have any accounts maintained with banks, credit unions, trust companies and other similar financial institutions.

(aa) Relationships with Customers, Suppliers, Distributors and Sales Representatives. Finco does not have any material customers, suppliers, distributors or sales representatives.

(bb) Brokers. Finco has not employed any broker or finder or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the transactions contemplated by this Agreement.

(cc) No Expropriation. No property or asset of Finco has been taken or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced nor, to the knowledge of Finco, is there any intent or proposal to give any such notice or to commence any such proceeding.

(dd) Anti-Money Laundering. Finco has not, directly or indirectly: (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction in violation of applicable Laws; or (B) made any contribution to any candidate for public office, in either case where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (United States) or the rules and regulations promulgated thereunder or under any other Laws of any relevant jurisdiction covering a similar subject matter applicable to Finco. Neither Finco nor, to the knowledge of Finco, any director, officer, agent, employee, affiliate or Person acting on behalf of Finco has been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department.

(ee) Corrupt Practices Legislation. Neither Finco, nor any officer or director acting on behalf of Finco has violated the United States' *Foreign Corrupt Practices Act* (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any applicable Law.

(ff) No Insolvency. Finco is not insolvent and is able to meet all of its financial liabilities as they become due and no winding-up, liquidation, dissolution or bankruptcy proceedings have been commenced or are being commenced or contemplated by Finco, and Finco has no knowledge of any such proceedings or transactions having been commenced or being contemplated in respect of Finco by any other party.

The representations and warranties of Finco contained in this Schedule "G" shall not survive the completion of the Business Combination and shall expire and be terminated on the earlier of the Effective Time and the date on which the Agreement is terminated in accordance with its terms.

SCHEDULE H

COVENANTS OF SVT

1. Covenants of SVT Regarding the Conduct of Business

SVT covenants and agrees that prior to the Effective Date, (x) unless any two of Baker, Briteside, and Sea Hunter (after providing notice to all of such Transacting Parties) shall otherwise collectively agree in writing (which such agreement shall not be unreasonably withheld or delayed), (y) except as set forth on Schedule "H", Section 1 of the SVT Disclosure Letter, or (z) unless expressly contemplated or permitted or not expressly prohibited by this Agreement:

(a) SVT shall, and shall cause its Subsidiaries to, conduct its and their respective businesses only in, not take any action except in, and maintain their respective facilities, in the ordinary course of business and to use commercially reasonable efforts to preserve intact its and their present business organization and goodwill, to preserve intact SVT and the SVT property, and to maintain satisfactory relationships consistent with past practice with suppliers, distributors, employees, Governmental Entities and others having business relationships with them;

(b) Other than (x) as expressly permitted or required by this Agreement, (y) unless any two of Baker, Briteside and Sea Hunter (after providing notice to all of such Transacting Parties) shall otherwise collectively agree in writing (which such agreement shall not be unreasonably withheld or delayed), or (z) as set forth on Schedule "H", Section 1 of the SVT Disclosure Letter, without limiting the generality of Section 1(a), SVT shall not, directly or indirectly, and shall cause its Subsidiaries not to:

(i) issue, sell, grant, award, pledge, dispose of, encumber or agree to issue, sell, grant, award, pledge, dispose of or encumber any SVT Shares, any SVT Options, any SVT Warrants, or any calls, conversion privileges or rights of any kind to acquire any SVT Shares or other securities or any shares of its Subsidiaries, other than pursuant to the exercise of existing SVT Options and SVT Warrants, except as contemplated elsewhere herein including, but not limited to, Sections 4.6 and 4.7;

(ii) sell, pledge, lease, dispose of, mortgage, licence, encumber or agree to sell, pledge, dispose of, mortgage, licence, encumber or otherwise transfer any assets of SVT or its Subsidiaries or any interest in any assets of SVT and its Subsidiaries to a Person other than SVT or any of its Subsidiaries having a value greater than $3,000,000 in the aggregate to a Person other than SVT or any of its Subsidiaries, as applicable, other than in the ordinary course of business consistent with past practices;

(iii) amend or propose to amend in any material respect the articles, by-laws or other constating documents or the terms of any securities of SVT or its Subsidiaries;

(iv) split, combine or reclassify any outstanding SVT Shares or the securities of its Subsidiaries;

(v) redeem, purchase or offer to purchase any SVT Shares or other securities of SVT or any shares or other securities of its Subsidiaries;

(vi) loan or lend material amounts to any Person outside of the ordinary course of business;

( ) declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any SVT Shares except, in the case of any of SVT's wholly-owned Subsidiaries, for dividends payable to SVT;

(i) reorganize, amalgamate or merge SVT or its Subsidiaries with any other Person;

(ii) reduce the stated capital of the shares of SVT or of its Subsidiaries;

(iii) except in the ordinary course of business, consent with past practice or as contemplated in Section 4.7 herein, (A) incur, create, assume or otherwise become liable for any material indebtedness for borrowed money or any other material liability or obligation or issue any debt securities, except for the borrowing of working capital in the ordinary course of business and consistent with past practice, or (B) guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other Person;

(iv) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of SVT or its Subsidiaries;

(v) pay, discharge, settle, satisfy, compromise, waive, assign or release any claims, liabilities or obligations other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in SVT's financial statements or incurred in the ordinary course of business consistent with past practice, except as would not be reasonably expected to have an SVT Material Adverse Effect;

(vi) waive, release, grant, transfer, exercise, modify or amend in any material respect, other than in the ordinary course of the business consistent with past practice, (i) any existing material contractual rights in respect of any material SVT property, (ii) any material Permit, lease, concession, or contract (iii) any other material legal rights or claims;

(vii) take any action or fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Entities to institute proceedings for the suspension, revocation or limitation of rights under, any material Permits necessary to conduct its businesses as now conducted;

(viii) except as referenced as being permitted under Section 4.10(a) herein, increase the benefits payable or to become payable to its directors or officers (whether from SVT or any of its Subsidiaries), enter into or modify any employment, severance, or similar agreements or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any officer of SVT or member of the SVT Board; or

(ix) except as referenced as being permitted under Section 4.10(a) herein, in the case of employees who are not officers of SVT or members of the SVT Board, take any action with respect to the grant of any bonuses, salary increases, severance or termination pay or with respect to any increase of benefits payable in effect on the date hereof.

(c) SVT shall use commercially reasonable efforts to cause its current insurance (or reinsurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(d) SVT shall use its commercially reasonable best efforts to maintain and preserve all of its rights for its material SVT property and under each of its Permits;

(e) SVT shall:

(i) except (i) as would not in any material respect impair or restrict SVT's ability to conduct its business in the ordinary course consistent with past practice, or (ii) with the consent in advance of at least two (2) out of the three (3) Transacting Parties other than SVT, acting reasonably, not enter into or renew any SVT Material Contract (A) containing (1) any limitation or restriction on the ability of SVT or its Subsidiaries or, following completion of the transactions contemplated hereby, the ability of the Resulting Issuer or its Subsidiaries, to engage in any type of activity or business, (2) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of SVT or its Subsidiaries or, following consummation of the transactions contemplated hereby, all or any portion of the business of the Resulting Issuer or its Subsidiaries, is or would be conducted, or (3) any limit or restriction on the ability of SVT or its Subsidiaries or, following completion of the transactions contemplated hereby, the ability of the Resulting Issuer or its Subsidiaries, to solicit customers or employees, other than commercial contracts containing such limitations or restrictions, or (B) that would reasonably be expected to materially delay or prevent the consummation of the transactions contemplated by this Agreement;

(ii) not enter into or renew any agreement, Contract, lease, licence or other binding obligation of SVT or its Subsidiaries that is not terminable within 30 days of the Effective Date without payment by SVT or its Subsidiaries; and

(iii) maintain all its material Owned Intellectual Property Registrations, continue to comply in all material respects with its obligations under all material Intellectual Property Agreements and use its commercially reasonable efforts to protect its material Intellectual Property Assets (to the extent protectable).

(f) SVT and its Subsidiaries shall:

(i) duly and timely file all Tax Returns required to be filed by it under applicable Law on or after the date hereof and all such Tax Returns will be true, complete and correct in all material respects;

(ii) unless being disputed in good faith, timely withhold, collect, remit and pay all Taxes which are to be withheld, collected, remitted or paid by it under applicable Law to the extent due and payable;

(iii) not make or rescind any material express or deemed election relating to Taxes;

(iv) not make a request for a Tax ruling or enter into any agreement with any taxing authorities or consent to any extension or waiver of any limitation period with respect to Taxes;

(x) not settle or compromise any Claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to a material amount of Taxes outside the ordinary course of business; and

(xi) not amend any Tax Return or change any of its methods of reporting income, deductions or accounting for income Tax purposes from those employed in the preparation of its income Tax Return for the taxation year ended January 31, 2016, except as may be required by applicable Laws; and

(xii) SVT shall not authorize or propose, or enter into or modify any Contract, to do any of the matters prohibited by the other Subsections of this Section 1.

2. Covenants of SVT Relating to the SVT Component of the Business Combination

SVT shall, and shall cause the SVT Subsidiaries to, perform all obligations required to be performed by SVT or any SVT Subsidiary under this Agreement, co-operate with Baker, Briteside, Sea Hunter, and Finco in connection therewith, and do all such other acts and things as may be reasonably necessary in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement. SVT shall procure that the Resulting Issuer shall issue such employee stock plan grants, which may be pursuant to the Resulting Issuer Equity Incentive Plan, as may be necessary to accomplish, following the consummation of the Business Combination, the founder equity positions contemplated in Section C(4) of Schedule "A" of the May 15, 2018 binding letter of intent amongst SVT, Baker, Briteside, and Sea Hunter Holdings, regarding pooling of the founders shares. Furthermore, SVT shall cooperate in implementing a pooling structure whereby the individual Key Employees may agree to pool their shares or utilize such other method as shall be agreed upon by the Transacting Parties to accomplish the agreement upon allocation as described in Section C(4) of Schedule "A" of such binding letter of intent.

SCHEDULE I

COVENANTS OF BAKER

1. Covenants of Baker Regarding the Conduct of Business

Baker covenants and agrees that prior to the Effective Date, (x) unless any two of SVT, Briteside, and Sea Hunter (after providing notice to all of such Transacting Parties) shall otherwise collectively agree in writing (which such agreement shall not be unreasonably withheld or delayed), (y) except as set forth on Schedule "I", Section 1 of the Baker Disclosure Letter, or (z) unless expressly contemplated or permitted or not expressly prohibited by this Agreement:

(a) Baker shall, and shall cause each of its Subsidiaries to, conduct its and their respective businesses only in, not take any action except in, and maintain their respective facilities, in the ordinary course of business and to use commercially reasonable efforts to preserve intact its and their present business organization and goodwill, to preserve intact Baker and the Baker property, and to maintain satisfactory relationships consistent with past practice with suppliers, distributors, employees, Governmental Entities and others having business relationships with them;

(b) Other than (x) as expressly permitted or required by this Agreement, (y) unless any two of SVT, Baker, and Sea Hunter (after providing notice to all of such Transacting Parties) shall otherwise collectively agree in writing (which such agreement shall not be unreasonably withheld or delayed), or (z) as set forth on Schedule "I", Section 1 of the Baker Disclosure Letter, as expressly permitted or required in this Agreement, without limiting the generality of Section 1(a), Baker shall not, directly or indirectly, and shall cause each of its Subsidiaries not to:

(i) issue, sell, grant, award, pledge, dispose of, encumber or agree to issue, sell, grant, award, pledge, dispose of or encumber any Baker Shares, any Baker Options, any Baker SAFEs, or any calls, conversion privileges or rights of any kind to acquire any Baker Shares or other securities or any shares of its Subsidiaries, or the exercise of existing Baker Options, or Baker SAFEs, except as contemplated elsewhere herein including, but not limited to, Sections 4.6 and 4.7;

(ii) sell, pledge, lease, dispose of, mortgage, licence, encumber or agree to sell, pledge, dispose of, mortgage, licence, encumber or otherwise transfer any assets of Baker or any of its Subsidiaries or any interest in any assets of Baker and its Subsidiaries having a value greater than $3,000,000 in the aggregate to a Person other than Baker or any of its Subsidiaries, as applicable, other than in the ordinary course of business consistent with past practices;

(iii) amend or propose to amend in any material respect the articles, by-laws or other constating documents or the terms of any securities of Baker or any of its Subsidiaries, other than amendments (i) to increase the number of authorized shares of Baker Capital Stock, (ii) to modify the size or composition of the Baker Board, or (iii) as may be required by applicable Law.

(iv) split, combine or reclassify any outstanding Baker Shares or the securities of any of its Subsidiaries;

(xiii) redeem, purchase or offer to purchase any Baker Shares or other securities of Baker or any shares or other securities of its Subsidiaries, other than (i) the repurchase of unvested restricted Baker Shares in connection with the termination of services of the holder thereof, or (ii) the repurchase of Baker Shares from the former members of Defender Marketing Services, LLC, which Baker Shares have not vested pursuant to earn out, milestone or similar conditions set forth in that certain Unit Purchase Agreement, dated as of November 10, 2017, among Baker and such former members of Defender Marketing Services, LLC;

(xiv) loan or lend material amounts to any Person outside of the ordinary course of business;

(xv) declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any Baker Shares except, in the case of any of Baker's wholly-owned Subsidiaries, for dividends payable to Baker;

(xvi) reorganize, amalgamate or merge Baker or any of its Subsidiaries with any other Person;

(xvii) reduce the stated capital of the shares of Baker or of any of its Subsidiaries;

(xviii) except in the ordinary course of business consistent with past practice or as contemplated in Section 4.7 herein, (A) incur, create, assume or otherwise become liable for any material indebtedness for borrowed money or any other material liability or obligation or issue any debt securities, except for the borrowing of working capital in the ordinary course of business and consistent with past practice, or (B) guarantee, endorse or otherwise as an accommodation become responsible for, the material obligations of any other Person;

(xix) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Baker or any of its Subsidiaries;

(xx) pay, discharge, settle, satisfy, compromise, waive, assign or release any claims, liabilities or obligations other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in Baker's financial statements or incurred in the ordinary course of business consistent with past practice, except as would not be reasonably expected to have a Baker Material Adverse Effect;

(xxi) waive, release, grant, transfer, exercise, modify or amend in any material respect, other than in the ordinary course of the business consistent with past practice, (i) any existing material contractual rights in respect of any material Baker property, (ii) any material Permit, lease, concession, or contract, or (iii) any other material legal rights or claims;

(xxii) take any action or fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Entities to institute proceedings for the suspension, revocation or limitation of rights under, any material Permits necessary to conduct its businesses as now conducted;

(v) except as referenced as being permitted under Section 4.10(a) herein, increase the benefits payable or to become payable to its directors or officers (whether from Baker or any of its Subsidiaries), enter into or modify any employment, severance, or similar agreements or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any officer of Baker or member of the Baker Board; or

(vi) except as referenced as being permitted under Section 4.10(a) herein, in the case of employees who are not officers of Baker or members of the Baker Board, take any action with respect to the grant of any bonuses, salary increases, severance or termination pay or with respect to any increase of benefits payable in effect on the date hereof.

(c) Baker shall use commercially reasonable efforts to cause its current insurance (or reinsurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(d) Baker shall use its commercially reasonable best efforts to maintain and preserve all of its rights for its material Baker property and under each of its Permits;

(e) Baker shall:

(i) except (i) as would not in any material respect impair or restrict Baker's ability to conduct its business in the ordinary course consistent with past practice, or (ii) with the consent in advance of at least two (2) out of the three (3) Transacting Parties other than Baker, acting reasonably, not enter into or renew any Baker Material Contract (A) containing (1) any limitation or restriction on the ability of Baker or its Subsidiaries or, following completion of the transactions contemplated hereby, the ability of Baker or its Subsidiaries, to engage in any type of activity or business, (2) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of Baker or its Subsidiaries or, following consummation of the transactions contemplated hereby, all or any portion of the business of Baker or its Subsidiaries, is or would be conducted, or (3) any limit or restriction on the ability of Baker or its Subsidiaries or, following completion of the transactions contemplated hereby, the ability of Baker or its Subsidiaries, to solicit customers or employees, other than commercial contracts containing such limitations or restrictions, or (B) that would reasonably be expected to materially delay or prevent the consummation of the transactions contemplated by this Agreement;

(ii) maintain all its material Owned Intellectual Property Registrations, continue to comply in all material respects with its obligations under all material Intellectual Property Agreements and use its commercially reasonable efforts to protect its material Intellectual Property Assets (to the extent protectable);

(f) Baker and each of its Subsidiaries shall:

(i) duly and timely file all Tax Returns required to be filed by it under applicable Law on or after the date hereof and all such Tax Returns will be true, complete and correct in all material respects;

(ii) unless being disputed in good faith, timely withhold, collect, remit and pay all Taxes which are to be withheld, collected, remitted or paid by it under applicable Law to the extent due and payable;

(iii) not make or rescind any material express or deemed election relating to Taxes;

(iv) not make a request for a Tax ruling or enter into any agreement with any taxing authorities or consent to any extension or waiver of any limitation period with respect to Taxes;

(v) not settle or compromise any Claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to material amount of Taxes outside the ordinary course of business; and

(vi) not amend any Tax Return or change any of its methods of reporting income, deductions or accounting for income Tax purposes from those employed in the preparation of its income Tax Return for the tax year ended December 31, 2017, except as may be required by applicable Laws;

(vii) Baker shall not authorize or propose, or enter into or modify any Contract, to do any of the matters prohibited by the other Subsections of this Section 1.

2. Covenants of Baker Relating to the Business Combination

Baker shall, and shall cause the Baker Subsidiaries to, perform all obligations required to be performed by Baker or any Baker Subsidiary under this Agreement, co-operate with SVT, Briteside, Sea Hunter, and Finco in connection therewith, and do all such other acts and things as may be reasonably necessary in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement. Baker shall procure that the Resulting Issuer shall issue such employee stock plan grants, which may be pursuant to the Resulting Issuer Equity Incentive Plan, as may be necessary to accomplish, following the consummation of the Business Combination, the founder equity positions contemplated in Section C(4) of Schedule "A" of the May 15, 2018 binding letter of intent amongst SVT, Baker, Briteside, and Sea Hunter Holdings, regarding pooling of the founders shares. Furthermore, Baker shall cooperate in implementing a pooling structure whereby the individual Key Employees may agree to pool their shares or utilize such other method as shall be agreed upon by the Transacting Parties to accomplish the agreement upon allocation as described in Section C(4) of Schedule "A" of such binding letter of intent.

SCHEDULE J

COVENANTS OF BRITESIDE

1. Covenants of Briteside Regarding the Conduct of Business

Briteside covenants and agrees that prior to the Effective Date, (x) unless any two of SVT, Baker, and Sea Hunter (after providing notice to all of such Transacting Parties) shall otherwise collectively agree in writing (which such agreement shall not be unreasonably withheld or delayed), (y) except as set forth on Schedule "J", Section 1 of the Briteside Disclosure Letter, or (z) unless expressly contemplated or permitted or not expressly prohibited by this Agreement:

(a) Briteside shall, and shall cause each of its Subsidiaries to, conduct its and their respective businesses only in, not take any action except in, and maintain their respective facilities, in the ordinary course of business and to use commercially reasonable efforts to preserve intact its and their present business organization and goodwill, to preserve intact Briteside and the Briteside property, and to maintain satisfactory relationships consistent with past practice with suppliers, distributors, employees, Governmental Entities and others having business relationships with them;

(b) Other than (x) as expressly permitted or required by this Agreement, (y) unless any two of SVT, Baker, and Sea Hunter (after providing notice to all of such Transacting Parties) shall otherwise collectively agree in writing (which such agreement shall not be unreasonably withheld or delayed), or (z) as set forth on Schedule "J", Section 1 of the Briteside Disclosure Letter, as expressly permitted or required in this Agreement, without limiting the generality of Section 1(a), Briteside shall not, directly or indirectly, and shall cause each of its Subsidiaries not to:

(i) issue, sell, grant, award, pledge, dispose of, encumber or agree to issue, sell, grant, award, pledge, dispose of or encumber any Briteside Membership Interests, any Briteside Options, any Briteside Warrants, or any calls, conversion privileges or rights of any kind to acquire any Briteside Membership Interests or other securities or any shares of its Subsidiaries, or the exercise of existing Briteside Options, or Briteside Warrants, except as contemplated elsewhere herein including, but not limited to, Sections 4.6 and 4.7;

(ii) sell, pledge, lease, dispose of, mortgage, licence, encumber or agree to sell, pledge, dispose of, mortgage, licence, encumber or otherwise transfer any assets of Briteside or any of its Subsidiaries or any interest in any assets of Briteside and its Subsidiaries having a value greater than $3,000,000 in the aggregate to a Person other than Briteside or any of its Subsidiaries, as applicable, other than in the ordinary course of business consistent with past practices;

(iii) amend or propose to amend in any material respect the articles, by-laws or other constating documents or the terms of any securities of Briteside or any of its Subsidiaries;

(iv) split, combine or reclassify any outstanding Briteside Membership Interests or the securities of any of its Subsidiaries;

(v) redeem, purchase or offer to purchase any Briteside Membership Interests or other securities of Briteside or any shares or other securities of its Subsidiaries;

(xxiii) loan or lend material amounts to any Person outside of the ordinary course of business, except as pursuant to the Loan Facility as contemplated by Section 4.7 herein;

(xxiv) declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any Briteside Membership Interests except, in the case of any of Briteside's wholly-owned Subsidiaries, for dividends payable to Briteside;

(xxv) reorganize, amalgamate or merge Briteside or any of its Subsidiaries with any other Person;

(xxvi) reduce the stated capital of the shares of Briteside or of any of its Subsidiaries;

(xxvii) except in the ordinary course of business consistent with past practice or as contemplated in Section 4.7 herein, (A) incur, create, assume or otherwise become liable for any material indebtedness for borrowed money or any other material liability or obligation or issue any debt securities, except for the borrowing of working capital in the ordinary course of business and consistent with past practice, or (B) guarantee, endorse or otherwise as an accommodation become responsible for, the material obligations of any other Person;

(xxviii) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Briteside or any of its Subsidiaries;

(xxix) pay, discharge, settle, satisfy, compromise, waive, assign or release any claims, liabilities or obligations other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in Briteside's financial statements or incurred in the ordinary course of business consistent with past practice, except as would not be reasonably expected to have a Briteside Material Adverse Effect;

(xxx) waive, release, grant, transfer, exercise, modify or amend in any material respect, other than in the ordinary course of the business consistent with past practice, (i) any existing material contractual rights in respect of any material Briteside property, (ii) any material Permit, lease, concession, or contract, or (iii) any other material legal rights or claims;

(xxxi) take any action or fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Entities to institute proceedings for the suspension, revocation or limitation of rights under, any material Permits necessary to conduct its businesses as now conducted;

(xxxii) except as referenced as being permitted under Section 4.10(a) herein, increase the benefits payable or to become payable to its directors or officers (whether from Briteside or any of its Subsidiaries), enter into or modify any employment, severance, or similar agreements or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any officer of Briteside or member of the Briteside Board; or

(xxxiii) except as referenced as being permitted under Section 4.10(a) herein, in the case of employees who are not officers of Briteside or members of the Briteside Board, take any action with respect to the grant of any bonuses, salary increases, severance or termination pay or with respect to any increase of benefits payable in effect on the date hereof.

(c) Briteside shall use commercially reasonable efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(d) Briteside shall use its commercially reasonable best efforts to maintain and preserve all of its rights for its material Briteside property and under each of its Permits;

(e) Briteside shall:

(i) except (i) as would not in any material respect impair or restrict Briteside's ability to conduct its business in the ordinary course consistent with past practice, or (ii) with the consent in advance of at least two (2) out of the three (3) Transacting Parties other than Briteside, acting reasonably, not enter into or renew any Briteside Material Contract (A) containing (1) any limitation or restriction on the ability of Briteside or its Subsidiaries or, following completion of the transactions contemplated hereby, the ability of Briteside or its Subsidiaries, to engage in any type of activity or business, (2) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of Briteside or its Subsidiaries or, following consummation of the transactions contemplated hereby, all or any portion of the business of Briteside or its Subsidiaries, is or would be conducted, or (3) any limit or restriction on the ability of Briteside or its Subsidiaries or, following completion of the transactions contemplated hereby, the ability of Briteside or its Subsidiaries, to solicit customers or employees, other than commercial contracts containing such limitations or restrictions, or (B) that would reasonably be expected to materially delay or prevent the consummation of the transactions contemplated by this Agreement;

(ii) maintain all its material Owned Intellectual Property Registrations, continue to comply in all material respects with its obligations under all material Intellectual Property Agreements and use its commercially reasonable efforts to protect its material Intellectual Property Assets (to the extent protectable);

(f) Briteside and each of its Subsidiaries shall:

(i) duly and timely file all Tax Returns required to be filed by it under applicable Law on or after the date hereof and all such Tax Returns will be true, complete and correct in all material respects;

(ii) unless being disputed in good faith, timely withhold, collect, remit and pay all Taxes which are to be withheld, collected, remitted or paid by it under applicable Law to the extent due and payable;

(iii) not make or rescind any material express or deemed election relating to Taxes;

(iv) not make a request for a Tax ruling or enter into any agreement with any taxing authorities or consent to any extension or waiver of any limitation period with respect to Taxes;

(xxxiv) not settle or compromise any Claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to material amount of Taxes outside the ordinary course of business; and

(xxxv) not amend any Tax Return or change any of its methods of reporting income, deductions or accounting for income Tax purposes from those employed in the preparation of its income Tax Return for the tax year ended December 31, 2017, except as may be required by applicable Laws; and

(xxxvi) Briteside shall not authorize or propose, or enter into or modify any Contract, to do any of the matters prohibited by the other Subsections of this Section 1.

2. Covenants of Briteside Relating to the Business Combination

Briteside shall, and shall cause the Briteside Subsidiaries to, perform all obligations required to be performed by Briteside or any Briteside Subsidiary under this Agreement, co-operate with SVT, Baker, Sea Hunter, and Finco in connection therewith, and do all such other acts and things as may be reasonably necessary in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement. Briteside shall procure that the Resulting Issuer shall issue such employee stock plan grants, which may be pursuant to the Resulting Issuer Equity Incentive Plan, as may be necessary to accomplish, following the consummation of the Business Combination, the founder equity positions contemplated in Section C(4) of Schedule "A" of the May 15, 2018 binding letter of intent amongst SVT, Baker, Briteside, and Sea Hunter Holdings, regarding pooling of the founders shares. Furthermore, Briteside shall cooperate in implementing a pooling structure whereby the individual Key Employees may agree to pool their shares or utilize such other method as shall be agreed upon by the Transacting Parties to accomplish the agreement upon allocation as described in Section C(4) of Schedule "A" of such binding letter of intent.

SCHEDULE K

COVENANTS OF SEA HUNTER

1. Covenants of Sea Hunter Regarding the Conduct of Business

Sea Hunter covenants and agrees that prior to the Effective Date, (x) unless any two of SVT, Baker, and Briteside (after providing notice to all of such Transacting Parties) shall otherwise collectively agree in writing (which such agreement shall not be unreasonably withheld or delayed), (y) except as set forth on Schedule "K", Section 1 of the Sea Hunter Disclosure Letter, or (z) unless expressly contemplated or permitted or not expressly prohibited by this Agreement:

(a) Sea Hunter shall, and shall cause each of its Subsidiaries to, conduct its and their respective businesses only in, not take any action except in, and maintain their respective facilities, in the ordinary course of business and to use commercially reasonable efforts to preserve intact its and their present business organization and goodwill, to preserve intact Sea Hunter and the Sea Hunter property, and to maintain satisfactory relationships consistent with past practice with suppliers, distributors, employees, Governmental Entities and others having business relationships with them;

(b) Other than (x) as expressly permitted or required by this Agreement, (y) unless any two of SVT, Baker, and Briteside (after providing notice to all of such Transacting Parties) shall otherwise collectively agree in writing (which such agreement shall not be unreasonably withheld or delayed), or (z) as set forth on Schedule "K", Section 1 of the Sea Hunter Disclosure Letter, without limiting the generality of Section 1(a), Sea Hunter shall not, directly or indirectly, and shall cause each of its Subsidiaries not to:

(i) issue, sell, grant, award, pledge, dispose of, encumber or agree to issue, sell, grant, award, pledge, dispose of or encumber any Sea Hunter Membership Interests, any Sea Hunter Options, or any calls, conversion privileges or rights of any kind to acquire any Sea Hunter Membership Interests or other securities or any shares of its Subsidiaries, or the exercise of existing Sea Hunter Options, except as contemplated elsewhere herein including, but not limited to, Sections 4.6 and 4.7;

(ii) sell, pledge, lease, dispose of, mortgage, licence, encumber or agree to sell, pledge, dispose of, mortgage, licence, encumber or otherwise transfer any assets of Sea Hunter or any of its Subsidiaries or any interest in any assets of Sea Hunter and its Subsidiaries having a value greater than $3,000,000 in the aggregate to a Person other than Sea Hunter or any of its Subsidiaries, as applicable, other than in the ordinary course of business consistent with past practices;

(iii) amend or propose to amend in any material respect the articles, by-laws or other constating documents or the terms of any securities of Sea Hunter or any of its Subsidiaries;

(iv) split, combine or reclassify any outstanding Sea Hunter Membership Interests or the securities of any of its Subsidiaries;

(v) redeem, purchase or offer to purchase any Sea Hunter Membership Interests or other securities of Sea Hunter or any shares or other securities of its Subsidiaries;

(xxxvii) loan or lend material amounts to any Person outside of the ordinary course of business, except as pursuant to the Loan Facility as contemplated by Section 4.7 herein;

(xxxviii) declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any Sea Hunter Membership Interests except, in the case of any of Sea Hunter's wholly-owned Subsidiaries, for dividends payable to Sea Hunter;

(xxxix) reorganize, amalgamate or merge Sea Hunter or any of its Subsidiaries with any other Person;

(xl) reduce the stated capital of the shares of Sea Hunter or of any of its Subsidiaries;

(xli) except in the ordinary course of business consistent with past practice or as contemplated in Section 4.7 herein, (A) incur, create, assume or otherwise become liable for any material indebtedness for borrowed money or any other material liability or obligation or issue any material debt securities, except for the borrowing of working capital in the ordinary course of business and consistent with past practice, or (B) guarantee, endorse or otherwise as an accommodation become responsible for, the material obligations of any other Person;

(xlii) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Sea Hunter or any of its Subsidiaries;

(xliii) pay, discharge, settle, satisfy, compromise, waive, assign or release any claims, liabilities or obligations other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in Sea Hunter's financial statements or incurred in the ordinary course of business consistent with past practice, except as would not be reasonably expected to have a Sea Hunter Material Adverse Effect;

(xliv) waive, release, grant, transfer, exercise, modify or amend in any material respect, other than in the ordinary course of the business consistent with past practice, (i) any existing material contractual rights in respect of any material Sea Hunter property, (ii) any material Permit, lease, concession, or contract, or (iii) any other material legal rights or claims;

(xlv) take any action or fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Entities to institute proceedings for the suspension, revocation or limitation of rights under, any material Permits necessary to conduct its businesses as now conducted;

(xlvi) except as referenced as being permitted under Section 4.10(a) herein, increase the benefits payable or to become payable to its directors or officers (whether from Sea Hunter or any of its Subsidiaries), enter into or modify any employment, severance, or similar agreements or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any officer of Sea Hunter or member of the Sea Hunter Board; or

(xlvii) except as referenced as being permitted under Section 4.10(a) herein, in the case of employees who are not officers of Sea Hunter or members of the Sea Hunter Board, take any action with respect to the grant of any bonuses, salary increases, severance or termination pay or with respect to any increase of benefits payable in effect on the date hereof.

(c) Sea Hunter shall use commercially reasonable efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(d) Sea Hunter shall use its commercially reasonable best efforts to maintain and preserve all of its rights for its material Sea Hunter property and under each of its Permits;

(e) Sea Hunter shall:

(i) except (i) as would not in any material respect impair or restrict Sea Hunter's ability to conduct its business in the ordinary course consistent with past practice, or (ii) with the consent in advance of at least two (2) out of the three (3) Transacting Parties other than Sea Hunter, acting reasonably, not enter into or renew any Sea Hunter Material Contract (A) containing (1) any limitation or restriction on the ability of Sea Hunter or its Subsidiaries or, following completion of the transactions contemplated hereby, the ability of Sea Hunter or its Subsidiaries, to engage in any type of activity or business, (2) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of Sea Hunter or its Subsidiaries or, following consummation of the transactions contemplated hereby, all or any portion of the business of Sea Hunter or its Subsidiaries, is or would be conducted, or (3) any limit or restriction on the ability of Sea Hunter or its Subsidiaries or, following completion of the transactions contemplated hereby, the ability of Sea Hunter or its Subsidiaries, to solicit customers or employees, other than commercial contracts containing such limitations or restrictions, or (B) that would reasonably be expected to materially delay or prevent the consummation of the transactions contemplated by this Agreement;

(ii) maintain all its material Owned Intellectual Property Registrations, continue to comply in all material respects with its obligations under all material Intellectual Property Agreements and use its commercially reasonable efforts to protect its material Intellectual Property Assets (to the extent protectable);

(f) Sea Hunter and each of its Subsidiaries shall:

(i) duly and timely file all Tax Returns required to be filed by it under applicable Law on or after the date hereof and all such Tax Returns will be true, complete and correct in all material respects;

(ii) unless being disputed in good faith, timely withhold, collect, remit and pay all Taxes which are to be withheld, collected, remitted or paid by it under applicable Law to the extent due and payable;

(iii) not make or rescind any material express or deemed election relating to Taxes;

(iv) not make a request for a Tax ruling or enter into any agreement with any taxing authorities or consent to any extension or waiver of any limitation period with respect to Taxes;

(v) not settle or compromise any Claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to a material amount of Taxes outside the ordinary course of business; and

(vi) not amend any Tax Return or change any of its methods of reporting income, deductions or accounting for income Tax purposes from those employed in the preparation of its income Tax Return for the tax year ended December 31, 2017, except as may be required by applicable Laws; and

(vii) Sea Hunter shall not authorize or propose, or enter into or modify any Contract, to do any of the matters prohibited by the other Subsections of this Section 1.

2. Covenants of Sea Hunter Relating to the Business Combination

Sea Hunter shall, and shall cause the Sea Hunter Subsidiaries to, perform all obligations required to be performed by Sea Hunter or any Sea Hunter Subsidiary under this Agreement, cooperate with SVT, Baker, Briteside, and Finco in connection therewith, and do all such other acts and things as may be reasonably necessary in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement. Sea Hunter shall procure that the Resulting Issuer shall issue such employee stock plan grants, which may be pursuant to the Resulting Issuer Equity Incentive Plan, as may be necessary to accomplish, following the consummation of the Business Combination, the founder equity positions contemplated in Section C(4) of Schedule "A" of the May 15, 2018 binding letter of intent amongst SVT, Baker, Briteside, and Sea Hunter Holdings, regarding pooling of the founders shares. Furthermore, Sea Hunter shall cooperate in implementing a pooling structure whereby the individual Key Employees may agree to pool their shares or utilize such other method as shall be agreed upon by the Transacting Parties to accomplish the agreement upon allocation as described in Section C(4) of Schedule "A" of such binding letter of intent.

SCHEDULE L

COVENANTS OF FINCO

Covenants of Finco Regarding the Conduct of Business

Finco covenants and agrees that prior to the Effective Date, (x) unless SVT, Baker, Briteside, and Sea Hunter shall otherwise collectively agree in writing, or (y) expressly contemplated or permitted or not expressly prohibited by this Agreement:

(a) Finco shall use commercially reasonable efforts to preserve intact its cash assets;

(b) Other than as expressly permitted or required by this Agreement, without limiting the generality of Section 1(a), Finco shall not, directly or indirectly:

(i) amend or propose to amend the articles, by-laws or other constating documents or the terms of any securities of Finco;

(ii) split, combine or reclassify any outstanding Finco Common Shares or Finco Class A Shares;

(iii) redeem, purchase or offer to purchase any Finco Common Shares or Finco Class A Shares or other securities of Finco;

(iv) loan or lend amounts to any Person;

(v) declare, set aside or pay any dividend or other distribution (whether in cash, securities or any combination thereof) in respect of any Finco Common Shares or Finco Class A Shares;

(vi) reorganize, amalgamate or merge Finco with any other Person;

(vii) reduce the stated capital of the Finco Common Shares or Finco Class A Shares;

(viii) acquire or agree to acquire (by merger, amalgamation, acquisition of shares or assets or otherwise) any Person, or make any investment either by purchase of shares or securities, contributions of capital (other than to its Subsidiaries), or purchase of any property or assets of any other Person;

(ix) (A) incur, create, assume or otherwise become liable for any indebtedness for borrowed money or any other liability or obligation or issue any debt securities, or (B) guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other Person;

(x) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Finco;

(xi) pay, discharge, settle, satisfy, compromise, waive, assign or release any claims, liabilities or obligations;

(xii) authorize, recommend or propose any release or relinquishment of any contractual right; and

(xiii) take any action or fail to take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of Finco to consummate the Finco Component of the Business Combination or the other transactions contemplated by this Agreement.

(c) Finco shall:

(i) not take any action which would render, or which reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect;

(ii) provide SVT, Baker, Briteside, Sea Hunter, and Finco with prompt written notice of: (A) any change (or any condition, event, circumstance or development involving a prospective change) in the assets, share ownership, articles and by-laws of Finco which, when considered either individually or in the aggregate, has resulted in or would reasonably be expected to result in an Finco Material Adverse Effect; (B) the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would or would be likely to (x) cause any of the representations of Finco contained herein to be untrue or inaccurate (without giving effect to, applying or taking into consideration any materiality or Finco Material Adverse Effect qualification already contained within such representation or warranty) in any material respect; or (y) result in the failure in any material respect of Finco to comply with or satisfy any covenant, condition or agreement (without giving effect to, applying or taking into consideration any qualification already contained in such covenant, condition or agreement) to be complied with or satisfied prior to the Effective Time;

(iii) except with the consent in advance of Transacting Parties, acting reasonably, not enter into or renew any agreement, contract, lease, licence or other binding obligation of Finco (A) containing (1) any limitation or restriction on the ability of the Resulting Issuer or its Subsidiaries, to engage in any type of activity or business, (2) any limitation or restriction on the manner in which, or the localities in which following consummation of the transactions contemplated hereby, all or any portion of the business of the Resulting Issuer or its Subsidiaries, is or would be conducted, or (3) any limit or restriction on the ability of the Resulting Issuer or its Subsidiaries, to solicit customers or employees, or (B) that would reasonably be expected to materially delay or prevent the consummation of the transactions contemplated by this Agreement; and

(iv) not enter into or renew any agreement, Contract, lease, licence or other binding obligation of Finco.

(d) Finco shall not authorize or propose, or enter into or modify any Contract, to do any of the matters prohibited by the other Subsections of this Section 1.

2. Covenants of Finco Relating to the Finco Component of the Business Combination

Finco shall perform all obligations required to be performed by Finco under this Agreement, co-operate with SVT, Baker, Briteside, and Sea Hunter in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement.

SCHEDULE M

SPECIAL RIGHTS AND RESTRICTIONS FOR RESULTING ISSUER COMPRESSED SHARES

The Class A Common Shares shall have the following special rights and restrictions:

1. Number and Designation.

(a) Class A Designation: The Corporation shall have authority to issue up to 500,000,000 Class A Common Shares, which are hereby designated "***Class A Common Shares***".

(b) Rank:

(i) All Class A Common Shares shall be identical with each other in all respects.

(ii) The Class A Common Shares shall rank *pari passu* with the Common Shares as to dividends and upon liquidation, as described below. Any amounts herein shall be subject to appropriate adjustments in the event of any stock splits, consolidations or the like.

(c) Certification: The Class A Common Shares may be evidenced by (a) certificates signed (either manually or by electronic signature)("***Certificated Class A Shares***") by any one responsible officer of the Corporation holding office at the time of signing or (b) at the Corporation's option, in non-certificated form issued and registered in the name of CDS Clearing and Depository Services Inc. and its successors in interest ("***CDS***") as uncertificated Class A Common Shares ("***Uncertificated Class A Shares***") and the deposit of which may be confirmed electronically by transfer agent for the Class A Common Shares to a particular participant ("***CDS Participant***") through CDS.

(d) CUSIP: The Class A Common Shares, at the Corporation's option, may be identified by a CUSIP number.

2. Dividend Rights.

The holders of Class A Common Shares (the "***Class A Shareholders***") shall be entitled to receive dividends and distributions payable in respect of Common Shares, out of any cash or other assets legally available therefor, received by shareholders, distributed among the Class A Shareholders and the holders of Common Shares based on (i) the number of Common Shares and (ii) the number of Class A Common Shares (on an as converted basis, assuming conversion of all Class A Common Shares into Common Shares at the applicable Conversion Ratio and disregarding the Conversion Limitations set forth in Section 7) issued and outstanding on the record date.

3. Liquidation Rights.

(a) In the event of any Liquidation Event, the Class A Shareholders shall be entitled to receive the assets of the Corporation, or other consideration payable or distributable as a result of the Liquidation Event, available for distribution to shareholders, distributed among the Class A Shareholders and the holders of Common

Shares based on (i) the number of Common Shares and (ii) the number of Class A Common Shares (on an as converted basis, assuming conversion of all Class A Common Shares into Common Shares at the applicable Conversion Ratio and disregarding the Conversion Limitations set forth in Section 7) issued and outstanding on the record date.

(b) For purposes of this Section 3, a "***Liquidation Event***" shall mean (i) any voluntary or involuntary liquidation, dissolution or winding up of the Corporation; (ii) the acquisition of the Corporation by or the combination, merger or consolidation of the Corporation with, another entity by means of any transaction or series of related transactions (including, without limitation, any sale, acquisition, reorganization, merger or consolidation but, excluding any transaction effected exclusively for the purpose of changing the domicile of the Corporation; (iii) a sale of all or substantially all of the assets of the Corporation; unless, in the case of (ii) or (iii), the Corporation's shareholders of record as constituted immediately prior to such acquisition or sale will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the Corporation's acquisition or sale or otherwise) hold at least 50% of the voting power of the surviving or acquiring entity.

4. Voting Rights.

The Class A Shareholders shall have the right to one vote for each Common Share into which such Class A Common Shares are convertible (disregarding the Conversion Limitations set forth in Section 7), and with respect to such vote, such holder shall have voting rights and powers equal and identical to the voting rights and powers of the holders of Common Shares, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting and shall be entitled to vote, together with holders of Common Shares, with respect to any matter upon which holders of Common Shares have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as converted basis (after aggregating all Common Shares into which Class A Common Shares are convertible and disregarding the Conversion Limitations set forth in Section 7) shall be rounded up or down to the nearest whole number (with one-half being rounded upward), except to the extent such rouding would adversely impact the intended tax treatment set forth in Section 2.15 of the Business Combination Agreement. Except as provided by law, Class A Shareholders shall vote the Class A Common Shares together with the holders of Common Shares as a single class.

5. Amendments

In addition to any other rights provided by law, the Corporation shall not amend, alter or repeal the preferences, special rights or other powers of the Class A Common Shares or any other provision of the Corporation's Notice of Articles and Articles that would adversely affect the rights of the Class A Shareholders, including, without limitation, any increase in the number of Class A Common Shares without the unanimous written consent or affirmative vote of the holders of at least 66-2/3% of the then outstanding aggregate number of Class A Common Shares, given in writing by all of the holders of Class A Common Share or by vote at a meeting, consenting or voting (as the case may be) separately as a class of the holders of Class A Common Shares (a "***Class A Super Majority Vote***").

6. Conversion.

Subject to the Conversion Limitations set forth in Section 7, Class A Shareholders shall have conversion rights as follows (the "***Conversion Rights***"):

(a) Right to Convert. Each Class A Common Share shall be convertible, at the option of the Class A Shareholder thereof, at any time after the date of issuance of such share at the office of the Corporation or any transfer agent for such shares, into such number of fully paid and non-assessable Common Shares as is determined by multiplying the number of Class A Common Shares by the Conversion Ratio applicable to each such share, determined as hereafter provided, in effect on the applicable date the Class A Shares are surrendered for conversion. The initial "**Conversion Ratio**" for each Class A Share shall be as follows: each Class A Common Share shall be convertible into 100 Common Shares; provided, however, that the applicable Conversion Ratio shall be subject to adjustment as set forth in subsections 6(d) and 6(e)).

(b) Automatic Conversion. Each Class A Common Share shall automatically be converted without further action by the Class A Shareholder or any other person into Common Shares at the applicable Conversion Ratio immediately upon the earliest of:

(i) a Liquidation Event;

(ii) the date such automatic conversion is designated to occur by a Class A Super Majority Vote; or

(iii) a Mandatory Conversion pursuant to Section 7.

(c) Mechanics of Conversion. Before any Class A Shareholder shall be entitled to convert Class A Common Shares into Common Shares, the Class A Shareholder shall, as applicable: (i) surrender Certificated Class A Shares, therefor, duly endorsed, at the office of the Corporation or of any transfer agent for Common Shares, or (ii) cause a CDS Participant to surrender Uncertificated Class A Shares through CDS with notice to the office of the Corporation or of any transfer agent for Common Shares and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein, as applicable: (A) in the case of Certificated Class A Shares, the name or names in which the certificate or certificates for Common Shares are to be issued or (B) in the case of Uncertificated Class A Shares, the CDS Participant account in which uncertificated Common Shares are to be issued (each, a "***Conversion Notice***"). The Corporation shall (or shall cause its transfer agent to), as soon as practicable thereafter, issue and deliver, as applicable (1) in the case of Certificated Class A Shares, certificate(s) representing the Common Shares issuable in the name or names in which the certificate or certificates for Common Shares set forth in the Conversion Notice or (2) in the case of Uncertificated Class A Shares, uncertificated Common Shares to the account of the designated CDS Participant account for Common Shares set forth in the Conversion Notice. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Class A Common Shares to be converted, and the person or persons entitled to receive the Common Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Shares as of such date.

(d) Distributions. In the event the Corporation shall declare a distribution to holders of Common Shares payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights that do not themselves also require adjustment to the Conversion Ratio (a "***Distribution***"), then, in each such case for the purpose of this subsection6(d), the Class A Shareholders shall be entitled to a proportionate share of any such Distribution as though they were the holders of the number of Common Shares into which their Class A Common Shares are convertible as of the record date fixed for the determination of the holders of Common Shares entitled to receive such Distribution (disregarding the Conversion Limitations set forth in Section 7).

(e) Recapitalizations; Stock Splits. If at any time or from time-to-time, Corporation shall (i) effect a recapitalization of the Common Shares; (ii) issue Common Shares as a dividend or other distribution on outstanding Common Shares; (iii) subdivide the outstanding Common Shares into a greater number of Common Shares; (iv) consolidate the outstanding Common Shares into a smaller number of Common Shares; or (v) effect any similar transaction or action that does not itself also require adjustment to the Conversion Ratio (each, a "***Recapitalization***"), provision shall be made so that the Class A Shareholders shall thereafter be entitled to receive, upon conversion of Class A Common Shares, the number of Common Shares or other securities or property of the Corporation or otherwise, to which a holder of Common Shares deliverable upon conversion would have been entitled on such Recapitalization. After any Recapitalization, the provisions of this Section 6 (including adjustment of the

Conversion Ratio then in effect and the number of Common Shares acquirable upon conversion of Class A Common Shares) shall be applied in a manner such that the rights of the Class A Shareholders are as equivalent as practicable to such rights prior to such Recapitalization.

(f) No Fractional Shares and Certificate as to Adjustments. No fractional Common Shares shall be issued upon the conversion of any Class A Common Shares and the number of Common Shares to be issued shall be rounded up to the nearest whole Common Share. Whether or not fractional Common Shares are issuable upon such conversion shall be determined on the basis of the total number of Class A Common Shares the Class A Shareholder is at the time converting into Common Shares and the number of Common Shares issuable upon such aggregate conversion.

(g) Adjustment Notice. Upon the occurrence of each adjustment or readjustment of the Conversion Ratio pursuant to Section6(e), the Corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each Class A Shareholder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any Class A Shareholder, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Ratio for Class A Common Shares at the time in effect, and (C) the number of Common Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Class A Common Share.

(h) Effect of Conversion. All Class A Common Shares that shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of conversion, except only the right of the holders thereof to receive Common Shares in exchange therefor and to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion.

(i) Notices of Record Date. Except as otherwise provided under applicable law, in the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of any class or any other securities or property, or to receive any other right, the Corporation shall mail to each Class A Shareholder, at least 20 days prior, and not more than 2 months prior, to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

7. Conversion Limitations.

Before any Class A Shareholder shall be entitled to convert Class A Common Shares into Common Shares, the Board of Directors (or a committee thereof) shall designate an officer of the Corporation to determine if any Conversion Limitation set forth in this Section 7 shall apply to the conversion of Class A Common Shares. For the purposes of this Section 7, each of the following is a "***Conversion Limitation***":

(a) Foreign Private Issuer Protection Limitation. The Corporation will use commercially reasonable efforts to maintain its status as a "foreign private issuer" ("**Foreign Private Issuer**", as determined in accordance with Rule 3b-4 under the Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"). Accordingly:

(i) 40% Threshold. Except as provided in Section 8, the Corporation shall not effect any conversion of Class A Common Shares, and the Class A Shareholders shall not have the right to convert any portion of the Class A Common Shares pursuant to Section 5 or otherwise, to the extent that after giving effect to such issuance after conversions, the aggregate number of Common Shares and Class A Common Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rule 3b-4 under the U.S. Exchange Act) would exceed forty percent (40%) (the "***40% Threshold***") of the aggregate number of Common Shares and Class A Common Shares issued and outstanding (the "***FPI Protective Restriction***").

(ii) Conversion Limitations. In order to effect the FPI Protective Restriction, each Class A Shareholder will be subject to the 40% Threshold based on the number of Class A Common Shares held by such Class A Shareholder as of the date of the initial issuance of any Class A Common Shares and, thereafter, at the end of each of the Corporation's subsequent fiscal quarters (each, a "***Determination Date***") for the current fiscal quarter (the "***Relevant Fiscal Quarter***"), calculated as follows:

X = [(A x 0.4) - B] x (C/D)

Where on the Determination Date:

X = Maximum number of Common Shares available for issuance upon conversion of Class A Common Shares by the Class A Shareholder during the Relevant Fiscal Quarter.

A = The number of Common Shares and Class A Common Shares issued and outstanding on the Determination Date.

B = Aggregate number of Common Shares and Class A Common Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rule 3b-4 under the U.S. Exchange Act) on the Determination Date.

C = Aggregate number of Common Shares issuable upon conversion of Class A Common Shares held by the Class A Shareholder on the Determination Date.

D = Aggregate number of all Common Shares issuable upon conversion of Class A Common Shares issued and outstanding on the Determination Date.

(iii) Determination of FPI Protective Restriction. For purposes of subsections 7(a)(i) and 7(a)(ii), the Board of Directors (or a committee thereof) shall designate the Corporation's independent accounting firm to determine as of each Determination Date: (A) the 40% Threshold and (B) the FPI Protective Restriction. To the extent that the FPI Protective Restriction contained in this Section 6(a) applies, whether and to what extent Class A Common Shares are convertible shall be determined in good faith by the Board of Directors (or a committee thereof) relying on the calculations of the Corporation's designated independent accounting firm, subject to Section 12.

(iv) Notice of Conversion Limitation. The Corporation will provide each Class A Shareholder of record notice of the FPI Protective Restriction applicable to holders of Class A Common Shares for the Relevant Fiscal Quarter within ten (10) business days of the end of each Determination Date (a "***Notice of Conversion Limitation***"). The FPI Protective Restriction shall be stated as a percentage of the Class A Common Shares issued and outstanding on the Determination Date held by holders of Class A Common Shares.

For example, if on a Determination Date (March 31, 2020) the maximum number of Common Shares available for issuance upon conversion of Class A Common Shares by the Class A Shareholder holding 1,000 Class A Common Shares is 30,000 Common Shares, the FPI Protective Restriction will apply to 700 Class A

Common Shares (70%) and an aggregate of 300 Class A Common Shares (30%) may be converted during the Relevant Fiscal Quarter. The Notice of Conversion Limitation will state that "Pursuant to Section 7 of the Special Rights and Restrictions for Class A Common Shares of TILT Holdings, Inc., the FPI Protective Restriction applies to **[70%]** of the issued and outstanding Class A Common Shares as of the Determination Date (**[March 31, 2020]** and up to **[30%]** of your Class A Common Shares may be converted into Common Shares during the fiscal Quarter ending **[June 30, 2020]**."

(b) Disputes. In the event of a dispute as to the number of Common Shares issuable to a Holder in connection with a conversion of Class A Common Shares, the Corporation shall issue to the Holder the number of Common Shares not in dispute and resolve such dispute in accordance with Section 12.

8. Mandatory Conversion.

(a) Notwithstanding subsection 7(a), the Corporation may require (a "***Mandatory Conversion***") each Class A Shareholder to, and each holder of Class A Common Shares may, convert all, and not less than all, the Class A Common Shares at the applicable Conversion Ratio if at any time all the following conditions are satisfied (or otherwise waived by the Class A Super Majority Vote):

(i) the Common Shares issuable upon conversion of all the Class A Common Shares are registered for resale and may be sold by the Class A Shareholder pursuant to an effective registration statement and/or prospectus covering the Common Shares under the United States Securities Act of 1933, as amended (the "***U.S. Securities Act***");

(ii) the Corporation is subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act; and

(iii) the Common Shares are listed or quoted (and are not suspended from trading) on a national securities exchange in the United States registered under Section 6 of the U.S. Securities Exchange Act of 1934, as amended, or quoted in a "U.S. automated inter-dealer quotation system", as such term is used for purposes of Rule 144A(d)(3)(i).

(b) In the case of a Mandatory Conversion, the Corporation will issue or cause its transfer agent to issue each Class A Shareholder of record a Mandatory Conversion notice (the "***Mandatory Conversion Notice***") at least 20 days prior to the record date of the Mandatory Conversion, which shall specify therein, (i) the number of Common Shares into which the Class A Common Shares are convertible and (ii) the address of record for such Class A Shareholder. On the record date of a Mandatory Conversion, the Corporation will issue or cause its transfer agent to issue each Class A Shareholder of record on the Mandatory Conversion certificates representing Common Shares (in the case of Certificated Class A Shares) or uncertificated Common Shares in the CDS Participant account of record (in the case of Uncertificated Class A Shares) representing the number of Common Shares into which the Class A Common Shares are so converted and each certificate representing Certificated Class A Common Shares, if any, shall be null and void.

9. Pre-emptive Rights. The holders of Class A Common Shares shall have no pre-emptive rights.

10. Notices. Any notice required by the provisions of these Special Rights and Restrictions to be given to the Class A Shareholders shall be deemed given on the date which is ten calendar days after being deposited in the Canadian mail, first class, postage prepaid, and addressed to each holder of record at the Class A Shareholder's address appearing on the books of the Corporation.

11. Status of Converted Class A Common Shares. Any Class A Common Shares converted shall be retired and cancelled and may not be reissued as shares of such series or any other class or series, and the Corporation may thereafter take such appropriate action (without the need for shareholder action) as may be necessary to reduce the authorized number of Class A Common Shares accordingly.

12. Disputes. Any Class A Shareholder may submit a written dispute as to the determination of the Conversion Ratio or the arithmetic calculation of the Conversion Ratio, 40% Threshold or FPI Protective Restriction by the Corporation to the Board of Directors with the basis for the disputed determinations or arithmetic calculations. The Corporation shall respond to the Class A Shareholder within five (5) Business Days of receipt, or deemed receipt, of the dispute notice with a written calculation of the Conversion Ratio, 40% Threshold or FPI Protective Restriction, as applicable. If the Class A Shareholder and the Corporation are unable to agree upon such determination or calculation of the Conversion Ratio, or the FPI Protective Restriction within five (5) Business Days of such response, then the Corporation and the Class A Shareholder shall, within one (1) Business Day thereafter submit the disputed arithmetic calculation of the Conversion Ratio or FPI Protective Restriction, as applicable, to the Corporation's independent, outside accounting firm. The Corporation, at the Corporation's expense, shall cause the accounting firm to perform the determinations or calculations and notify the Corporation and the Class A Shareholder of the results no later than five (5) Business Days from the time it receives the disputed determinations or calculations. Such accounting firm's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error. This Article 12 shall not impair, supersede or be in substitution for any other rights and remedies available to a Class A Shareholder under applicable law, including the Business Corporations Act (British Columbia).

13. Status of Converted Class A Common Shares. The Corporation will not, by amendment of its Notice of Articles or Articles or through any sale, reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under these Articles by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of these Articles and in the taking of all such action as may be necessary or appropriate in order to protect the rights and powers, including the Conversion Rights, of the Class A Shareholders against impairment.

SCHEDULE N

CONSENTS, WAIVERS, AND REQUIRED REGULATORY APPROVALS

· Regulatory Approvals required in relation to the HSR Act

SCHEDULE O

NEVADA HOLDCO CLASS A SHARES ALLOCATION

Shares & Ownership	Ownership of Nevada Holdco Class A Shares: Nevada Holdco Class A Shares	Ownership of Nevada Holdco Class A Shares: Total % Ownership
Baker	27,289,186	18.35%
Briteside	42,753,058	28.74%
Sea Hunter	78,707,757	52.91%
Totals	148,750,001	100.00%

SCHEDULE P

CAPITALIZATION TABLE

	Ownership by Common		Compressed @ 100:1	
	Common Stock	Total %Ownership	Common Stock	
	272,891,857.10	**15.59%**	**2,728,918.57**	
	427,530,576.12	**24.43%**	**4,275,305.76**	
	787,077,566.78	**44.98%**	**7,870,775.67**	
	262,500,000.00	15.00%	262,500,000.00	
	1,750,000,000.00	100.00%	277,375,000.00	

***Share** numbers **(**but not percentage allocations**)** may be adjusted downward to reflect a smaller overall capitalization of Resulting Issuer.

SCHEDULE Q

ACQUISITIONS

(a) IESO, LLC

(b) Pure Hana Synergies, LLC

(c) Pro Green Medical LLC

AMENDING AGREEMENT TO BUSINESS COMBINATION AGREEMENT

This **AMENDING AGREEMENT TO THE BUSINESS COMBINATION AGREEMENT** ("**Agreement**") is entered by and amongst Baker Technologies, Inc., Briteside Holdings, LLC, Sea Hunter Therapeutics, LLC, Santé Veritas Holdings Inc., and 1167411 B.C. Ltd (collectively referred to herein as the **"Parties**") as of the 31 day of October, 2018 ("**Effective Date**").

WHEREAS, the Parties entered into a business combination agreement dated July 9th, 2018 ("**Business Combination Agreement**"), outlining the terms under which the Parties intend to combine into a single, comprehensive organization servicing the cannabis industry in North America (the "**Business Combination**");

AND WHEREAS, Section 1.1 of the Business Combination Agreement states that the "**Outside Date**" means October 31, 2018, or such later date as may be agreed to in writing by the Parties;

AND WHEREAS, as a result of ongoing negotiations amongst the Parties, certain matters relating to the Business Combination have been amended since the Business Combination Agreement was entered into by the Parties on July 9th, 2018;

AND WHEREAS, Section 5.4 of the Business Combination Agreement provides that the Business Combination Agreement may, at any time and from time to time, be amended by mutual written agreement of each of the Parties;

AND WHEREAS, the Parties now collectively desire to extend the Outside Date;

AND WHEREAS, the Parties now collectively desire to proceed with the Business Combination and all ancillary matters as described in the joint management

information circular of the Parties dated October 11, 2018, and supplement to the joint management information circular dated October 23, 2018 (the **"Information Circular");**

NOW THEREFORE, in consideration of the mutual promises herein and for other good and valuable consideration, the receipt and sufficiency of which are accepted, the Parties agree as follows:

1. The definition of "Outside Date" in Section 1.1 of the Business Combination Agreement, shall be amended to, "means November 30, 2018, or such later date as may be agreed to in writing by the Parties".

2. All provisions of the Business Combination Agreement pertaining to the structure of the Business Combination and any ancillary matters shall be as described in the Information Circular.

3. All other provisions of the Business Combination Agreement shall remain unamended and in full force and effect, and time shall continue to be of the essence.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused this Agreement to be duly executed as of the Effective Date.

BAKER TECHNOLOGIES, INC.

By: /s/ Joel Milton
Joel Milton, Chief Executive Officer

BRITESIDE HOLDINGS, LLC

By: /s/ Justin P. Junda
Justin P. Junda, Chief Executive Officer

SEA HUNTER HOLDINGS, LLC

By: /s/ Alexander P. Coleman
Alexander P. Coleman, Managing Partner

SANTÉ VERITAS HOLDINGS INC.

By: /s/ Michael Orr
Michael Orr, Executive Chairman

1167411 B.C. LTD.

By: /s/ Michael Orr
Michael Orr, President

Exhibit 2.2

Execution Copy

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

AMENDED AND RESTATED AGREEMENT AND PLAN OF MERGER

by and among

JIMMY JANG, L.P.

HAMMBUTNOCHEESE MERGER SUB, INC.

JUPITER RESEARCH, LLC

SELLERS

and

MARK SCATTERDAY,

AS SELLERS' REPRESENTATIVE

Dated as of January 10, 2019

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AMENDED AND RESTATED AGREEMENT AND PLAN OF MERGER

This AMENDED AND RESTATED AGREEMENT AND PLAN OF MERGER (this " Agreement"), dated as of January 10, 2019, is made and entered into by and among Jimmy Jang, L.P., a limited partnership formed under the laws of Delaware ("Parent" or "Purchaser"), HammButNoCheese Merger Sub, Inc., a Delaware corporation ("Merger Sub"), Jupiter Research, LLC, an Arizona limited liability company (the "Company"), [***] ***[Sellers of securities in Jupiter]*** (each, a "Seller" and, collectively, the "Sellers"), and Mark Scatterday, in his capacity as the Sellers' Representative (as hereinafter defined).

RECITALS

WHEREAS, the parties previously entered into an Agreement and Plan of Merger on January 3, 2019 (the "Original Agreement");

WHEREAS, the parties desire to amend and restate the Original Agreement by entering into this Agreement;

WHEREAS, the Sellers own all of the issued and outstanding membership interests of the Company (the "Purchased Equity");

WHEREAS, Parent, Merger Sub, the Company, the Sellers and the Sellers' Representative desire to effect a business combination transaction on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the parties intend that, in accordance with the General Corporation Law of the State of Delaware (the "DGCL") and the Arizona Revised Statutes (the "ARS"), Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation (the "Merger") and as a wholly-owned subsidiary of Parent, on the terms and subject to conditions set forth in this Agreement;

WHEREAS, (a) the Board of Managers of the Company (the "Board of Managers") has (i) adopted, approved and declared advisable this Agreement and the other transactions contemplated hereby, including the Merger, (ii) determined that the terms of this Agreement, the Merger and the other transactions contemplated by this Agreement are fair to and in the best interests of the Company and its members, and (iii) recommended that the holders of the membership interests of the Company (the "Membership Interests") adopt this Agreement and (b) the holders of Membership Interests have unanimously adopted and approved this Agreement by virtue of their execution of this Agreement and waived any appraisal rights or dissenters' rights in connection with the Merger;

WHEREAS, the general partner of Parent has (i) adopted, approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger, (ii) determined that the terms of this Agreement, the Merger and the other transactions contemplated by this Agreement are fair to and in the best interests of Parent, Merger Sub and its respective partners and stockholders, as applicable; and (iii) resolved to recommend the approval of the issuance of the LP Interests (as defined below) required to be issued as part of the Merger Consideration;

WHEREAS, the Board of Directors of Merger Sub has adopted, approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger, as applicable;

WHEREAS, immediately after the execution and delivery of this Agreement, Parent, as the sole stockholder of Merger Sub, will adopt this Agreement and approve the terms of the Merger; and

WHEREAS, a portion of the Merger Consideration will be placed in escrow by Parent, as partial security for the indemnification obligations of the Sellers hereunder.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements set forth herein, the parties hereto, intending to

be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Certain Definitions.

As used in this Agreement, the following terms have the following meanings:

"Accounting Firm" means BDO USA, LLP.

"Accrued Compensation" means (a) earned payroll and earned paid time off/vacation; and (b) any bonus or incentive compensation (excluding Change of Control Payments or Deferred Compensation), in each case of clauses (a) and (b), which is attributable to or in respect of any time period ending on or before the Closing Date and, in each case of clauses (a) and (b), which is payable by the Company, or will become payable by the Company, to any current or former employees, consultants, independent contractors or equity holders of the Company under any Contract, program, policy or arrangement, including the Company's share of Taxes payable with respect to all such amounts.

"Acquisition Transaction" means any transaction or series of transactions involving: (a) the sale, lease, license, sublicense or disposition of all or a material portion of the Company's business or assets; (b) the issuance, disposition or acquisition of: (i) any membership interests of Company or other equity interests or securities of the Company; (ii) any option, call, warrant or right (whether or not immediately exercisable) to acquire membership interests of the Company or other equity interests or securities of the Company; or (iii) any security, instrument or obligation that is or may become convertible into or exchangeable for any membership interests of the Company or other equity interests or securities of the Company; or (c) any merger, consolidation, business combination, reorganization or similar transaction involving the Company.

"Affiliate" means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the first-mentioned Person. For purposes of this definition, "control" (including the terms "controls," "controlled by" and "under common control with"), when used with respect to any specified Person, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through ownership of voting securities, by contract or otherwise.

"Antitrust Law" means any Law that is designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening of competition, including the HSR Act.

"Business Data" means all data and personal information accessed, processed, collected, stored or disseminated by the Company, including any Personally Identifiable Information.

"Business Day" means any day other than Saturday, Sunday or any other day on which banks in Los Angeles, California are required or permitted to be closed.

"Canadian Securities Laws" means: (i) any and all applicable securities laws in each of the provinces and territories of Canada and the respective regulations and rules under such laws together with applicable published policy statements and instruments of the securities regulatory authorities in such jurisdictions, and (ii) any applicable securities laws of the Canadian Securities Exchange.

"Cause" means any of the following with respect to an executive of the Company: (a) fraud or a material breach of fiduciary duty in connection with such executive's employment with the Company; (b) such executive's conviction of, or plea of guilty or nolo contendere, of a felony; (c) material violation of any written Company policy, which such executive fails to cure within thirty (30) days after receiving written notice from Purchaser informing such executive in reasonable detail of the material fault(s) constituting such violation and the reasonable step(s) such executive must take to cure; (d) engaging in sexual or other forms of unlawful harassment, discrimination or retaliation which is proven by a preponderance of the evidence and is detrimental or injurious to the Company financially, or to its reputation or its competitive position within any of its markets; or (e) a material breach by such executive of any material provision of this Agreement or any other written agreement between the Company and such executive.

"Change of Control Payments" means any amounts (including severance, termination, "golden parachute," Tax gross-up, transaction bonus or other similar payments, but excluding Accrued Compensation or Deferred Compensation) which become payable by the Company as a result of, based upon or in connection with the consummation of the Transactions (either alone or in connection with any other event, whether contingent or otherwise) and which are owing to any current or former employees, officers, directors, consultants, independent contractors or equity holders of the Company pursuant to employment agreements, Contracts or other arrangements, including the Company's share of Taxes payable with respect to all such amounts.

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

"Company Cash" means all cash and cash equivalents of the Company (including marketable securities and short-term investments), in each case determined in accordance with GAAP.

"Company Fundamental Representations" means the representations and warranties set forth in Sections 3.1 (Organization and Qualification), 3.2 (Capitalization; Ownership of Purchased Equity; Ownership of Consideration Securities), 3.3 (Authority), 3.4 (Consents and Approvals; No Violations), 3.5(e) (Jupiter Europe), 3.5(f) (Liabilities), 3.21 (Broker's Fees) and 3.25 (Interim Operating Covenants) of this Agreement.

"Company Material Adverse Effect" means any change, effect, event, occurrence, development, matter, state of facts, series of events, or circumstance (any such item, an "Effect") that, individually or in the aggregate with all other Effects, has or would reasonably be expected to have or result in: (a) a material adverse effect on the assets (including intangible assets and rights), properties, liabilities, business, condition (financial or otherwise), operations, results of operations or cash flows of the Company or Jupiter Europe or (b) a material adverse effect on the Sellers' ability to perform their obligations under this Agreement or to consummate the Transactions; provided, however, that in the case of clause (a) only, none of the following shall be deemed, either alone or in combination, to constitute, and none of the following shall be taken into account in determining whether there has been, or would reasonably be expected to be, a Company Material Adverse Effect: (i) any Effect arising out of or relating to (1) United States or global (or any region thereof) (A) economic, credit, financial or securities market conditions, including prevailing interest rates or currency rates or (B) political conditions, or (2) acts of terrorism or sabotage, the outbreak, escalation or worsening of hostilities (whether or not pursuant to the declaration of a national emergency or war), man-made disasters, natural disasters (including hurricanes) or acts of god; (ii) any Effect arising out of or relating to GAAP, regulatory accounting requirements or interpretations thereof

that apply to the Company; and (iii) changes or conditions affecting the vaporization technology manufacturing industry, except, in the case of clauses (i), (ii) and (iii) to the extent that such Effect has a disproportionate adverse effect on the Company as compared to the adverse impact such Effect has on other Persons operating in the industries or markets in which the Company or Jupiter Europe primarily operates, in which case such disproportionate adverse effect may be taken into account in determining whether there has been, or would reasonably be expected to be, a Company Material Adverse Effect.

"Company Owned Intellectual Property" means all Intellectual Property in which the Company has (or purports to have) an ownership interest of any nature (whether exclusively, jointly with another Person or otherwise).

"Company Products" means all products sold, manufactured, distributed, licensed, or otherwise made available by or on behalf of the Company, and any service or product offerings in development.

"Company Registered Intellectual Property" means all Company Owned Intellectual Property that is registered, filed or issued under the authority of, with or by any Governmental Entity and any domain name registration registered with any Domain Name Registrar.

"Company Software" means all software and programs used or held for use by the Company in connection with the conduct of its business, including all computer software, electronic delivery platforms and databases operated by the Company on or for its websites or used by the Company in connection with processing customer orders, storing customer information or storing or archiving data.

"Company Source Code" means any source code for any Company Software.

"Company Transaction Expenses" means all fees, costs and expenses of, or amounts incurred or payable by or on behalf of the Company that have not been paid in full prior to the Closing, in each case in connection with the preparation, negotiation, execution or performance of this Agreement, the ancillary documents contemplated by this Agreement or the consummation of the Transactions, including the following: (a) the fees and disbursements of, or other similar amounts charged by, counsel retained by the Company; (b) the fees and expenses of, or other similar amounts charged by, any accountants, agents, financial advisors, consultants and experts retained by the Company; (c) any investment banking, brokerage or finder's fees and related expenses; (d) to the extent obtained, the costs, fees and expenses of obtaining any extension (or "tail") of the directors' and officers' liability insurance coverage of the Company's existing and/or former directors' and officers' insurance policies and the Company's existing and/or former fiduciary liability insurance policies; and (e) the other out-of-pocket expenses, other than Taxes, if any, of the Company.

"Consent" means any approval, consent, ratification, permission, waiver, Order, Permit or authorization.

"Contract" means any written or oral contract, lease, license, deed, mortgage, indenture, sales order, accepted purchase order, note or other legally binding agreement, instrument, arrangement, promise, obligation, understanding, undertaking or commitment.

"Damages" includes any loss, damage, liability, judgment, award, fine, penalty, Tax, fee (including reasonable attorneys' fees), cost (including costs of investigation) or expense of any nature.

"Deferred Compensation" means any compensation (excluding Accrued Compensation or Change of Control Payments) which has been earned by any employees, consultants, independent contractors or equity holders of the Company under any Contract, program, policy or arrangement but the actual payment of which has been deferred to a date beyond the month or year in which it was earned, including the Company's share of Taxes payable with respect to all such amounts.

"Domain Name Registrar" means any entity that manages, registers or performs similar or related functions related to the use, reservation or ownership of domain names.

"Effect" has the meaning set forth within the definition of Company Material Adverse Effect.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means each entity that is treated as a single employer with the Company or any of its Affiliates for purposes of Section 414 of the Code.

"Escrow Account" means an account established by the Escrow Agent pursuant to the Escrow Agreement.

"Escrow Agent" means Continental Stock Transfer and Trust.

"Escrow Amount" means (i) an amount in cash equal to $2,500,000 and 1,002,084 units of LP Interests to be deposited in the Escrow Account with the Escrow Agent at the Closing, and (ii) an amount in cash equal to $2,500,000 and 1,002,084 units of LP Interests to be deposited in the Escrow Account with the Escrow Agent when and if the Purchase Price Holdback Amount becomes payable to the Sellers pursuant to Section 2.7 of this Agreement, in each case including any interest accrued or income otherwise earned thereon, in each case owned by the Sellers.

"Expense Fund" means the cash fund held and administered by the Sellers' Representative for the payment of Seller Expenses.

"Expense Fund Amount" means $250,000.

"GAAP" means generally accepted accounting principles in the United States as in effect from time to time and applied consistently throughout the periods involved.

"Good Reason" means, with respect to an executive of the Company, the occurrence, without such executive's prior written consent, of any one or more of the following: (i) a reduction in such executive's base salary or benefits; (ii) a reduction in such executive's authority, duties or responsibilities; (iii) a determination that an executive has a mental or physical condition which, in the reasonable opinion of a licensed physician and/or psychiatrist (as the case may be), renders the executive unable or incompetent to carry out the executive's duties under this Agreement, with or without reasonable accommodation, for a period of at least six (6) months; or (iv) requiring such executive to relocate his primary office by more than thirty (30) miles from such executive's then primary office location; provided, however, that no resignation for Good Reason shall be effective unless (1) such executive provides written notice, within sixty (60) days after the occurrence of the event giving rise to Good Reason, to Purchaser setting forth in reasonable detail the material facts constituting Good Reason and the reasonable steps such executive believes necessary to cure, (2) the Company has had thirty (30) days from the date of such notice to cure any such occurrence otherwise constituting Good Reason, and (3) if such event is not reasonably cured within such period, such executive must resign from all positions such executive then holds with the Company and any position as a member of the Board of TILT, effective not later than thirty (30)

days after the expiration of the cure period.

"Governmental Entity" means any federal, provincial, state, municipal, local or foreign court or tribunal, administrative or regulatory body, agency or commission, or any other governmental authority or instrumentality, or any arbitrator or arbitral forum.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the regulations promulgated thereunder.

"Indebtedness" means, without duplication, the following obligations of the Company: (a) indebtedness for borrowed money; (b) obligations for the deferred purchase price of property or services; (c) long or short-term obligations evidenced by notes, bonds, debentures or other similar instruments; (d) obligations under any interest rate, currency swap or other hedging agreement or arrangement; (e) capital lease obligations; (f) reimbursement obligations under any letter of credit, banker's acceptance or similar credit transactions; (g) guarantees made by the Company on behalf of any third party in respect of obligations of the kind referred to in the foregoing clauses (a) through (f); and (h) any unpaid interest, prepayment penalties, premiums, costs and fees that would arise or become due as a result of the prepayment of any of the obligations referred to in the foregoing clauses (a) through (g).

"Intellectual Property" means all worldwide common law and statutory rights in, arising out of, or associated with: (a) United States and foreign patents and utility models and applications therefor and all reissues, divisions, re-examinations, renewals, extensions, provisionals, continuations and continuations-in-part thereof; (b) trade secrets, confidential information, or proprietary information; (c) copyrights, copyrights registrations, mask works, and applications therefor, and all other rights corresponding thereto throughout the world; (d) industrial designs; (e) trade names, logos, common law trademarks and service marks, any registrations or applications therefor, and related goodwill; (f) all rights in databases and data collections; (g) all moral and economic rights of authors and inventors, however denominated; and (h) any similar or equivalent rights to any of the foregoing (as applicable).

"Knowledge of Sellers" or "Sellers' Knowledge" means the actual knowledge of (i) [***] and the knowledge such individuals would have had after reasonable inquiry of such persons' direct reports and (ii) of [***] who has no direct reports.

"Law" means any law (including common law), statute, code, ordinance, rule, regulation or Order of any Governmental Entity.

"Liability" means any debt, obligation, or liability of any nature whatsoever (including any unknown, undisclosed, unmatured, unaccrued, unasserted, unliquidated, contingent, indirect, conditional, implied, vicarious, derivative, joint, several or secondary liability), regardless of whether such debt, obligation, or liability would be required to be disclosed on a balance sheet prepared in accordance with GAAP and regardless of whether such debt, obligation, or liability is immediately due and payable.

"Licensed Intellectual Property" means all Intellectual Property licensed to the Company.

"Lien" means any lien, pledge, mortgage, deed of trust, encumbrance, claim or security interest, hypothecation, deposit, equitable interest, option, charge, judgment, attachment, right of way, encroachment, easement, servitude, restriction on transfer, restriction on voting or preemptive right, right of first refusal or negotiation or restriction of any kind.

"Lockup Agreements" means those certain Lockup Agreements to be entered into at closing between each Lockup Party on the one hand, and Parent, on the other hand, precluding each Lockup Party from transferring (subject to any exceptions provided for in the Lockup Agreements) any of such Lockup Party's Consideration Securities through June 6, 2019 and 50% of such Lockup Party's Consideration Securities until December 6, 2019.

"Lockup Party" means each of [***].

"LP Interests" means limited partnership interests in Parent, which interests shall be convertible into common shares of TILT.

"Operating Agreement" means the Operating Agreement of the Company, as amended from time to time.

"Order" means any order, writ, injunction, stipulation, judgment, ruling, assessment, arbitration award, plan or decree.

"Partnership Agreement" means the limited partnership agreement of the Purchaser, as amended from time to time.

"Payment Agent Agreement" means the payment agent agreement by and among Sellers' Representative, Purchaser and the Payment Agent.

"Permits" means all authorizations, licenses, variances, exemptions, orders, permits and approvals granted by or obtained from any Governmental Entity.

"Permitted Liens" means (a) Liens for Taxes or other governmental charges not yet delinquent or the amount or validity of which is being contested in good faith by appropriate proceedings, provided an adequate reserve has been established therefor on the Company Financial Statements; (b) mechanics', carriers', workers', repairers', and similar Liens arising or incurred in the ordinary course of business and related to amounts that are not yet delinquent, provided an adequate reserve has been established therefor on the Company Financial Statements; (c) pledges or deposits made in the ordinary course of business to secure obligations under workers' compensation, unemployment insurance, social security or similar programs mandated by applicable legislation; (d) with respect to real property only, easements, rights of way, zoning restrictions, building codes and other land use Laws regulating the use or occupancy of property which are not material in amount or do not, individually or in the aggregate, materially detract from the value of or materially impair the existing use of the property affected by such Law (to the extent there are no violations of the same); (e) the rights of the lessor or lessee under the lease identified in Section 3.10(b) of the Sellers Disclosure Schedules; (f) transfer restrictions of general applicability under applicable federal and state securities Laws; and (g) licenses under Intellectual Property.

"Person" shall be construed as broadly as possible and shall include an individual or natural person, a partnership, a corporation, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated organization, any other business entity and any Governmental Entity.

"Personally Identifiable Information" means any information relating to an identified or identifiable natural person (including without limitation any information protected under Data Protection Laws and Standards, such as name, postal address, email address, telephone number, date of birth, Social Security number (or its equivalent), driver's license number, account number, credit or debit card number or identification number).

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

"Pre-Closing Taxes" means any Liability for any Tax of or owed by the Company allocable to any Pre-Closing Tax Period.

"Pro Rata Share" means, with respect to any given Seller, the percentage set forth opposite such Seller's name in Section 3.1(a) of the Sellers Disclosure Schedule.

"Proceeding" means any action, charge, claim, complaint, demand, grievance, arbitration, audit, assessment, hearing, investigation, inquiry, legal proceeding, administrative enforcement proceeding, litigation, suit or other proceeding (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced or brought by any Person, or conducted or heard by or before, or otherwise involving, any court or other Governmental Entity or any arbitrator or arbitration panel.

"Public Record" means information which has been publicly filed and disseminated by TILT pursuant to a requirement under Canadian Securities Laws.

"Purchaser Indemnitees" means Purchaser and its Affiliates (including the Company following the Closing) and its and their respective equity holders, Representatives, successors and assigns; provided, however, that the Sellers shall not be deemed to be "Purchaser Indemnitees."

"Purchaser Fundamental Representations" means the representations and warranties set forth in Sections 5.1 (Organization and Qualification), 5.2 (Capitalization, Ownership of Equity Securities), 5.3 (Authority), 5.5 (Availability of Funds) and 5.6 (Broker's Fees) of this Agreement.

"Purchaser Portion of the 2018 Tax Liability" means the aggregate Tax liability of the Sellers (or, in the case of any Seller that is a pass-through entity for Tax purposes, the ultimate owner for Tax purposes) for the 2018 Tax year, attributable to the operations of Jupiter and Jupiter Europe, less such amount of cash as the Company distributes to the Sellers after the date hereof but prior to Closing as evidenced by reasonable supporting documentation provided to Purchaser (such resulting amount, the "Tax Liability Base Amount"), which Tax Liability Base Amount shall be paid by Purchaser in grossed-up form following the Closing (which such grossed-up amount, in no event, shall exceed $6,000,000). For the purposes of this definition, the income Tax liability of the Sellers shall be determined using each Seller's allocable share of income or gain attributable to the operations of Jupiter and Jupiter Europe that is subject to tax in the United States and applying the highest U.S. federal and state (in the case of each Seller, the state income tax rate based on the applicable state in which such income is subject to Tax) income Tax rates (including the Tax under Code Section 1411) applicable to individuals with respect to such income or gain. To the extent that the Purchaser Portion of the 2018 Tax Liability is less than the aggregate Tax liability of the Sellers (or, in the case of any Seller that is a pass-through entity for Tax purposes, the ultimate owner for Tax purposes) for the 2018 Tax year, attributable to the operations of Jupiter and Jupiter Europe, the Sellers shall share in such shortfall pro rata based on their share of the share of income or gain attributable to the operations of Jupiter and Jupiter Europe.

"Purchase Price Holdback Amount" means an amount in cash equal to $35,000,000.

"Repaid Indebtedness" means: (a) the Indebtedness identified in Section 3.5(c) of the Sellers Disclosure Schedule and (b) all other Indebtedness that is designated as "Repaid Indebtedness" at least five (5) Business Days prior to the Closing Date.

"Representatives" means, when used with respect to any Person, such Person's officers, directors, managers, employees, agents, potential financing sources, advisors and other representatives (including any investment banker, financial advisor, attorney or accountant retained by or on behalf of such Person or any of the foregoing).

"Restricted Business" means any of the business activities or lines of business in which the Company or any of its predecessors has been engaged, or has been planning to become engaged, in at any time prior to the Closing.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Seller Indemnitees" means Sellers and their Affiliates and its and their respective equity holders, Representatives, successors and assigns.

"Seller Specified Representations" means the representations and warranties set forth in Sections 3.11 (Taxes) and 3.14 (Employee Benefits) of this Agreement.

"Sensitive Data" means Personally Identifiable Information consisting of racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, genetic data, biometric data, data concerning health or data concerning a natural person's sex life or sexual orientation.

"Separation Date" means: (a) with respect to any Seller that becomes an employee of or consultant to Purchaser or any of its Affiliates (including, from and after the Closing, the Company), the date on which such Seller ceases to be employed by or serve as a consultant to Purchaser or any of its Affiliates (including, from and after the Closing, the Company); and (b) with respect to any Seller that does not become an employee of or consultant to Purchaser or any of its Affiliates (including, from and after the Closing, the Company), the Closing Date.

"Specified Liability" means any debt, obligation, or liability of any nature whatsoever (including any unknown, undisclosed, unmatured, unaccrued, unasserted, unliquidated, contingent, indirect, conditional, implied, vicarious, derivative, joint, several or secondary liability) that would be required to be disclosed on a balance sheet prepared in accordance with GAAP, regardless of whether such debt, obligation, or liability is immediately due and payable. For the avoidance of doubt, the line item "Customer Prepayments" on the January 9th Balance Sheet shall be deemed a Specified Liability.

"Straddle Period" means any Tax period beginning before or on and ending after the Closing Date.

"Subsidiary" means, when used with respect to any Person, any corporation, limited liability company, partnership or other organization, whether incorporated or unincorporated, of which at least a majority of the securities or other ownership interests, having by their terms voting power to elect a majority of the board of directors, or others performing similar functions with respect to such corporation or other organization, is beneficially owned or controlled, directly or indirectly, by such Person or by any one or more of its Subsidiaries (as defined in the preceding clause), or by such Person and one or more of its Subsidiaries.

"Tax" means any federal, state, local or non-U.S. income, alternative or add-on minimum tax, gross income, gross receipts, net receipts, sales, use, ad valorem, value added, transfer, registration, franchise, profits, license, capital stock, social security, withholding, payroll, employment, unemployment, disability, excise, severance, stamp, occupation, premium, real property, personal property, environmental or windfall profit tax, escheat, estimated or any other tax, customs duty, governmental fee or other like assessment or charge of any kind whatsoever, imposed by any Governmental Entity, together with any interest, penalty or addition to tax imposed with respect thereto (whether disputed or not), and including any obligations to indemnify or otherwise assume or succeed to the tax liability of any other Person.

"Tax Return" means any return (including any information return), report, statement, declaration, estimate, schedule, notice, notification, form, election, certificate or

other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Entity in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Law relating to any Tax.

"Technology" means collectively, all designs, formulas, methods, processes, schematics, technical drawings, specifications, algorithms, procedures, techniques, ideas, know-how, software, computer programs (whether in source code, object code or human readable form), tools, inventions, creations, trade secrets, improvements, works of authorship, other similar materials and content and all recordings (including voice recordings), graphs, drawings, reports, analyses, other writings and any other embodiment of the above, in any form or media, whether or not specifically listed herein, and all related technology, documentation and other materials used in, incorporated in, embodied in or displayed by any of the foregoing, or used in the use, design, development, reproduction, maintenance or modification of any of the foregoing.

"Territory" means worldwide.

"TILT" means TILT Holdings, Inc., a corporation organized under the laws of British Columbia.

"Transactions" means, collectively, the purchase and sale of the Purchased Equity and all of the other transactions contemplated by this Agreement.

Section 1.2. Certain Other Definitions.

The following terms are defined in the respective Sections of this Agreement indicated:

Affiliate Agreements	Section 3.20
Agreed Amount	Section 10.7(b)
Agreement	Recitals
Base Purchase Price	Section 2.6(a)
Benefit Plan and Benefit Plans	Section 3.14(a)
Certificate of Formation	Section 3.1(c)
Claim Dispute Period	Section 10.7(b)
Claimed Amount	Section 10.7(a)
Closing	Section 2.2
Closing Date	Section 2.2
Closing Date Statement	Section 2.8(b)
Company	Recitals
Company Accounts Receivable	Section 3.18(a)
Company Closing Certificate	Section 2.9(d)
Company Confidential Information	Section 7.2(a)
Company Delivered Returns	Section 3.11(a)(v)
Company Financial Statements	Section 3.5(a)
Company Inbound IP Contract	Section 3.16(d)
Company Interim Balance Sheet	Section 3.5(a)
Company IT Systems	Section 3.16(p)
Company Leased Real Property	Section 3.10(b)
Company Major Customers	Section 3.6(a)
Company Major Suppliers	Section 3.6(b)
Company Material Contract	Section 3.15(a)
Company Outbound IP Contract	Section 3.16(e)
Company Real Property Lease	Section 3.10(b)
Company Required Consent	Section 3.4(a)
Company Returns	Section 3.11(a)(i)
Company Standard Form IP Agreements	Section 3.16(h)
Contested Amount	Section 10.7(b)

Continuing Affiliate Agreements	Section 6.6
Dispute Notice	Section 2.8(c)(i)
Dispute Period	Section 2.8(c)(i)
Escrow Agreement	Section 2.10(a)
Escrow Balance	Section 10.11(a)
Equity Pool Interest	Section 7.7
Estimated Closing Date Statement	Section 2.8(a)
Estimated Purchase Price	Section 2.8(a)
Final Purchase Price	Section 2.8(d)(i)
FIRPTA Affidavit	Section 2.9(a)(viii)
General Survival Date	Section 10.1(a)
Inbound IP Contract	Section 3.16(d)
Insurance Policies	Section 3.17(a)
Interim Period	Section 6.1(a)
Manager	Section 2.9(a)(ii)
Notice of Claim	Section 10.7(a)
Original Agreement	Recitals
Outside Date	Section 11.1(b)
Payment Agent	Section 2.6(a)
Payment Agent Agreement	Section 2.6(c)(v)
Payment Fund	Section 2.6(a)
Payoff Letters	Section 2.9(a)(vi)
Pending Claim Amount	Section 10.11(a)

Proprietary Information	Section 3.16(h)
Public Official	Section 3.22(c)
Purchase Price	Section 2.6(a)
Purchased Equity	Recitals
Purchaser	Recitals
Purchaser Accounts Receivable	Section 3.18(a)
Purchaser Closing Certificate	Section 2.9(b)(v)
Purchaser Prepared Returns	Section 8.3
Private Placement Condition	Section 9.2(g)
Released Claims	Section 7.4(a)
Released Parties	Section 7.4(a)
Releasing Parties	Section 7.4(a)
Releasing Party	Section 7.4(a)
Response Notice	Section 10.7(b)
Restricted Period	Section 7.3(a)
Restricted Sellers	Section 7.3(a)
Seller and Sellers	Recitals
Seller Matter Agreed Amount	Section 10.8(b)
Seller Matter Claim Dispute Period	Section 10.8(b)
Seller Matter Claimed Amount	Section 10.8(a)
Seller Matter Contested Amount	Section 10.8(b)
Seller Matter Notice of Claim	Section 10.8(a)
Seller Matter Response Notice	Section 10.8(b)
Seller Matter Stipulated Amount	Section 10.8(e)
Sellers Disclosure Schedule	Article III
Sellers' Representative	Section 12.14(a)

Stipulated Amount	Section 10.7(e)
Tax Matter	Section 8.4
Third Party Claim	Section 10.6(a)
Transaction Documents	Section 4.1
Transfer Taxes	Section 8.1
Unresolved Escrow Claim	Section 10.11(a)

ARTICLE II

THE MERGER

Section 2.1. The Merger.

Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the DGCL and the ARS, at the Effective Time, Merger Sub shall be merged with and into the Company. At the Effective Time, the separate corporate existence of Merger Sub shall cease, and the Company shall be the surviving company in the Merger (the "Surviving Company") and shall continue its limited liability company existence under the laws of the State of Delaware and shall succeed to and assume all of the rights and obligations of the Company and Merger Sub in accordance with the DGCL.

Section 2.2. Closing.

The closing of the Transactions (the "Closing") shall take place at the offices of O'Melveny & Myers LLP, Two Embarcadero Center, Embarcadero Center 28th Floor, San Francisco, CA 94111, at 10:00 a.m., Pacific Time, on the third (3rd) Business Day following the satisfaction or, to the extent permitted hereby, waiver of each of the conditions set forth in Article IX of this Agreement (other than those conditions that, by their nature, are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), or on such other date or at such other time and place as the parties hereto may mutually agree in writing. The date on which the Closing occurs is hereinafter referred to as the "Closing Date". At the Closing, documents and signature pages may be exchanged remotely via electronic exchange.

Section 2.3. Effective Time of the Merger.

Subject to the provisions of this Agreement, on the Closing Date, Parent, Merger Sub and the Company shall cause the Merger to be consummated by filing a certificate of merger (the "Certificate of Merger") with the Secretary of State of the State of Delaware in accordance with the provisions of the DGCL. The Merger shall become effective upon the filing of the Certificate of Merger or at such later time as is agreed to by the parties hereto and specified in the Certificate of Merger (the time at which the Merger becomes effective is herein referred to as the "Effective Time").

Section 2.4. Effects of the Merger

(a) General. At the Effective Time, the effect of the Merger shall be as provided in this Agreement and the applicable provisions of the DGCL and the ARS. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time of the Merger all of the property, rights, privileges, powers and franchises of the Company and Merger Sub shall vest in the Surviving Company, and all debts, liabilities and duties of the Company and Merger Sub shall become the debts, liabilities and duties of the Surviving Company.

(b) Operating Agreement of the Surviving Company. At the Effective Time, the operating agreement of the Company, as in effect immediately prior to the Effective Time, shall be amended and restated to be in the form attached hereto as Exhibit E (the "Surviving Company Operating Agreement") and, as so amended and restated, shall be the operating agreement of the Surviving Company until thereafter amended as provided therein and by applicable law.

(c) Directors and Officers of the Surviving Company.

(i) At the Effective Time, the directors of Merger Sub immediately prior to the Effective Time shall, from and after the Effective Time of the Merger, be managers of the Surviving Company until their successors have been duly elected or appointed and qualified, or their earlier death, resignation or removal.

(ii) At the Effective Time, the officers of Merger Sub immediately prior to the Effective Time shall, from and after the Effective Time, be the officers of the Surviving Company until their successors have been duly elected or appointed and qualified, or their earlier death, resignation or removal.

Section 2.5. Effects on Capital Stock.

At the Effective Time, by virtue of the Merger and without any action on the part of Parent, Merger Sub, the Company or holders of any membership interest in the Company or any capital stock of Merger Sub:

(a) Conversion of Purchased Equity. The Purchased Equity shall be converted into and shall thereafter represent the right of each Seller to receive the Base Purchase Price (as defined below) and Consideration Securities (as defined below) on a Pro Rata Share basis (the "Merger Consideration"). From and after the Effective Time, all of such Purchased Equity shall no longer be outstanding and shall automatically be cancelled and shall cease to exist, and the non-certificated Membership Interest represented by book-entry (a "Book-Entry Membership Interest") shall thereafter represent only the right to receive the Merger Consideration in accordance with this Article II. If there is a reorganization, reclassification, combination, recapitalization or other like change with respect to the Membership Interests occurring after the date of this Agreement and before the Effective Time, all references in this Agreement to specified numbers of Membership Interests affected thereby, and all calculations provided for that are based upon numbers of Membership Interests affected thereby, will be equitably adjusted to the extent necessary to provide the parties the same economic effect as contemplated by this Agreement prior to such reorganization, reclassification, combination, recapitalization or other like change.

(b) Conversion of Merger Sub Common Stock. At the Effective Time, each share of common stock, par value $0.0001 per share, of Merger Sub (a "Merger Sub Share") issued and outstanding immediately prior to the Effective Time shall be converted into a membership interest of the Company, and following the Effective Time, the membership interests of the Company that have been converted Merger Sub Shares shall be the only membership interests of the Company.

Section 2.6. Closing Payments

(a) Closing Payment Fund. At or prior to the Closing, Parent shall enter into an agreement with Continental Stock Transfer and Trust (the "Payment Agent") to act as the payment agent requiring Parent to make available at the Effective Time to the Payment Agent the Consideration Securities and cash in the amount necessary for the payment to the Estimated Purchase Price as set forth in the Estimated Closing Date Statement *minus* the Escrow Amount, the Expense Fund Amount and the Purchase Price Holdback Amount, which consideration shall be sent to the account designated by the Payment Agent (the " Payment Fund"). At the Closing, Parent will cause the Payment Fund to be deposited with the Payment Agent and will thereafter cause the Payment Agent to pay to each holder of record of any Purchased Equity from the Payment Fund the amount due to such holder in respect of such Purchased Equity in accordance with the terms of this Agreement. All fees and expenses of the Payment Agent will be paid by Parent. Subject to adjustment in accordance with this Agreement, the aggregate Merger Consideration shall be (i) $70,000,000 (the "Base Purchase Price") *minus* (A) the amount of any Indebtedness that remains unpaid as of immediately prior to the Closing, *minus* (B) the amount of any Change of Control Payments that remain unpaid as of immediately prior to the Closing, *minus* (C) the amount of any Company Transaction Expenses, *minus* (D) the amount of any accrued Pre-Closing Taxes that remain unpaid as of immediately prior to the Closing (the resulting amount, the "Purchase Price"), plus (ii) $137,000,000, in the form of units of 54,914,505 LP Interests (the "Consideration Securities"), with the value per unit having been calculated based on a valuation of Parent equal to [***].

(b) Payment Procedures. Prior to the Closing, the Company shall provide the Payment Agent with information and documents in order to allow the Payment Agent to deliver or mail to each holder of record of any Purchased Equity, no later than two Business Days prior to the Closing, (1) a letter of transmittal substantially in the form of Exhibit F (the "Letter of Transmittal") and (2) instructions for complying with this Section 2.6(b)) in exchange for payment of the Merger Consideration. Upon compliance with this Section 2.6(b)) for cancellation by a holder of Purchased Equity, together with a duly executed Letter of Transmittal and appropriate Tax forms including Form W-9 or the appropriate series of Form W-8, as applicable, and such other documents as may reasonably be required by the Payment Agent, the holder of Purchased Equity will receive in exchange therefor, the applicable portion of the Merger Consideration into which the Purchased Equity formerly held by such holder will have been converted. If any transfer of ownership of Purchased Equity has not been registered in the Company's transfer records, payment may be made in the case of Purchased Equity represented electronically, to a Person other than the Person reflected as the owner of such Purchased Equity in the Company's transfer records if the Person requesting such transfer or payment pays any transfer or other Tax required by reason of such transfer or payment to a Person other than the registered holder of such Purchased Equity in the Company's transfer records or establishes to the satisfaction of Parent that such Tax has been paid or is not applicable. No interest will be paid or will accrue on the cash payable in accordance with this Article II.

(c) Other Closing Payments. At the Effective Time, Parent shall pay, or cause to be paid, the following amounts by wire transfer of immediately available funds:

(i)to each Person owed a Change of Control Payment or Indebtedness, an amount in cash set forth opposite such Person's name in the Estimated Closing Date Statement to the account or accounts designated by such Person therein;

(ii) to each Person owed Company Transaction Expenses, an amount in cash set forth opposite such Person's name in the Estimated Closing Date Statement to the account or accounts, in each case, designated by such Person therein;

(iii) to the Escrow Agent, an amount in cash equal to the Escrow Amount to the Escrow Account, designated by the Escrow Agent pursuant to the Escrow Agreement;

(iv) to the Escrow Agent, the costs, fees and expenses of the Escrow Agent under the Escrow Agreement;

(v) to the Payment Agent, the costs, fees and expenses of the Payment Agent under the Payment Agent Agreement; and

(vi) to the Seller's Representative, the Expense Fund Amount.

(d) Loan Repayment Offset. In the case of any holder that has any Liability to the Company or any of its Subsidiaries for borrowed money that has not been fully satisfied prior to the Effective Time, an amount of cash equal to the outstanding balance of such Liability (including all interest payable thereon) as of immediately prior to the Effective Time will be deducted from the Merger Consideration otherwise payable to such holder and such Liability thereby will be extinguished and be of no further force and effect, and such deducted amount will be treated for all purposes under this agreement as having been paid to the holder.

(e) Distributions with Respect to the Consideration Securities. No dividends or other distributions declared or made after the Effective Time with respect to the Consideration Securities with a record date after the Effective Time will be paid to the holder of any Purchased Equity with respect to the Consideration Securities represented thereby, and no cash payment in lieu of any fractional shares will be paid to any such holder, until the holder of such book-entry share of Purchased Equity surrenders such book-entry Purchased Equity. Subject to the effect of escheat, Tax or other applicable laws, following surrender of any such book-entry Purchased Equity, the holder of the book-entry Purchased Equity representing whole units of Consideration Securities issued in exchange therefor will be paid, without interest, (i) promptly, the amount of dividends or other distributions with a record date after the Effective Time and theretofore paid with respect to such whole shares of Consideration Securities and (ii) at the appropriate payment date, the amount of dividends or other distributions, with a record date after the Effective Time but prior to surrender and a payment date occurring after surrender, payable with respect to such whole shares of Consideration Securities.

(f) No Fractional Securities. No fractional Consideration Securities shall be issued in the Merger, but in lieu thereof each former holder of Purchased Equity otherwise entitled to a fractional Consideration Security (after aggregating all fractional Consideration Securities issuable to such holder) will be entitled to receive, from the Payment Agent in accordance with the provisions of this Section 2.6(f), a cash payment (rounded to the nearest whole cent) in lieu of such fractional Consideration Security in an amount equal to the product of (i) such fraction, multiplied by (ii) the value of one unit of Parent.

(g) No Further Ownership Rights in Purchased Equity. The Merger Consideration paid upon the surrender for exchange of Purchased Equity in accordance with the terms of this Article II (including cash deposited into the Escrow Account) will be deemed to have been paid in full satisfaction of all rights pertaining to such shares of Purchased Equity, the transfer books of the Company will be closed immediately upon the Effective Time, and there will be no further registration of transfers on the membership interest transfer books of the Surviving Company of the Purchased Equity that were outstanding immediately prior to the Effective Time. If, after the Effective Time, a holder of Purchased Equity who has not received the Merger Consideration presents evidence of ownership of Purchased Equity to the Surviving Company or the Payment Agent for any reason, they will be canceled and exchanged for payment as provided in this Article II, except as otherwise provided by Law.

(h) No Liability. None of Parent, Merger Sub, the Surviving Company or the Payment Agent or any of their respective directors, officers, employees and agents shall be liable to any holder of Purchased Equity for Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(i) Termination of Payment Fund; Abandoned Property. Any portion of the Payment Fund (including any interest or other income received by the Payment Agent with respect to all of the funds made available to it) that remains undistributed to the holders of the Shares for one (1) year after the Effective Time of the Merger shall be delivered to the Surviving Company, upon demand, and any holders of the Purchased Equity who have not theretofore complied with this Article II shall thereafter look only to the Surviving Company as general creditor thereof (subject to abandoned property, escheat and other similar laws) for payment of their claim for Merger Consideration.

(j) Withholding Rights.

(i) Notwithstanding anything herein to the contrary, each of Parent, Merger Sub, the Surviving Company and the Payment Agent, as applicable, shall be entitled to deduct and withhold from any consideration payable pursuant to, or in accordance with, this Agreement to any person such amounts as Parent, Merger Sub, the Surviving Company or the Payment Agent, as applicable, are required to deduct and withhold with respect to the making of such payment under the Code or any other provision of applicable federal, state, local or foreign Tax law (including, without limitation, amounts required to be withheld as determined by the amount realized by any Seller pursuant to Section 1446(f) of the Code). To the extent that amounts are so deducted and withheld by Parent, Merger Sub, the Surviving Company or the Payment Agent, as the case may be, such deducted and withheld amounts shall be (i) remitted by Parent, Merger Sub, the Surviving Company or the Payment Agent, as applicable, to the applicable Governmental Entity, (ii) treated for all purposes of this Agreement as having been paid to the person in respect of which such deduction and withholding was made by Parent, Merger Sub, the Surviving Company or the Payment Agent, as the case may be and (iii) deducted and withheld, at the option of Parent, Merger Sub, the Surviving Company or the Payment Agent, as applicable, solely from amounts payable to the applicable recipient in cash, notwithstanding that the amount of such deduction or withholding is determined by reference to the aggregate cash and property paid to the recipient, the liabilities of any Person or otherwise.

(i) The Parties shall cooperate with each other, as and to the extent reasonably requested by the other Party, to minimize or eliminate any potential deductions and withholdings that the Parent, Merger Sub, the Surviving Company or the Payment Agent, as applicable, may believe it is required to make under applicable Law.

Section 2.7. Purchase Price Holdback.

(a) Notwithstanding anything herein to the contrary, at the Effective Time, a portion of the Base Purchase Price equal to $35,000,000 less the deducts set forth in this Agreement shall be paid to the holders of Purchased Equity. The remaining $35,000,000, constituting the initial Purchase Price Holdback Amount, shall not be paid to the holders of Purchased Equity, as required by Section 2.6(b), and shall instead be held back by the Purchaser at Closing and the Purchase Price Holdback Amount less the applicable Escrow Amount shall be paid to the Payment Agent for further distribution to the holders of Purchased Equity on the date that is ninety (90) days following the Closing; provided, however, that if Mark Scatterday's employment with TILT or one of its Affiliates is terminated prior to the end of such ninety (90) day period (a) by TILT other than for Cause or (b) by Mr. Scatterday for "Good Reason", in each case, the Purchase Price Holdback Amount shall be payable to the Sellers immediately upon notice to or from Mr. Scatterday of his termination of employment with the Company; provided, further, however, that Mark Scatterday's employment with TILT or one of its Affiliates is terminated prior to the end of such ninety (90) day period (a) by TILT for Cause, or (b) by Mr. Scatterday other than for "Good Reason," in each case, the Purchase Price Holdback Amount shall be forfeited and never paid by Purchaser to the Sellers. The parties acknowledge and agree to the following: (i) Mr. Scatterday's continued employment with TILT for at least ninety (90) days induced the Sellers into assenting to the Agreement, (ii) in the event TILT terminates Mr. Scatterday's employment for Cause prior to the end of ninety (90) days following Closing, the Sellers will forfeit $35,000,000, and (iii), due to (i) and (ii), TILT shall only terminate Mr. Scatterday's employment for Cause in good faith and "Cause" shall be interpreted as strictly as the law will allow in any Proceeding regarding this Agreement. For the avoidance of doubt, the Purchase Price Holdback Amount shall be payable to the Sellers, subject to this Section 2.7, even if Mark Scatterday's employment is terminated or otherwise disrupted due to his death or his inability to perform services to the Company due to physical, emotional or mental illness.

(b) If (I) the Purchase Price Holdback Amount becomes payable to the Sellers pursuant to Section 2.7, (II) the Indebtedness and Specified Liabilities of the Company and its Subsidiaries as of the date of this Agreement and the Effective Time is less than $19,412,600 in the aggregate and (III) Purchaser does not pay the Purchase Price Holdback Amount in accordance with this Agreement by the date that is ninety (90) days following the Closing Date, then on the following Business Day, the Purchase Price Holdback Amount will remain payable and (i) will accrue interest until paid (which interest payments must be paid over in cash in arrears to the Paying Agent for disbursement to the Sellers on the first day of each calendar month) (A) from the date that is ninety-one (91) days following the Closing Date through the earlier of the date that is one hundred fifty (150) days following the Closing Date or the date as the full amount owing has been paid at an annual rate of interest equal to fifteen percent (15%), and if necessary (B) from the date that is one hundred fifty-one (151) days following the Closing Date through such date as the full amount owing has been paid at an annual

rate of interest equal to twenty-two percent (22%) (all such interest under the foregoing subclauses (A) and (B), the "Liquidated Damages"), and (ii) shall be payable in full on or before the date that is the one year anniversary of the Closing Date. If (I) the Purchase Price Holdback Amount becomes payable to the Sellers pursuant to Section 2.7, (II) the Indebtedness and Specified Liabilities of the Company and its Subsidiaries as of the date of this Agreement and the Effective Time is less than $19,412,600 in the aggregate and (III) Purchaser does not pay the Purchase Price Holdback Amount in accordance with this Agreement by the date that is one hundred fifty (150) days following the Closing Date, then (x) on the following Business Day, the parties shall deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to release from the Escrow Account an amount equal to the amount by which the value of the cash funds and the value of the Consideration Securities remaining in the Escrow Account, including any interest accrued or income otherwise earned thereon and owned by the Sellers, exceed the aggregate dollar amount, as of such date, of Claimed Amounts and Contested Amounts associated with all indemnification claims contained in any Notice of Claim that was submitted on or before the date that is forty-five (45) days following the Closing Date and that have not been finally resolved and paid and (y) the General Survival Date shall be deemed to be amended such that it becomes the date that is forty-five (45) days following the Closing. The parties intend that the Liquidated Damages constitute compensation, and not a penalty. The parties acknowledge and agree that the Sellers' harm caused by Purchaser's breach of its obligations under this Section 2.7 would be impossible or very difficult to accurately estimate as of the Closing Date, and that the Liquidated Damages are a reasonable estimate of the anticipated or actual harm that might arise from Purchaser's breach.

Section 2.8. Purchase Price Adjustments

(a) Estimated Closing Adjustment. At least five (5) Business Days prior to the Closing Date, the Sellers' Representative shall deliver to Purchaser a statement (the "Estimated Closing Date Statement"), reasonably acceptable to Purchaser, setting forth a good faith calculation, together with reasonably detailed supporting documentation, of: (i) the amount of each of (A) Indebtedness remaining unpaid as of immediately prior to the Closing, (B) Change of Control Payments remaining unpaid as of immediately prior to the Closing, (C) Company Transaction Expenses, and (D) accrued Pre-Closing Taxes remaining unpaid as of immediately prior to the Closing, and (ii) the resulting calculation of the Purchase Price under Section 2.6(a) (the "Estimated Purchase Price"). The Estimated Closing Date Statement and the calculations thereunder shall be prepared and calculated by the Sellers' Representative in good faith. In the event the Sellers' Representative and Purchaser are unable to reach agreement as to the calculation of the Estimated Purchase Price, the Estimated Purchase Price shall be deemed to equal the Sellers' Representative's calculation of the Estimated Purchase Price.

(b) Closing Date Statement. Within the one hundred twenty (120) day period after the Closing Date, Purchaser shall deliver, or cause to be delivered, to the Sellers' Representative a statement (the "Closing Date Statement") setting forth Purchaser's objections, if any, to the calculations set forth in the Estimated Closing Date Statement, together with reasonably detailed supporting documentation to substantiate any such objections, including the calculations of (i) the amount of each of (A) Indebtedness remaining unpaid as of immediately prior to the Closing, (B) Change of Control Payments remaining unpaid as of immediately prior to the Closing, (C) Company Transaction Expenses, and (D) accrued Pre-Closing Taxes remaining unpaid as of immediately prior to the Closing, and (ii) the resulting calculation of the Purchase Price under Section 2.6(a). The Closing Date Statement and the calculations thereunder shall be prepared and calculated by Purchaser in good faith. Notwithstanding anything to the contrary set forth in this Agreement, Purchaser shall have the right to revise the Closing Date Statement and Purchaser's objections, if any, to the calculations set forth in the Estimated Closing Date Statement in all respects based on fraud, willful misconduct or intentional misrepresentation discovered by Purchaser at any time prior to the determination of the Final Purchase Price in accordance with this Section 2.8.

(c) Disputes.

(i) If the Sellers' Representative disputes any of Purchaser's objections to the Estimated Closing Date Statement as set forth in the Closing Date Statement, then, within thirty (30) days after the delivery to the Sellers' Representative of the Closing Date Statement (the "Dispute Period"), the Sellers' Representative shall deliver to Purchaser a written notice (a "Dispute Notice") describing in reasonable detail the Sellers' Representative's dispute of any of Purchaser's objections to the Estimated Closing Date Statement set forth in such Closing Date Statement. If the Sellers' Representative does not deliver a Dispute Notice to Purchaser during the Dispute Period, then Purchaser's objections set forth in the Closing Date Statement shall be binding and conclusive on the parties hereto.

(ii) If the Sellers' Representative delivers a Dispute Notice, and if the Sellers' Representative and Purchaser are unable to resolve the objections set forth in the Closing Date Statement within ten (10) Business Days after such Dispute Notice is delivered to Purchaser, the dispute shall be finally settled by the Accounting Firm. Within ten (10) days after the Accounting Firm is appointed, Purchaser shall forward a copy of the Closing Date Statement to the Accounting Firm, and the Sellers' Representative shall forward a copy of the Dispute Notice to the Accounting Firm, together with, in each case, all relevant supporting documentation. The Accounting Firm's role shall be limited to resolving such objections and determining the correct calculations to be used on only the disputed portions of the Closing Date Statement, and the Accounting Firm shall not make any other determination, including any determination as to whether any other items on the Closing Date Statement are correct. The Accounting Firm shall not assign a value to any item greater than the greatest value for such item claimed by the Sellers' Representative or Purchaser or less than the smallest value for such item claimed by the Sellers's Representative or Purchaser and shall be limited to the selection of either the Sellers' Representative's or Purchaser's position on a disputed item (or a position in between the positions of the Sellers' Representative or Purchaser) based solely on presentations and supporting material provided by the parties and not pursuant to any independent review. In resolving such objections, the Accounting Firm shall apply the provisions of this Agreement concerning determination of the amounts set forth in the Closing Date Statement. The Sellers' Representative and Purchaser shall instruct the Accounting Firm to deliver to the Sellers' Representative and Purchaser a written determination (such determination to include a work sheet setting forth all material calculations used in arriving at such determination and to be based solely on information provided to the Accounting Firm by the Sellers' Representative and Purchaser) of the disputed items submitted to the Accounting Firm within thirty (30) days of receipt of such disputed items. The determination by the Accounting Firm of the disputed amounts and the Purchase Price shall be conclusive and binding on the parties hereto, absent manifest error or fraud or willful misconduct as determined by a non-appealable and binding decision by a court of law having jurisdiction over the parties. The losing party (as defined below) in any such proceeding shall pay all costs and fees (including reasonable attorneys' fees and expenses of the prevailing party) related to such determination by the Accounting Firm, including the costs relating to any negotiations with the Accounting Firm with respect to the terms and conditions of such Accounting Firm's engagement and the costs for the Accounting Firm's services. For purposes of this Section 2.8(c), as between the Sellers' Representative and Purchaser, the "losing party" in any such determination shall mean the party whose calculation of the Purchase Price (as set forth in the Closing Date Statement, in the case of Purchaser, or in a Dispute Notice, in the case of the Sellers' Representative), is farthest from the calculation of the Purchase Price as determined by the Accounting Firm. The parties agree that (except as otherwise provided in Sections 10.7, 10.8 and 10.9) the procedure set forth in thisSection 2.8 for resolving disputes with respect to Indebtedness, Change of Control Payments, Company Transaction Expenses, Pre-Closing Taxes and the resulting calculation of the Purchase Price under Section 2.6(a) shall be the sole and exclusive remedy for resolving such disputes; provided, however, that the parties agree that judgment may be entered upon the determination of the Accounting Firm in any court having jurisdiction over the party against which such determination is to be enforced.

(d) Payment of Purchase Price Adjustment.

(i) If the Purchase Price, as finally determined in accordance with this Section 2.8 (the "Final Purchase Price"), exceeds the Estimated Purchase Price, then Purchaser shall pay, or cause to be paid, to the Payment Agent (on behalf of the Sellers on a Pro Rata Share basis) an amount equal to such excess.

(ii) If the Estimated Purchase Price exceeds the Final Purchase Price, then each Seller shall pay to Purchaser an amount equal to such Seller's Pro Rata Share of such excess.

(e) Timing of Payments. Any payment required to be made pursuant to Section 2.8(d) shall be made within five (5) Business Days of the determination of the Final Purchase Price pursuant to the provisions of this Section 2.8 by wire transfer of immediately available funds to such account or accounts as may be designated in writing by the Sellers' Representative or Purchaser, as applicable, at least two (2) Business Days prior to such payment date.

Section 2.9. Closing Deliveries.

At the Closing:

(a) The Sellers' Representative shall deliver, or cause to be delivered, to Purchaser or any other Person designated by Purchaser (unless the delivery is waived in writing by Purchaser), the following documents, in each case duly executed or otherwise in proper form:

(i) Manager's Certificate of the Company. A certificate, in a form satisfactory to Purchaser, signed by Mark Scatterday in his capacity as "Manager" of the Company and dated as of the Closing Date, certifying the Operating Agreement;

(ii) Secretary's Certificate of Jupiter Europe. A certificate, in a form satisfactory to Purchaser, signed by the secretary of Jupiter Europe and dated as of the Closing Date, certifying the memorandum and articles of association of Jupiter Europe;

(iii) Secretary's Certificate of Entity Sellers. A certificate, in a form satisfactory to Purchaser, signed by the secretary of each Seller that is not a natural Person and dated as of the Closing Date, certifying: (x) the organizational and governing documents of such Seller, as amended as of the Closing Date; and (y) as to the due approval and authorization (in accordance with such Seller's organizational and governing documents) of the Transactions, and attaching copies of the board and/or equity holder resolutions that include such authorization and approval;

(iv) Company Closing Certificate. A certificate duly executed by the Manager of the Company that the conditions set forth in Section 9.1(a), Section 9.1(b) and Section 9.1(c) have been duly satisfied (the "Company Closing Certificate");

(v) Good Standing Certificates. (A) A good standing certificate with respect to the Company issued by the Secretary of State of the State of Arizona, and (B) a good standing certificate (or a certification having a similar purpose) of Jupiter Europe, in each case, dated as of a date not more than three (3) Business Days prior to the Closing Date;

(vi) Company Required Consents. The Company Required Consents, duly executed and in full force and effect;

(vii) Payoff Letters. Payoff letters, in form and substance satisfactory to Purchaser, evidencing the discharge or payment in full of the Repaid Indebtedness (the "Payoff Letters"), in each case duly executed by each holder of such Repaid Indebtedness, with an agreement to provide termination statements on Form UCC-3, or other appropriate releases following any payoff thereof, which when filed will release and satisfy any and all Liens relating to such Repaid Indebtedness, together with proper authority to file such termination statements or other releases at and following the Closing;

(viii) Resignation Letters. Resignations, in the form attached hereto as Exhibit A, of each director and each officer of the Company and of Jupiter Europe listed in Section 2.9(viii) of the Sellers Disclosure Schedule, which resignations shall be effective as of the Closing and shall include a release of claims releasing the Company, Purchaser and its Affiliates from any and all claims that such director or officer may have against the Company, Jupiter Europe, Purchaser and their respective Affiliates at the Closing;

(ix) FIRPTA Affidavit. A non-foreign affidavit of each Seller, dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Section 1445 of the Code, stating that such Seller is not a "foreign person" as defined in Section 1445 of the Code (a "FIRPTA Affidavit");

(x) Corporate Books and Records. All books and records and other property of the Company and Jupiter Europe in the possession of any Seller;

(xi) Escrow Agreement. The Escrow Agreement, duly executed by the Sellers' Representative, Purchaser and the Escrow Agent;

(xii) Affiliate Agreements. Evidence, in form and substance satisfactory to Purchaser, of the termination of each Affiliate Agreement, except for the Continuing Affiliate Agreements, without Liability of the Company, Purchaser and its Affiliates thereunder from and after the Closing;

(xiii) Employment Agreements. Employment agreements, in form and substance satisfactory to Purchaser, with each of the individuals listed in Section 2.5(a)(xiii) of the Sellers Disclosure Schedule, duly executed by the applicable individual party thereto;

(xiv) Spousal Consent. A spousal consent, in the form of Exhibit B, duly executed by the spouse or former spouse, as applicable, of each Seller who is married or whose former spouse has any community property interest in or to the Purchased Equity held by such Seller;

(xv) Termination of Engagement Letter: A payoff letter, in form and substance satisfactory to Purchaser, from CP Capital Advisory Services, LLP, duly executed and in full force and effect confirming that upon payment of the amounts set forth in such payoff letter, all obligations under the engagement letter between CP Capital Advisory Services, LLP and the Company will be satisfied in full, such engagement letter will be deemed terminated, and the Company, Purchaser and its Affiliates will be released from any and all claims Commercial Plus may have in respect of such engagement letter or related to the Transactions (provided that all indemnification provisions in such engagement letter or any exhibit or appendix thereto will survive such termination); and

(xvi) Other Documents. All other instruments, agreements, certificates and documents required to be delivered by the Sellers' Representative at or prior to the Closing pursuant to this Agreement and such other certificates of authority and similar instruments as Purchaser has reasonably requested at least three (3) Business Days prior to the Closing Date.

(b) Purchaser shall deliver, or cause to be delivered, to the Sellers' Representative or any other Person designated by the Sellers' Representative (unless the delivery is waived in writing by the Sellers' Representative), the following documents, in each case duly executed or otherwise in proper form:

(i) Estimated Purchase Price Payment. Purchaser shall deliver, or cause to be delivered, the amounts set forth in the Estimated Closing Date Statement as provided in Section 2.2(b), to the Sellers' Representative or any other Person designated by the Sellers' Representative (unless the delivery is waived in writing by the Sellers' Representative),

(ii) Escrow Agreement. The Escrow Agreement, duly executed by Purchaser;

(iii) Certificates. Original certificates evidencing the Consideration Securities;

(iv) Secretary's Certificate of Purchaser. A certificate, in a form satisfactory to Sellers' Representative, signed by the secretary of Purchaser dated as of the Closing Date, certifying: (x) the certificate of formation of Purchaser and Limited Partnership Agreement, as amended as of the Closing Date; and (y) as to the due approval and authorization (in accordance with Purchaser's organizational and governing documents) of the Transactions, and attaching copies of the board resolutions that include such authorization and approval;

(v) Purchaser Closing Certificate. A certificate duly executed by an officer of Purchaser that the conditions set forth in Section 9.2(a), Section 9.2(b) and Section 9.2(c) have been duly satisfied (the "Purchaser Closing Certificate");

(vi) Good Standing Certificates. A good standing certificate with respect to Purchaser issued by the Secretary of State of the State of Delaware dated as of a date not more than three (3) Business Days prior to the Closing Date;

(vii) Employment Agreements. Employment agreements, in form and substance satisfactory to the Company, with each of the individuals listed in Section 2.5(b)(vii) of Purchaser Disclosure Schedule, duly executed by Purchaser; and

(viii) Other Documents. All other instruments, agreements, certificates and documents required to be delivered by Purchaser at or prior to the Closing pursuant to this Agreement and such other certificates of authority and similar instruments as Sellers' Representative has reasonably requested at least three (3) Business Days prior to the Closing Date.

Section 2.10. Escrow Arrangements.

(a) At the Closing, Purchaser and the Sellers' Representative shall enter into a mutually agreeable Escrow Agreement with the Escrow Agent (the "Escrow Agreement"), pursuant to which, among other things, Purchaser shall deposit an amount in cash and Consideration Securities equal to the Escrow Amount in the Escrow Account in order to provide Purchaser with a source of funds for satisfaction of any amounts owing from the Sellers to any Purchaser Indemnitee resulting from Damages required to be indemnified by the Sellers under Article X of this Agreement. The amount of Merger Consideration to be received by each of the Sellers at the Closing will be reduced by the amount of each Seller's Pro Rata Share of the Escrow Amount.

(b) Distributions from the Escrow Account to the Sellers' Representative or Purchaser, as applicable, shall be made as provided in this Agreement and the Escrow Agreement.

Section 2.11. Required Withholdings.

Notwithstanding anything to the contrary set forth in this Agreement, Purchaser will be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any Seller such amounts as are required under the Code or any provision of state, local or foreign Tax law. To the extent that amounts are so withheld by Purchaser, such withheld amounts will be treated for all purposes of this Agreement as having been paid to the Seller in respect of which such deduction and withholding were made by Purchaser. Notwithstanding the foregoing, no amount (other than amounts that are treated as compensation for U.S. federal income tax purposes) shall be withheld from any payment made hereunder to a Seller who provides Purchaser with the documentation required pursuant to Section 2.9(a)(ix) and a properly completed Internal Revenue Service Form W-9 or Substitute Form W-9, or who otherwise provides Purchaser with appropriate evidence that such Person is exempt from federal income Tax back-up withholding.

Section 2.12. Tax Matters.

(a) Within ninety (90) days of Closing Date, Purchaser shall prepare and provide to Sellers' Representative a proposed allocation of the Purchase Price (taking into account the value of the Consideration Securities received) among (a) the Company and Jupiter Europe, and (b) with respect to the portion of the Purchase Price allocated to the assets of the Company in accordance with Section 1060 of the Code and the Treasury Regulations promulgated thereunder (as finally determined, and subject to any further amendment, in each case, pursuant to this Section 2.12(a), the "Tax Allocation") for Sellers' Representative's review and approval in such a manner as to permit Purchaser to determine the basis of the assets deemed acquired in accordance with Section 2.12(a), and the amount of gain recognized by the Sellers as a result of the sale of their membership interests in the Company for the Purchase Price. The Sellers' Representative shall have thirty (30) days to review the determinations set forth in the Tax Allocation. If the Sellers' Representative disagrees with any determinations set forth on the Tax Allocation, the Sellers' Representative shall deliver a written notice to Purchaser setting forth its objections. Unless the Sellers' Representative delivers such a notice to Purchaser within the thirty (30) day review period, the Sellers' Representative shall be deemed to have accepted the determinations set forth in the Tax Allocation. If the Sellers' Representative delivers a notice to Purchaser within the thirty (30) day review period, Purchaser shall incorporate Sellers' Representative's reasonable comments to the Tax Allocation. The parties hereto shall file all Tax Returns (including amended returns and claims for refund) and conduct all Tax proceedings in a manner consistent with the Tax Allocation and shall not take any contrary position with any taxing authority with respect thereto unless required to do otherwise by Law.

(b) The parties hereto intend that the acquisition of the outstanding membership interests in the Company shall be treated, in accordance with Situation 2 of Internal Revenue Service Revenue Ruling 99-6, for U.S. federal income tax purposes, (i) (A) as to Purchaser, as an acquisition of an undivided portion the assets of the Company where such portion is equal to the Purchase Price divided by the sum of the Purchase Price and the fair market value of the Consideration Securities (the "Cash Portion"), and (B) as to Sellers a portion of their membership interests in the Company where such portion is equal to the Cash Portion, in each case for the Purchase Price and (ii) a contribution under Section 721(a) of the Code of the Sellers' remaining portion of its interest in the Company to Purchaser. Each party hereto agrees to file all Tax Returns

and other tax filings consistent with the treatment described in this Section 2.12(b) and shall not take any contrary position with any taxing authority with respect thereto unless required to do otherwise by Law.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the disclosure schedule delivered by the Sellers to Purchaser simultaneously with the execution and delivery of this Agreement (the "Sellers Disclosure Schedule"), the Company hereby represents and warrants to Purchaser as of the date of this Agreement and as of the Closing Date as follows (with each reference in this Article III, except those references in Sections 3.1, 3.2 and 3.5, to "Company" in this Article III being deemed to be a reference to both the Company and Jupiter Europe):

Section 3.1. Organization and Qualification

(a) The Company is a manager-managed limited liability company formed, validly existing and in good standing under the Laws of the State of Arizona and has the requisite limited liability company power and authority to own, operate or lease all of the properties and assets that it purports to own, operate or lease and to carry on its business as it is now being conducted and as currently proposed to be conducted. The Company is duly licensed or qualified to do business and is in good standing (with respect to jurisdictions that recognize such concept) in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned, operated or leased by it makes such licensing or qualification necessary except where the failure to be so duly licensed or qualified would not result in a Company Material Adverse Effect. Section 3.1(a) of the Sellers Disclosure Schedule accurately sets forth each jurisdiction where the Company is qualified, licensed or admitted to do business.

(b) Jupiter Europe is a private company limited by shares formed, validly existing and in good standing under the Laws of the United Kingdom and has the requisite corporate power and authority to own, operate or lease all of the properties and assets that it purports to own, operate or lease and to carry on its business as it is now being conducted and as currently proposed to be conducted. Jupiter Europe is duly licensed or qualified to do business and is in good standing (with respect to jurisdictions that recognize such concept) in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned, operated or leased by it makes such licensing or qualification necessary except where the failure to be so duly licensed or qualified would not result in a Company Material Adverse Effect. Section 3.1(b) of the Sellers Disclosure Schedule accurately sets forth each jurisdiction where Jupiter Europe is qualified, licensed or admitted to do business.

(c) The copies of the Operating Agreement and the Company's certificate of formation ("Certificate of Formation") provided to Purchaser are complete and correct copies of such documents as in effect as of the date of this Agreement. Except as would not result in a Company Material Adverse Effect, there has been no violation of any of the provisions of the Operating Agreement, and the Company has not taken any action that is inconsistent in any material respect with any resolution adopted by the Sellers.

(d) The copies of the formation and governing documents of Jupiter Europe provided to Purchaser are complete and correct copies of such documents as in effect as of the date of this Agreement. Except as would not result in a Company Material Adverse Effect, there has been no violation of any of the provisions of such agreements, and the Company has not taken any action that is inconsistent in any material respect with any resolution adopted by the Sellers.

(e) Section 3.1(e) of the Sellers Disclosure Schedule accurately sets forth: (i) the name of the manager of the Company and (ii) the names and titles of each officer of the Company.

(f) Section 3.1(f) of the Sellers Disclosure Schedule accurately sets forth: (i) the names of each director of Jupiter Europe and (ii) the names and titles of each officer of Jupiter Europe.

Section 3.2. Capitalization; Ownership of Purchased Equity

(a) Section 3.2(a)(i) of the Sellers Disclosure Schedule sets forth a complete and accurate list of the authorized, issued and outstanding membership interests of the Company. Except as set forth in Section 3.2(a)(i) of the Sellers Disclosure Schedule, there are no other membership interests or other equity interests in the Company issued, reserved for issuance or outstanding. All of the issued and outstanding membership interests of the Company have been duly authorized and validly issued and are fully paid, non-assessable and free of any preemptive rights. There are no outstanding subscriptions, options, warrants, calls, commitments or agreements of any character calling for the purchase or issuance of any security of the Company to which the Company is a party, including any securities representing the right to purchase or otherwise receive any Purchased Equity. There is no Indebtedness with voting rights (or convertible into, or exchangeable for, securities with voting rights) with respect to any matters on which any equity holder of the Company may vote. Section 3.2(a)(ii) of the Sellers Disclosure Schedule sets forth an accurate and complete list of the holders of all of the issued and outstanding membership interests of the Company, the address of each such holder and the percentage holdings amounts related to such membership interests owned by each such holder.

(b) Section 3.2(b)(i) of the Sellers Disclosure Schedule sets forth a complete and accurate list of the authorized, issued and outstanding capital stock of Jupiter Europe. Except as set forth in Section 3.2(b)(i) of the Sellers Disclosure Schedule, there are no other equity interests in Jupiter Europe issued, reserved for issuance or outstanding. All of the issued and outstanding capital stock of Jupiter Europe have been duly authorized and validly issued and are fully paid, non-assessable and free of any preemptive rights. There are no outstanding subscriptions, options, warrants, calls, commitments or agreements of any character calling for the purchase or issuance of any security of Jupiter Europe to which Jupiter Europe is a party, including any securities representing the right to purchase or otherwise receive any capital stock of Jupiter Europe. There is no Indebtedness with voting rights (or convertible into, or exchangeable for, securities with voting rights) with respect to any matters on which any equity holder of Jupiter Europe may vote. Section 3.2(b)(ii) of the Sellers Disclosure Schedule sets forth an accurate and complete list of the holders of all of the issued and outstanding capital stock of Jupiter Europe, the address of each such holder and the percentage holdings amounts related to such Purchased Equity owned by each such holder.

(c) Neither the Company nor Jupiter Europe has, and neither has ever had, any Subsidiaries. Each of the Company and Jupiter Europe: (i) does not own any equity securities or other ownership interest of any other Person; (ii) does not control any Person; (iii) does not have any investments in, or hold any interest, directly or indirectly, in, any Person; and (iv) does not have any obligation or requirement, directly or indirectly, to provide capital contributions to, or invest in, any Person.

(d) There are no outstanding contractual obligations to which the Company is a party: (i) to repurchase, redeem or otherwise acquire any membership interests or other equity interests in the Company; or (ii) relating to the voting of any membership interests or other equity interests in the Company.

(e) There are no outstanding contractual obligations to which Jupiter Europe is a party: (i) to repurchase, redeem or otherwise acquire any of its

capital stock; or (ii) relating to the voting of any of its capital stock.

(f) All of the membership interests and all other securities that have ever been issued or granted by the Company have been issued and granted in compliance with: (i) all applicable state and federal securities Laws and all other applicable Laws; and (ii) all requirements set forth in all applicable Contracts. None of the outstanding membership interests in the Company were issued in violation of any preemptive rights or other rights to subscribe for or purchase securities of the Company.

(g) All of the capital stock and all other securities that have ever been issued or granted by Jupiter Europe have been issued and granted in compliance with: (i) all applicable securities Laws and all other applicable Laws; and (ii) all requirements set forth in all applicable Contracts. None of the outstanding capital stock of Jupiter Europe was issued in violation of any preemptive rights or other rights to subscribe for or purchase securities of Jupiter Europe.

(h) Except as set forth in Section 3.2(h) of the Sellers Disclosure Schedule, no Person will be entitled to receive any payment or consideration as a result of the Transactions other than the Sellers.

(i) Collectively, the Sellers hold of record and own beneficially, free and clear of any Liens or any other restrictions on transfer (except for transfer restrictions of general applicability imposed under federal or state securities Laws), (A) all of the issued and outstanding membership interests of the Company and (B) all of the outstanding capital stock of Jupiter Europe. The Sellers have good, valid and marketable title to, and have the right to transfer and sell the membership interests of the Company, as well as the outstanding capital stock of Jupiter Europe, to Purchaser in accordance with the terms of this Agreement. Except for this Agreement and except as set forth on Section 3.2(i), no Seller is a party to any option, warrant, right, contract, call, put or other agreement or commitment providing for the disposition or acquisition of any equity interest in the Company or Jupiter Europe. No Seller is a party to any voting trust, proxy or other agreement or understanding with respect to the voting of any of the equity securities of the Company or Jupiter Europe.

Section 3.3. Authority.

Each Seller has all necessary power and authority and the requisite legal capacity to execute and deliver this Agreement, to perform such Seller's obligations hereunder and to consummate the Transactions to be consummated by such Seller. The execution and delivery by each Seller of this Agreement, the performance by each Seller of its obligations hereunder, and the consummation by each Seller of the Transactions to be consummated by such Seller, have been duly and validly authorized by all necessary action (or necessary corporate action, if applicable) on the part of such Seller, and no other or further action or proceeding on the part of any Seller is necessary to authorize the execution and delivery by the Sellers of this Agreement, the performance by the Sellers of their obligations hereunder, and the consummation by the Sellers of the Transactions to be consummated by them. This Agreement has been duly executed and delivered by each Seller and, assuming the due and valid authorization, execution and delivery of this Agreement by Purchaser and the Sellers' Representative, constitutes a valid and binding obligation of each Seller, enforceable against each Seller in accordance with its terms, except that such enforceability: (a) may be limited by bankruptcy, insolvency, moratorium or other similar Laws of general application affecting or relating to the enforcement of creditors' rights generally; and (b) is subject to general principles of equity.

Section 3.4. Consents and Approvals; No Violations

(a) Except for (i) any filings required to be made pursuant to the HSR Act and any other Antitrust Laws and (ii) the Consents, filings, declarations, registrations and notices set forth in Section 3.4(a) of the Sellers Disclosure Schedule (the "Company Required Consents"), no Consent of, or filing, declaration or registration with, or notice to any Governmental Entity or any other Person, which has not been received or made, is required to be obtained or made by any Seller or the Company for the execution and delivery by any Seller of this Agreement or for the consummation of the Transactions.

(b) The execution and delivery by each Seller of this Agreement, the performance by each Seller of its obligations hereunder, and the consummation by each Seller of the Transactions to be consummated by such Seller do not and will not: (i) conflict with or violate any provision of the Operating Agreement; or (ii) assuming that the Company Required Consents have been received or made, as the case may be, prior to the Closing: (x) conflict with or result in a violation or breach of any Law applicable to any Seller, the Company or any of their respective properties or assets; (y) conflict with, result in a violation or breach of, result in the loss of any material rights or material benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination, material modification or cancellation of or a right of termination, material modification or cancellation under, or accelerate the performance required under, any Company Material Contract, any Permit required for the conduct of the business of the Company, or any Contract by which any Seller is bound or affected; or (z) result in the creation of any Lien upon any of the material properties or assets of the Company or any Seller.

Section 3.5. Financial Statements

(a) Delivery of Financial Statements. The Company has delivered to Purchaser copies of the following financial statements and notes (collectively, the "Company Financial Statements"): (i) the unaudited balance sheets of the Company as of December 31, 2016 and December 31, 2017, and the related unaudited statements of income, statements of members' capital and statements of cash flows for the fiscal years ended December 31, 2016 and December 31, 2017; and (ii) the unaudited balance sheet of the Company as of August 31, 2018 (the "Company Interim Balance Sheet"), and the related unaudited statement of income, statements of members' capital and statements of cash flows for the nine (9) months ended August 31, 2018.

(b) Accuracy of EBITDA. The Company's adjusted EBITDA for the twelve month period ended August 31, 2018, calculated in accordance with the methodology and adjustments to EBITDA identified in the December 20, 2018 Project Viper Due Diligence Report issued by Deloitte and attached hereto as Exhibit D (the "Viper Due Diligence Report"), is not less than $7.122 million.

(c) Indebtedness. Section 3.5(c) of the Sellers Disclosure Schedule sets forth a complete and correct list of all Indebtedness as of the date of this Agreement, identifying the creditor (including name and address), the type of instrument under which the Indebtedness is owed and the amount of such Indebtedness as of a date within five (5) Business Days of the date of this Agreement. Except as set forth on Section 3.5(c) of the Sellers Disclosure Schedule, no Indebtedness contains any restriction upon: (i) the prepayment of any of such Indebtedness; (ii) the incurrence of Indebtedness by the Company; or (iii) the ability of the Company to grant any Lien on its properties or assets. With respect to each item of Indebtedness, the Company is not in default and no payments are past due. The Company has not received any written notice of a default, alleged failure to perform or any offset or counterclaim with respect to any item of Indebtedness that has not been fully remedied and withdrawn. The consummation of the Transactions will not cause a material default, breach or an acceleration, automatic or otherwise, of any conditions, covenants or any other terms of any item of Indebtedness.

(d) Cash and Cash Equivalents. Except as set forth on Section 3.5(d) of the Sellers Disclosure Schedule, since December 31, 2017, the Company has not distributed or otherwise expended any Company Cash in the form of bonus payments or other compensation or awards to management, employees or consultants (other than the Sellers in their capacity as equity holders) in excess of base compensation. Section 3.5(d) of the Sellers Disclosure Schedule sets forth a complete and correct list of all

Company Cash as of a date within five (5) Business Days of the date of this Agreement, identifying the form of Company Cash and the account within which it resides; *provided, however*, that the representation and warranty set forth in this sentence is being provided for informational purposes only and shall not serve as the basis for any breach of contract or indemnification claim.

(e) Jupiter Europe. Jupiter Europe does not have any Indebtedness and shall not be liable as of the Closing for any Company Transaction Expenses. No Change of Control Payments, Pre-Closing Taxes or Accrued Compensation shall remain unpaid as of immediately prior to the Closing. For the purposes of this Section 3.5(e), the terms "Indebtedness," "Change of Control Payments," Pre-Closing Taxes and Accrued Compensation shall have the meanings that they would have if all of the references to "Company" in the definitions of such defined terms were replaced with "Jupiter Europe."

(f) Liabilities. Set forth on Section 3.5(c) of the Sellers Disclosure Schedule is a complete and correct list of all Indebtedness of the Company and its Subsidiaries as of the date of this Agreement, identifying the creditor (including name and address), the type of instrument under which the Indebtedness is owed and the amount of such Indebtedness. As of the Closing and Effective Time, with the exception of the Lease Agreement specified in Section 3.5(c) of the Sellers Disclosure Schedule, neither the Company nor any of its Subsidiaries will have any Indebtedness. Set forth on a supplement to the Sellers Disclosure Schedule delivered to Purchaser concurrently with the execution and delivery of this Agreement is the balance sheet of the Company and its Subsidiaries as of the close of business on January 9, 2018 (the "January 9th Balance Sheet"). As of the date of this Agreement and as of the Effective Time, the Company and its Subsidiaries do not and will not have Indebtedness and, to the Knowledge of the Sellers, Specified Liabilities in excess of $11,295,120 in the aggregate. For the avoidance of doubt, to the extent any Purchaser Indemnitee asserts a claim for Damages based on an alleged breach of this Section 3.5(f), the Damages amount shall equal the dollar amount of the shortfall, and shall not, for the avoidance of doubt, be based on any "multiple" due to a corresponding impact on the Company's income statement or for any other purpose.

Section 3.6. Customers and Suppliers

(a) Customers. Section 3.6(a) of the Sellers Disclosure Schedule identifies the revenues received from each of the top ten (10) customers of the Company (based on revenues) for each of the following periods: (i) the nine (9) months ended August 31, 2018; and (ii) the fiscal year ended December 31, 2017 (the "Company Major Customers"). Except as set forth on Section 3.6(a) of the Sellers Disclosure Schedule, the Company has not received any written notice indicating that any Company Major Customer: (A) intends or expects to cease dealing with the Company; (B) will otherwise, materially reduce the volume of business transacted with the Company below historical levels; (C) intends or expects to file for bankruptcy or cessation of business; or (D) otherwise intends to change other material terms of its business with the Company.

(b) Suppliers. Section 3.6(b) of the Sellers Disclosure Schedule sets forth a complete and correct list of the two (2) suppliers that accounted for the largest dollar volume of purchases by the Company during each of the following periods: (i) the nine (9) months ended August 31, 2018; and (ii) the fiscal year ended December 31, 2017 (the "Company Major Suppliers"). Except as set forth on Section 3.6(b) of the Sellers Disclosure Schedule, the Company has not received any written notice indicating that any Company Major Supplier: (A) intends or expects to cease supplying goods or services to the Company; (B) will otherwise materially reduce the volume of business transacted with the Company below historical levels; (C) intends or expects to file for bankruptcy or cessation of business; or (D) otherwise intends to terminate or materially modify its relationship with the Company.

Section 3.7. Absence of Certain Changes or Events.

Since December 31, 2017: (a) there has been no Company Material Adverse Effect; (b) the Company has carried on and operated its business in the ordinary course of business consistent with past practice; and (c) the Company has not taken or authorized any action which, if taken or authorized on or after the date hereof, would require the consent of Purchaser pursuant to Section 6.1.

Section 3.8. No Undisclosed Liabilities.

The Company does not have any Liabilities, except for: (a) Liabilities adequately reflected or reserved against in the Company Interim Balance Sheet; (b) current Liabilities that have been incurred in the ordinary course of business since the date of the Company Interim Balance Sheet; (c) contingent Liabilities that are not required by GAAP to be reflected on the face of, or described in notes to, a balance sheet of the Company; and (d) Liabilities under this Agreement.

Section 3.9. Litigation

(a) There is no Proceeding pending or, to the Knowledge of Sellers, threat in writing: (i) against or by the Company or against any of its properties or assets or any of its officers, directors or employees (in their capacity as such); (ii) against or by any Seller that relates to the Purchased Equity; or (iii) against or by the Company or any Seller that challenges or seeks to prevent, enjoin or otherwise delay the Transactions. To the Knowledge of Sellers, no event has occurred, and no circumstance exists, in each case that is reasonably likely to lead to such a Proceeding. The Company does not have any plan to initiate any Proceeding against another Person.

(b) There is: (i) no outstanding Order of, or settlement agreement with or subject to, any Governmental Entity; and (ii) no unsatisfied judgment, penalty or award, in each case against or affecting the Company or any of its properties or assets.

Section 3.10. Real Property; Personal Property

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

(b) Section 3.10(b) of the Sellers Disclosure Schedule sets forth a complete and accurate list of: (i) all real property leased, subleased, licensed or otherwise used, operated or occupied (whether as tenant, subtenant or pursuant to other occupancy arrangements) by the Company (collectively, including the buildings, improvements and fixtures located thereon, the "Company Leased Real Property"), including the street address of each Leased Real Property; and (ii) each Contract pursuant to which the Company holds any Leased Real Property as landlord, sublandlord, tenant, subtenant, occupant or otherwise (each, a "Company Real Property Lease"), including all currently effective amendments and modifications thereto.

(c) The Company has a valid leasehold or subleasehold interest in (or a valid right to use and occupy), and enjoys peaceful and undisturbed possession of, each Company Leased Real Property, in each case, to the Knowledge of Sellers, free and clear of all Liens other than Permitted Liens. All rent (including base rent and additional rent) payable under each of the Company Real Property Leases has been paid to date.

(d) Except: (i) for and as provided in the Company Real Property Leases; and (ii) for Permitted Liens, the Company has not entered into any lease, sublease, license or other agreement granting to any Person (other than the Company) any right to the use or occupancy of such Company Leased Real Property or any part

thereof.

(e) To the Knowledge of Sellers, each Company Leased Real Property is adequately served by proper utilities and other building services necessary for its current use, and, to the Knowledge of Sellers, all of the buildings and structures located at the Company Leased Real Property are structurally sound with no material defects and are in good operating condition.

(f) Sellers have not received written notice of any existing or pending condemnation, eminent domain or takings proceeding and, to the Sellers' Knowledge, have not been threatened with such action that would affect any Company Leased Real Property.

(g) The Company has good title to, or a valid leasehold interest in, or with respect to licensed assets, a valid license to use, all material tangible personal property used or held for use by it in connection with the conduct of its business, free and clear of all Liens other than Permitted Liens.

Section 3.11. Taxes

(a) Except as otherwise disclosed in Section 3.11(a) of the Sellers Disclosure Schedule:

(i) all Tax Returns required to be filed by or on behalf of the Company (the "Company Returns") have been timely and properly filed (taking into account any extensions), and all Company Returns and are true, accurate and complete in all respects;

(ii) all Taxes of the Company that are due and payable (whether or not shown on any Company Return) have been timely and properly paid;

(iii) the Company has: (A) withheld and collected all amounts required by Law to be withheld or collected, including sales and use Taxes and amounts required to be withheld for Taxes of employees, independent contractors, creditors, members (including the Sellers) or other third parties, and, to the extent required, has timely paid over such amounts to the proper Governmental Entities; and (B) properly requested, received and retained all necessary exemption certificates and other documentation supporting any claimed exemption or waiver of Taxes on sales or similar transactions as to which the Company would otherwise have been obligated to collect or withhold such Taxes;

(iv) no power of attorney has been granted with respect to the Company as to any matter relating to Taxes;

(v) the Company has delivered to Purchaser true, correct and complete copies of all Company Returns with respect to income Taxes and other material Taxes filed by or with respect to it with respect to all taxable years remaining open under the applicable statute of limitations (the "Company Delivered Returns"), and has delivered or made available to Purchaser any statements of deficiencies proposed or assessed against or agreed to by the Company;

(vi) no claim has been made in writing by any Governmental Entity in any jurisdiction where the Company does not file Tax Returns that it is or may be subject to taxation by that jurisdiction and, to the Sellers' Knowledge, there is no reasonable basis for any such Governmental Entity to make any such claim; and

(vii) there are no elections with respect to Taxes affecting the Company that were not made in the Company Delivered Returns.

(b) No Company Return has ever been examined or audited by any Governmental Entity. There is no pending audit, examination, refund claim, litigation, proposed adjustment, matter in controversy or other Proceeding with respect to any Tax for which the Company may be liable and, to the Knowledge of Sellers, no such audit, examination, refund claim, litigation, proposed adjustment, matter or other Proceeding is or has been threatened in a writing delivered to any Seller or the Company. No deficiencies for any Tax have been proposed, asserted or assessed against the Company which have not been settled and paid in full, and, to the Knowledge of Sellers, no such proposal, assertion or assessment is pending or been threatened in a writing delivered to any Seller or the Company. No extension or waiver of the limitation period applicable to any Company Return has been granted by or requested from the Company. There are no Liens with respect to any Taxes against any of the assets of the Company, other than Permitted Liens. There is no request for a private letter ruling, request for administrative relief, request for technical advice, request for a change of any method of accounting, or any other request that is pending with any Governmental Authority that relates to the Taxes or Tax Returns of the Company.

(c) The Company will not be required to include any item of income in, or exclude any item of deduction from, Taxable income for any Tax period (or portion there) ending after the Closing Date as a result of any: (i) change in method of accounting for a Tax period ending on or prior to the Closing Date; (ii) "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date; (iii) installment sale or open transaction disposition made on or prior to the Closing Date; or (iv) prepaid amount received for a Tax period ending on or prior to the Closing Date. The Company is not a party to or bound by and does not have any Liability under any Tax sharing agreement, Tax allocation agreement or Tax indemnity agreement.

(d) Section 3.11(d) of the Sellers Disclosure Schedule sets forth all Tax exemptions, Tax holidays or other Tax reduction agreements or arrangements applicable to the Company. The Company is in compliance with the requirements for any such Tax exemptions, Tax holidays or other Tax reduction agreements or arrangements, and none of the Tax exemptions, Tax holidays or other Tax reduction agreements or arrangements will be jeopardized by the Transactions.

(e) The Company is not currently, and will not for any period for which a Tax Return has not been filed be, required to include any adjustment in Taxable income for any Tax period (or portion thereof) pursuant to Section 481 or 263A of the Code (or any corresponding provisions of state, local or foreign Law) as a result of transactions, events or accounting methods employed prior to the Transactions.

(f) The Company has disclosed on its Tax Returns any Tax reporting position taken in any Tax Return which could result in the imposition of penalties under Section 6662 of the Code (or any comparable provisions of state, local or foreign Law).

(g) The Company has not consummated or participated in, and is not currently participating in, any transaction which was or is a "tax shelter" transaction as defined in Sections 6662 or 6111 of the Code or the Treasury Regulations promulgated thereunder. The Company has not participated in, and is not currently participating in, a "Listed Transaction" or a "Reportable Transaction" within the meaning of Section 6707A(c) of the Code or Treasury Regulations Section 1.6011-4(b), or any transaction requiring disclosure under a corresponding provision of state, local, or foreign Law.

(h) The Company (and any predecessor of the Company), which, for purposes of this Section 3.11(h) does not include Jupiter Europe, has, at all times since its formation, been treated as a partnership for U.S. federal income tax purposes and has not engaged in a trade or business, has not had a permanent establishment (within the meaning of an applicable Tax treaty), and has not otherwise become subject to Tax jurisdiction in a country other than the United States.

(i) Jupiter Europe has not engaged in a trade or business, has not had a permanent establishment (within the meaning of an applicable Tax treaty), and has not otherwise become subject to Tax jurisdiction in a country other than those countries listed on Schedule 3.11(i).

Section 3.12. Compliance with Laws; Permits

(a) The Company is, and for the prior three (3) years has been, in compliance with all Laws (other than any federal laws governing commercial cannabis activities) applicable to the Company, and no Proceeding has been filed or commenced and is continuing against the Company, and the Company has not received any written notice, alleging that the Company is not in compliance with any such Law (other than any federal laws governing commercial cannabis activities). No event has occurred, and no circumstance exists, in each case that (with or without notice or lapse of time), would reasonably be expected to constitute or result in a material violation by the Company of, or a material failure on the part of the Company to comply with, any Law (other than any federal laws governing commercial cannabis activities) applicable to the Company.

(b) (i) Except as would not have a Company Material Adverse Effect, the Company holds all Permits required for the conduct of its business; (ii) such Permits are valid, unimpaired and in full force and effect; (iii) the Company is not in default under or in material violation of any such Permit; and (iv) no Proceeding seeking the revocation, cancellation, termination, limitation or nonrenewal of any such Permit is pending before any Governmental Entity or, to the Knowledge of Sellers, threatened.

Section 3.13. Labor Matters

(a) No employees of the Company are covered by, and the Company is not and for the prior three (3) years has not been subject to, a collective bargaining agreement, labor contract or other oral or written agreement or understanding with a labor organization or labor union. No: (i) organizing activities involving the Company pending with any labor organization or, to the Sellers' Knowledge, group of employees of the Company exist; (ii) collective bargaining agreement is being or has been negotiated by the Company; and (iii) strike, lockout, slowdown, or work stoppage against the Company is currently pending or, to the Sellers' Knowledge, threatened that may interfere with the business activities of the Company.

(b) Section 3.13(b) of the Sellers Disclosure Schedule accurately sets forth as of the Closing Date all current employees of the Company, and for each such employee, his or her: (i) primary office or work location; (ii) job position, (iii) classification as full-time, part-time or seasonal, (iv) classification as exempt or non-exempt under applicable state and federal overtime Laws, (v) hourly rate of compensation or base salary (as applicable), (vi) target incentive compensation for 2018 (commission and/or bonus, as applicable), (vii) accrued but unused vacation as of the date of this Agreement, (viii) standard number of hours of work per week (for non-exempt and part-time employees), (ix) visa type, if any, and (x) commencement date of employment with the Company. Except as set forth in Section 3.13(b) of the Sellers Disclosure Schedule, all employees of the Company are employed on an at-will basis and may be terminated at any time, with or without cause, with or without advance notice, and without any obligation to provide severance payments or benefits. The Company has properly classified all employees it has classified as exempt under all applicable Laws regarding overtime compensation, meal periods, rest breaks and minimum wage requirements.

(c) Section 3.13(c) of the Sellers Disclosure Schedule accurately lists as of the Closing Date all independent contractors of the Company, and for each such independent contractor, his or her: (i) state or applicable jurisdiction where services are performed; (ii) terms of compensation, (iii) commencement date of service with the Company or any of its Subsidiaries; and (iv) amount of advance notice and/or liability upon termination in excess of applicable statutory requirements. The Company is in material compliance with all applicable Laws relating to the engagement of all independent contractors and leased employees. During the prior three (3) years, all independent contractors providing services to the Company have been properly classified as independent contractors for purposes of federal and applicable state tax Laws, Laws applicable to employee benefits and other Laws.

(d) The Company and each ERISA Affiliate comply with all, and have at all times complied with all, and neither the Company nor any ERISA Affiliate has received any notice or other communication (in writing or otherwise) of any claim filed with or by any Governmental Entity alleging that any of them has violated any, Laws or applicable contractual arrangements that relate to wages, hours, compensation, meal and rest breaks, wage statements, fringe benefits, employment or termination of employment, employment policies or practices, immigration, terms and conditions of employment, child labor, labor or employee relations, classification of employees, affirmative action, equal employment opportunity and fair employment practices, disability rights or benefits, workers' compensation, unemployment compensation and insurance, health insurance continuation, employee privacy, whistle-blowing, harassment, discrimination, retaliation or employee safety or health and, to the Knowledge of Sellers, no such claim is threatened.

(e) To the Knowledge of Sellers, no executive or manager of the Company has given written notice to the Company of any present intention to terminate his or her employment.

(f) During the past three (3) years, the Company has not has implemented any employee layoffs, plant closing or terminations that triggered application of the WARN Act or any analogous Law.

(g) The Company has withheld in all material respects all amounts required by Law or by agreement to be withheld from the wages, salaries and other payments to employees, and is not liable for any arrears of wages, compensation, Taxes, penalties or other sums for failure to comply with any of the foregoing. During the prior three (3) years, the Company has paid in full to all employees, independent contractors and consultants all wages, salaries, commissions, bonuses, benefits and other compensation due to or on behalf of such employees, independent contractors and consultants. During the prior three (3) years, the Company has not been delinquent in the payment to any trust or other fund or to any Governmental Entity, with respect to unemployment compensation benefits, social security or other benefits or obligations for employees (other than routine payments to be made in the ordinary course of business). There are no pending claims against the Company under any workers compensation plan or policy or for long term disability benefits.

(h) Except as set forth on Section 3.13(h) of the Sellers Disclosure Schedule, to the Company's Knowledge, no employee of the Company is in violation in any material respect of any term of any employment agreement, non-competition agreement, or any restrictive covenant to a former employer relating to the right of any such employee to be employed by the Company because of the nature of the business conducted by the Company or to the use of trade secrets or proprietary information of others.

Section 3.14. Employee Benefits

(a) Section 3.14(a) of the Sellers Disclosure Schedule sets forth a true and complete list of each "employee benefit plan," as defined in Section 3(3) of ERISA, and each and every other written, unwritten, formal or informal plan, agreement, program, policy or other arrangement involving direct or indirect compensation (other than workers' compensation, unemployment compensation and other government programs), employment, severance, consulting, disability benefits, supplemental unemployment benefits, vacation benefits, retirement benefits, deferred compensation, profit-sharing, bonuses, stock options, stock appreciation rights, other forms of incentive compensation, post-retirement insurance benefits, or other benefits, currently entered into, maintained or contributed to by the Company or with respect to which the Company has or may in the future have any liability (contingent or otherwise). Each plan, agreement, program, policy or arrangement required to be set forth on the Sellers Disclosure Schedule pursuant to the foregoing is referred to herein as a "Benefit Plan."

(b) The Company has delivered the following documents to Purchaser with respect to each Benefit Plan: (1) correct and substantially complete copies of all documents embodying such Benefit Plan, including (without limitation) all amendments thereto, and all related trust documents, (2) a written description of any Benefit Plan that is not set forth in a written document, (3) the most recent summary plan description together with the summary or summaries of material modifications thereto, if any, (4) the three most recent annual actuarial valuations, if any, (5) all Internal Revenue Service ("IRS") or Department of Labor ("DOL") determination, opinion, notification and advisory letters, (6) the three most recent annual reports (Form Series 5500 and all schedules and financial statements attached thereto), if any, (7) all material correspondence to or from any Governmental Entity received in the last three years, (8) all discrimination tests for the most recent three plan years, and (9) all material written agreements and contracts currently in effect, including (without limitation) administrative service agreements, group annuity contracts, and group insurance contracts.

(c) Each Benefit Plan has been maintained and administered in all respects in material compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations (foreign and domestic), including (without limitation) ERISA and the Code, which are applicable to such Benefit Plans.

(d) The Company does not maintain, participate in or contribute to, and has not in the past six (6) years maintained, participated in or contributed to, any plan intended to be qualified under Section 401(a) of the Code.

(e) No plan currently or ever in the past maintained, sponsored, contributed to or required to be contributed to by the Company or any of its current or former ERISA Affiliates is or ever in the past was (1) a "multiemployer plan" as defined in Section 3(37) of ERISA, (2) a plan described in Section 413 of the Code, (3) a plan subject to Title IV of ERISA, (4) a plan subject to the minimum funding standards of Section 412 of the Code or Section 302 of ERISA, or (5) a plan maintained in connection with any trust described in Section 501(c)(9) of the Code.

(f) The Company is not subject to any liability or penalty under Sections 4971 through 4980H of the Code or Title I of ERISA. The Company has complied with all applicable health care continuation requirements in Section 4980B of the Code and in ERISA, and the provisions of the Patient Protection and Affordable Care Act.

(g) No "Prohibited Transaction," within the meaning of Section 4975 of the Code or Sections 406 or 407 of ERISA and not otherwise exempt under Section 408 of ERISA, has occurred with respect to any Benefit Plan.

(h) All contributions, reserves or premium payments required to have been made or accrued, or that are due, as of the date hereof to or with respect to the Benefit Plans have been timely made or accrued.

(i) No action, suit or claim (excluding claims for benefits incurred in the ordinary course) has been brought within the last three (3) years or is pending or, to the Knowledge of Sellers, threatened against or with respect to any Benefit Plan or the assets or any fiduciary thereof (in that Person's capacity as a fiduciary of such Benefit Plan). There are no audits, inquiries or proceedings pending or, to the Knowledge of Sellers, threatened by the IRS, DOL, or other Governmental Entity with respect to any Benefit Plan.

(j) No Benefit Plan provides, or reflects or represents any liability to provide, benefits (including, without limitation, death or medical benefits), whether or not insured, with respect to any former or current employee, or any spouse or dependent of any such employee, beyond the employee's retirement or other termination of employment with the Company other than (1) coverage mandated by Part 6 of Title I of ERISA or Section 4980B of the Code, (2) retirement or death benefits under any plan intended to be qualified under Section 401(a) of the Code, or (3) disability benefits that have been fully provided for by insurance under a Benefit Plan that constitutes an "employee welfare benefit plan" within the meaning of Section (3)(1) of ERISA.

(k) The execution of this Agreement and the consummation of the transactions contemplated by this Agreement (alone or together with any other event which, standing alone, would not by itself trigger such entitlement or acceleration) will not (1) entitle any Person to any payment, forgiveness of indebtedness, vesting, distribution, or increase in benefits under or with respect to any Benefit Plan, (2) otherwise trigger any acceleration (of vesting or payment of benefits or otherwise) under or with respect to any Benefit Plan, or (3) trigger any obligation to fund any Benefit Plan.

(l) There is no contract, plan or arrangement covering any current or former employee, director or consultant of the Company that, individually or collectively, could give rise to any payment or benefit as a result of the transactions contemplated by this Agreement of any amount that would not be deductible by the Company by reason of Section 280G of the Code. No Benefit Plan has failed to comply with Section 409A of the Code in a manner that would result in any tax, interest or penalty thereunder. The Company does not have any liability or obligation to pay or reimburse any taxes, or related penalties or interest, that may be incurred pursuant to Code Section 4999 or Code Section 409A.

(m) Except as set forth on Section 3.14(m) of the Sellers Disclosure Schedule, no Benefit Plan is maintained outside the jurisdiction of the United States, or covers any employee residing or working outside the United States.

Section 3.15. Company Material Contracts

(a) Section 3.15(a) of the Sellers Disclosure Schedule contains a true, accurate and complete list of each of the following types of Contracts to which the Company is a party or by which its assets or properties are bound (each, a "Company Material Contract"):

(i) any Contract (A) pursuant to which the Company received aggregate payments in excess of $50,000 during the fiscal year ended December 31, 2017 or during the eight (8) month period ended August 31, 2018 or (B) that the Company reasonably anticipates will, in accordance with its terms, involve

aggregate payments to the Company in excess of $50,000 within the twelve (12) month period from and after the date of this Agreement;

(ii) any Contract (A) pursuant to which the Company made aggregate payments in excess of $50,000 during the fiscal year ended December 31, 2017 or during the eight (8) month period ended December 31, 2018 or (B) that the Company reasonably anticipates will, in accordance with its terms, involve aggregate payments by the Company in excess of $50,000 within the twelve (12) month period from and after the date of this Agreement;

(iii) any Contract with any Major Customer or Major Supplier;

(iv) any Contract relating to Indebtedness (with "Indebtedness" being deemed to mean both (a) its as defined meaning and (b) the meaning it would have if the references in its definition to "Company" were replaced with "Jupiter Europe");

(v) any Contract limiting, restricting or prohibiting the Company from: (A) conducting any business activities; (B) engaging in any line of business anywhere in the United States or elsewhere in the world; (C) conducting any business activities with any Person; or (D) using, exploiting, asserting or enforcing (against infringers) any Owned Intellectual Property anywhere in the world;

(vi) any Contract that provides for "most favored nations" terms or establishes an exclusive or priority sale or purchase obligation with respect to any product, service or geographic location;

(vii) any Contract containing non-solicitation provisions restricting the Company's ability to hire or retain any employees, customers, vendors, suppliers or other service providers;

(viii) any (A) joint venture, strategic alliance, partnership, licensing, franchise, manufacturer, development, distribution, sales agent or supply agreement or (B) other Contract that involves a sharing of revenues, profits, losses, costs or Liabilities by the Company with any other Person;

(ix) any Contract that contains a standstill or similar agreement pursuant to which the Company has agreed not to acquire assets or securities of a third party;

(x) any Contract granting to any Person a right of first refusal, right of first offer or similar preferential right to purchase any equity interests or assets of the Company;

(xi) any Contract relating to (A) the acquisition (by merger, consolidation, purchase of stock or assets, or otherwise) by the Company of any Person, a material portion of the assets of any Person, or any business, division or product line or (B) the divestiture or disposition by the Company of a material portion of its properties or assets, or any of its equity interests, in each case of clauses (A) and (B) pursuant to which any of the parties has any remaining obligations or Liabilities;

(xii) any Contract providing for capital expenditures in excess of $25,000 individually, or in excess of $100,000 in the aggregate;

(xiii) any Contract under which the Company has made, or that obligates the Company to make, a loan or capital contribution to, or investment in, any Person, other than advances to employees in the ordinary course of business;

(xiv) any Contract under which: (A) the Company is the lessor of, or makes available for use by any third party, any equipment or other tangible property owned by the Company or (B) the Company is the lessee of, or is provided the use of, any equipment or other tangible property owned by any third party, in each case of clauses (A) and (B) for payments or other consideration of more than $10,000 during any twelve (12) month period;

(xv) any Real Property Lease;

(xvi) any Company Inbound IP Contract, excluding Contracts for the nonexclusive license of commercially-available off-the-shelf software (including software as a service) that is not incorporated into a Company Product and for which the Company has paid (or has an obligation to pay) less than $50,000 in the aggregate;

(xvii) any Company Outbound IP Contract;

(xviii) any (A) collective bargaining agreement or (B) Contract with any union, labor organization, works council or other employee representative of a group of employees;

(xix) any Contract for the employment or engagement of any Person on a full-time, part-time, consulting, independent contractor or other basis;

(xx) any Contract providing for: (A) Change of Control Payments (with "Change of Control Payments" being deemed to mean both (a) its as defined meaning and (b) the meaning it would have if the references in its definition to "Company" were replaced with "Jupiter Europe"); (B) Accrued Compensation (with "Accrued Compensation" being deemed to mean both (a) its as defined meaning and (b) the meaning it would have if the references in its definition to "Company" were replaced with "Jupiter Europe"); (C) Deferred Compensation (with "Deferred Compensation" being deemed to mean both (a) its as defined meaning and (b) the meaning it would have if the references in its definition to "Company" were replaced with "Jupiter Europe"); or (D) the creation, acceleration or vesting of any right or interest for the benefit of any current or former employee or equity holder of the Company, Jupiter Europe or any Affiliate of the foregoing entities which become payable as a result of or in connection with the consummation of the Transactions;

(xxi) any Contract between the Company and any temporary staffing company, employee leasing agency or professional employer organization, including but not limited to any Contract for the engagement of one or more independent contractors;

(xxii) any settlement agreement, severance agreement or similar Contract;

(xxiii) any Contract between or among the Company, on the one hand, and any Seller or any Affiliate of any Seller (other than the Company), on the other hand;

(xxiv) any Contract with any Governmental Entity;

(xxv) any power of attorney or similar grant of agency executed by the Company;

(xxvi) any Contract that was otherwise not entered into in the ordinary course of business or is otherwise material to the business conducted by the Company; and

(xxvii) any Contract which commits the Company to enter into any of the foregoing.

(b) Except as set forth on Section 3.15(b) of the Sellers Disclosure Schedule,

with respect to each Company Material Contract: (i) such Company Material Contract is in full force and effect, constitutes a legal, valid and binding obligation of the Company and, to the Knowledge of Sellers, each other party thereto, and is enforceable against each of them in accordance with its terms; (ii) neither the Company nor, to the Knowledge of Sellers, any other party to such Company Material Contract is in breach of or default under such Company Material Contract; (iii) no event has occurred, and no circumstance exists, in each case that (with or without notice or lapse of time or both) would constitute a breach of or default under, would cause or permit the termination or cancellation of, would cause any loss of benefit under, or would give rise to any right to accelerate the maturity or performance of any obligation under, such Company Material Contract; (iv) the Company has not provided to or received from any counterparty thereto any notice regarding any actual or alleged breach of or default under (or of any condition which with the passage of time or the giving of notice or both would cause a breach of or default under) such Company Material Contract; and (v) the Company has not provided to or received from any counterparty thereto any notice announcing, contemplating or threatening to: (A) terminate (other than Company Material Contracts that are expiring pursuant to their terms) or not renew such Company Material Contract, (B) seek the renegotiation of such Company Material Contract in any material respect, or (C) substitute performance under such Company Material Contract in any material respect. The Company has delivered or made available to Purchaser true, correct and complete copies of all written Company Material Contracts (including all amendments thereto), and written descriptions of all material terms of all oral Company Material Contracts.

Section 3.16. Intellectual Property

(a) Company Products. Section 3.16(a) of the Sellers Disclosure Schedule accurately identifies all Company Products, including the applicable name, version number, part number, and other appropriate product identifiers.

(b) Company Registered Intellectual Property. Section 3.16(b) of the Sellers Disclosure Schedule accurately identifies: (i) each item of Company Registered Intellectual Property; (ii) the jurisdiction in which such item of Company Registered Intellectual Property has been registered or filed, the record owner(s), the applicable registration or filing date, the applicable registration or serial number, and the applicable status of such item (whether registered, issued, pending, published, etc.); (iii) for each item of Company Registered Intellectual Property that is a domain name, the registrant of record, expiration date, and information about the Domain Name Registrar with which such domain name has been registered or filed; (iv) each action, filing, and payment that must be taken or made on or before the date that is one hundred twenty (120) days after the date of this Agreement in order to maintain, perfect, preserve, or renew such item of Company Registered Intellectual Property; and (v) any pending or threatened Proceedings (excluding routine prosecution efforts before the United States Patent and Trademark Office or equivalent foreign authority) before any court, tribunal (including the United States Patent and Trademark Office or equivalent authority anywhere in the world) or Governmental Entity in which the Company Registered Intellectual Property is involved. The Company has delivered to Purchaser complete and accurate copies of all applications, correspondence with any Governmental Entity and other material documents related to each such item of Company Registered Intellectual Property.

(c) Validity and Enforceability of Company Registered Intellectual Property. Each item of Company Registered Intellectual Property is valid and subsisting, and excluding pending applications, enforceable. The Company has paid all necessary registration, maintenance and renewal fees currently due in connection with Company Registered Intellectual Property and has filed and recorded all necessary documents, recordations, and certificates in connection with such Registered Intellectual Property with the relevant patent, copyright, trademark or other authorities in the United States or foreign jurisdictions, as the case may be, for the purposes of prosecuting, perfecting and maintaining such Company Registered Intellectual Property. The Company has recorded each assignment of rights in Company Registered Intellectual Property to Company by a Person with the applicable Governmental Entity.

(d) Inbound Licenses. Section 3.16(d) of the Sellers Disclosure Schedule accurately identifies each Contract pursuant to which any Person has licensed, assigned, or otherwise granted any rights under (including any covenant not to sue or non-assertion obligation), Intellectual Property to the Company, excluding from the listing obligation under this Section 3.16(d), but not from the definition of Company Inbound IP Contract: (i) nondisclosure agreements granting only limited rights to use Intellectual Property for evaluative purposes, (ii) Contracts for the non-exclusive license of commercially-available off-the-shelf software (including software as a service) that is not incorporated into a Company Product and for which the Company has paid (or has an obligation to pay) less than $50,000 in the aggregate, and (iii) Contracts with current and former employees, consultants, and independent contractors of the Company entered into on the Company's standard form thereof provided to Purchaser (each, a "Company Inbound IP Contract").

(e) Outbound Licenses. Section 3.16(e) of the Sellers Disclosure Schedule accurately identifies each Contract pursuant to which the Company has granted any Person any license under, or has made or granted any assignment of right or interest under or in (whether or not currently exercisable and including a right to receive a license, covenant not to sue or non-assertion obligation), any Intellectual Property, excluding from the listing obligation under this Section 3.16(e), but not from the definition of Company Outbound IP Contract: (i) nondisclosure agreements granting only limited rights to use Intellectual Property for evaluative purposes and (ii) non-exclusive licenses of Owned Intellectual Property granted to service providers of the Company solely to enable such service providers to provide services for the sole benefit of the Company (each, an "Company Outbound IP Contract").

(f) Ownership; Restrictions. No Company Owned Intellectual Property or Company Products are subject to any Order of a Governmental Entity restricting the use, transfer, or licensing thereof by the Company, or which may affect the validity, use or enforceability of such Company Owned Intellectual Property or Company Products. The Company owns, and has good and exclusive title to, each item of Company Owned Intellectual Property, free and clear of any Liens, other than Permitted Liens. The Company has not (i) transferred or assigned ownership of any Owned Intellectual Property that was, at the time of transfer or assignment, material to the Company; (ii) granted any exclusive license of or exclusive right to Company Owned Intellectual Property; (iii) authorized or agreed to joint ownership of Company Owned Intellectual Property; or (iv) permitted the Company's rights in any material Company Owned Intellectual Property to lapse or enter the public domain.

(g) Royalty Obligations. Section 3.16(g) of the Sellers Disclosure Schedule contains a complete and accurate list and summary of all royalties, fees, commissions and other amounts payable by the Company to any other Person (other than sales commissions paid to employees according to the Company's standard commissions plan) upon or for the use of any Company Owned Intellectual Property.

(h) Company Standard Form IP Agreements. The Company has delivered to Purchaser a complete and accurate copy of each standard form of: (i) employee agreement containing any assignment or license of Intellectual Property or any confidentiality provision; (ii) consulting or independent contractor agreement containing any assignment or license of Intellectual Property or any confidentiality provision; and (iii) confidentiality or nondisclosure agreement (each such form, a "Company Standard Form IP Agreement"). Section 3.16(h) of the Sellers Disclosure Schedule accurately identifies (x) each Contract that is based upon or a variation of a Company Standard Form IP Agreement if such Contract deviates in any material respect from the corresponding Company Standard Form IP Agreement and (y) each Contract between the Company and one of its employees, consultants or independent contractors in which any such employee, consultant or independent contractor expressly reserved or retained any rights in Intellectual Property related to the business of the Company.

(i) Service Provider Agreements; Protection of Trade Secrets. Each current and former employee, consultant and independent contractor of the Company who is or was involved in the creation or development of any material Technology or Intellectual Property for or on the behalf of the Company has signed a valid and enforceable agreement containing an irrevocable assignment of any such Technology or Intellectual Property to the Company and containing customary confidentiality provisions, including confidentiality provisions protecting the Company Owned Intellectual Property. At all times, the Company has taken reasonable steps to maintain the confidentiality of and otherwise protect and enforce its rights in all proprietary information pertaining to the Company and all of the Company's trade secrets and any proprietary information or trade secrets of other Persons provided to the Company under an obligation of confidentiality (collectively, "Proprietary Information"). The Company is not, and has not been, in breach of any Contracts with such other Persons with respect to the confidentiality of such Persons' Proprietary Information. Without limiting the generality of the foregoing, the Company has not disclosed material Proprietary Information except pursuant to a written Contract containing customary non-disclosure and confidentiality restrictions.

(j) Sufficiency of Intellectual Property. The Company Owned Intellectual Property and Licensed Intellectual Property include all Intellectual Property needed to conduct the business of the Company as currently conducted and as currently planned to be conducted.

(k) Effect of Transactions. Neither this Agreement nor the consummation of the Transactions will result in (or purport to result in), or give any other Person the right or option to cause (or purport to give any other Person the right or option to cause), pursuant to any Contract to which the Company is a party: (i) a loss of, or imposition of any Lien on, any Owned Intellectual Property or Intellectual Property owned by Purchaser or its Affiliates; (ii) any Person being granted rights or access to, or the placement in or release from escrow, of any Technology, including Company Source Code; (iii) the Company, Purchaser or any of its Affiliates granting or assigning to any Person any right in or license to any Intellectual Property; (iv) the Company, Purchaser or any of its Affiliates being bound by, or subject to, any non-compete or other contractual restriction on the operation or scope of their business; (v) the termination or material alteration of the Company's right in or to any Owned Intellectual Property or Purchaser's or its Affiliates' rights in or to any Intellectual Property owned by Purchaser or its Affiliates; or (vi) the Company, Purchaser or any of its Affiliates being obligated to pay any royalties or other amounts to any Person in excess of those payable by the Company prior to the Closing Date.

(l) No Third-Party Infringement of Owned Intellectual Property. To the Knowledge of Sellers, no Person has infringed, misappropriated, diluted, or otherwise violated, and no Person is currently infringing, misappropriating, diluting, or otherwise violating, any Owned Intellectual Property. Section 3.16(l) of the Sellers Disclosure Schedule accurately identifies (and the Company has delivered to Purchaser a complete and accurate copy of) each letter or other communication or correspondence that has been sent by or to the Company or any Representative of the Company regarding any actual, alleged or suspected infringement, misappropriation, dilution, or violation of any Company Owned Intellectual Property by any Person, and provides a brief description of the current status of the matter referred to in such letter, communication or correspondence.

(m) No Infringement of Third-Party Intellectual Property. To the Knowledge of the Sellers, the Company has never infringed (directly, contributorily, by inducement or otherwise), misappropriated, diluted, or otherwise violated or made unlawful use of any Intellectual Property of any Person. To the Knowledge of the Sellers, the operation of the business of the Company as currently conducted, including, without limitation, the design, development, manufacture, use, import, sale, licensing, or exploitation of the Company Products and the use of Owned Intellectual Property and Licensed Intellectual Property in connection therewith, do not infringe, dilute, misappropriate or otherwise violate any Intellectual Property of any Person. No infringement, misappropriation, dilution, or violation Proceeding is pending or, to the Knowledge of Sellers, threatened against the Company or against any other Person who is or may be entitled to be indemnified, defended, held harmless or reimbursed by the Company with respect to such Proceeding. The Company has never received any notice or other communication (in writing or to the Knowledge of Sellers, orally) relating to any actual, alleged or suspected infringement, misappropriation, dilution, or violation by the Company of any Intellectual Property of any Person, including any letter or other communication suggesting or offering that the Company obtain a license to any Intellectual Property. The Company has not received notice from any Person alleging that the Company is obligated or has a duty to defend, indemnify, or hold harmless any other Person with respect to, nor has assumed any liabilities to discharge or otherwise take responsibility for, any allegations of infringement, misappropriation, dilution, or violation of the Intellectual Property of a Person.

(n) Sponsored Research. No university, hospital, research center, Governmental Entity or other organization sponsored or provided funding for the research and development conducted by the Company or has any claim of right to or ownership of or other Lien on any Company Owned Intellectual Property or, to the Knowledge of Sellers, Licensed Intellectual Property. No research and development conducted by the Company was performed by a graduate student or employee of any university, hospital, research center or Governmental Entity.

(o) Standards. The Company has not participated in any standards-setting process nor made or undertaken any commitment or obligation to license, or offer to license, any Intellectual Property as a result of or in connection with its participation in any standards-setting process.

(p) Company IT Systems. The Company owns or has a valid right to access and use all computer systems, programs, networks, hardware, software, software engines, database, operating systems, websites, website content and links and equipment used to process, store, maintain and operate data, information and functions owned, used or provided by the Company (the "Company IT Systems"). The Company IT Systems that are currently used by the Company constitute all the information and communications technology reasonably necessary to carry on the business of the Company. The Company has implemented all updates, upgrades, bug fixes and revisions applicable to the Company IT Systems as recommend by the manufacture or provider of the Company IT Systems. The consummation of the Transactions will not impair or interrupt in any material respect: (i) the Company's access to and use of, or its right to access and use, the Company IT Systems or any third party databases or third party data used in connection with the business of the Company as currently conducted; and (ii) to the extent applicable, the Company's customers' access to and use of the Company IT Systems. Except as set forth on Section 3.16(p) of the Sellers Disclosure Schedule, the Company has implemented firewall protections, implemented virus scans and taken all steps in accordance with industry standards, including without limitation, the Payment Card Industry Data Security Standard, to secure the Company IT Systems from unauthorized access or use by any Person and to ensure the continued, uninterrupted and error-free operation of the Company IT Systems. Except as set forth on Section 3.16(p) of the Sellers Disclosure Schedule, the Company has in effect industry standard disaster recovery plans and procedures in the event of any malfunction of or unauthorized access to any Company IT Systems. Except as set forth on Section 3.16(p) of the Sellers Disclosure Schedule, all Company IT Systems have been available and continuously operating in an error free manner during the three (3) years immediately preceding the date of this Agreement. There: (x) have been no unauthorized intrusions or breaches of security with respect to the Company IT Systems; (y) has not been any material malfunction of the Company IT Systems that has not been remedied or replaced in all respects; and (z) has been no material unplanned downtime or service interruption with respect to any Company IT Systems.

(q) Data Privacy. Except as set forth on Section 3.16(q) of the Sellers Disclosure Schedule, the Company's use or handling of Personally Identifiable Information at all times did not and does not violate (a) any Laws relating to the protection of Personally Identifiable Information (including without limitation the General Data Protection Regulation of the European Union ("GDPR")), the Payment Card Industry Data Security Standards, and any applicable Laws and industry standards regarding direct marketing, e-mails, text messages or telemarketing and (b) binding guidance issued by a Governmental Entity that pertains to one of the laws, rules or standards outlined in clause (a) (collectively "Data Protection Laws and Standards"). The Company does not collect or process Sensitive Data or Personally Identifiable Information from any Person that is a minor. The Company has provided adequate notice and obtained any necessary consents required for the collection, processing, recording, organization, storage, use, disclosure and dissemination of Business Data and Personally Identifiable Information under and in compliance with Data Protection Laws and Standards. The Company has not received any notice that the Company is, or may be in violation of any Data Protection Laws and Standards. The Company has not distributed or displayed any Business Data in breach of any Contract. At all times: (i) the Company has posted a privacy policy governing the Company's use and collection of Personally Identifiable Information on its website; and (ii) the Company's privacy policy completely and accurately describes the Company's use, collection, display and distribution of any personal information and complies with GDPR and all other applicable Data Protection Laws and Standards. Copies of all current and past privacy policies posted by the Company have been provided to Purchaser. The Company has implemented industry standard technical, physical and organizational measures to safeguard its websites, services and Business Data from unauthorized access or acquisition, or use by any Person. Section 3.16(p) of the Sellers Disclosure Schedule identifies and describes each distinct electronic or other database containing (in whole or in part) Business Data maintained by or for the Company, the types of Business Data in each such database, the means by which the Business Data were collected and the security policies that have been adopted and maintained with respect to each such Business Data. There has been no unauthorized access or acquisition of any Personally Identifiable Information ("Data Security Breach"). A copy of all audits that describe or evaluate the Company's information security procedures have been provided to Purchaser; there are no discrepancies, errors or disclosure items in such audits that remain unresolved. The Company has not provided copies of, or access, to Business Data to any Person who has not entered into a Contract with the Company to use, receive or view Business Data and copies of all such Contracts have been provided to Purchaser. The consummation of the transactions contemplated under this Agreement will not breach or otherwise cause any violation of any Data Protection Laws and Standards, privacy policies or Contracts with respect to the collection and use of Business Data in the conduct of the Business.

Section 3.17. Insurance.

(a) Section 3.17(a) of the Sellers Disclosure Schedule sets forth a complete and accurate list of all policies or binders of fire, liability, product liability, umbrella liability, real and personal property, workers' compensation, vehicular, fiduciary liability and other forms of insurance covering the Company, including self-insurance, in each case held by the Company or any other Person (the "Insurance Policies"), setting forth, in respect of each such Insurance Policy: (i) the policy number; (ii) the insurer; and (iii) policy limits and deductibles.

(b) The Insurance Policies are of the type and in the amounts as are customary for companies of similar size, in their geographic regions and in the respective businesses in which the Company operates and meet all contractual and statutory requirements to which the Company is subject. There have been no gaps in insurance coverage that could expose the Company to uninsured liability for events which would be covered by the Insurance Policies (had such Insurance Policies been in effect) that occurred prior to the date of this Agreement.

(c) With respect to each Insurance Policy: (i) such Insurance Policy is in full force and effect and enforceable in accordance with its terms; (ii) the Company and, to the Knowledge of Sellers, each other party to such Insurance Policy are in compliance with the terms and provisions of such Insurance Policy in all material respects; (iii) all premiums owning through the date of this Agreement for such Insurance Policy have been paid in full; (iv) the Company will not be liable for retroactive premiums or similar payments under such Insurance Policy; and (v) no limits of liability or coverage for such Insurance Policy have been exhausted or depleted by more than fifty percent (50%).

(d) Neither the Company nor, to the Knowledge of Sellers, any other Person, has received any written notice or other communication (in writing or otherwise) regarding any actual or possible cancellation or termination of, premium increase with respect to, or alteration of coverage under, any such Insurance Policy.

(e) Section 3.17(e) of the Sellers Disclosure Schedule sets forth: (i) a list of all pending claims (including any workers' compensation claim) under any Insurance Policy; and (ii) the claims history for the Company to the extent involving claims in excess of $10,000. All claims, incidents, wrongful acts or occurrences for which the Company reasonably expects to obtain coverage under any Insurance Policy have been reported to the applicable underwriter in accordance with the requirements of the applicable Insurance Policy. There is no claim pending under any Insurance Policy as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights.

Section 3.18. Accounts Receivable; Accounts Payable; Inventory

(a) Section 3.18(a) of the Sellers Disclosure Schedule sets forth: (i) an accurate and complete breakdown of all accounts receivable, notes receivable and other receivables of the Company (the "Company Accounts Receivable") as of a date within five (5) Business Days of the date of this Agreement; and (ii) the agings of such Company Accounts Receivable from the date of invoice. Except as set forth in Section 3.18(a) of the Sellers Disclosure Schedule, all Accounts Receivable (including those Accounts Receivable reflected on the Company Interim Balance Sheet that have not yet been collected): (A) represent sales actually made in the ordinary course of business; (B) constitute only valid, and to the Knowledge of Sellers, undisputed claims of the Company not subject to claims of set-off or other defenses or counterclaims other than normal cash discounts accrued in the ordinary course of business; (C) subject to a reserve for bad debts shown on the Company Interim Balance Sheet or, with respect to Company Accounts Receivable arising after the Company Interim Balance Sheet Date, on the accounting records of the Company, are collectible in full within ninety (90) days after billing; (D) do not represent obligations for goods sold on consignment; and (E) are not the subject of any formal Proceeding brought by or on behalf of the Company. Since the date of the Company Interim Balance Sheet, the Company has collected its Company Accounts Receivable in the ordinary course of business and has not accelerated any such collections.

(b) All accounts payable of the Company arose in the ordinary course of business consistent with past practice, and no such accounts payable is past due or otherwise in default in its payment. Since the date of the Company Interim Balance Sheet, the Company has paid its accounts payable in the ordinary course of business, except for those accounts payable the Company is contesting in good faith.

(c) Except as otherwise reserved for on the Company Financial Statements, all inventory of the Company consists of a quality usable and saleable in the ordinary course of business.

Section 3.19. Bank Accounts; Letters of Credit; Performance Bonds

Section 3.19 of the Sellers Disclosure Schedule sets forth: (a) the identity of each bank or financial institution in which the Company has an account, safe deposit box or lockbox, the number of each such account or box and the names of all Persons authorized to draw thereon or having signatory power or access thereto; (b) each letter of credit with respect to which the Company is an applicant or of which the Company is a beneficiary (whether drawn or undrawn); and (c) each performance bond to which the Company is a party. No such performance bonds have been called.

Section 3.20. Affiliate Transactions.

Except as set forth in Section 3.20 of the Sellers Disclosure Schedule (collectively, the "Affiliate Agreements"): (a) other than employment by the Company, there are no agreements, arrangements or understandings between the Company, on the one hand, and any Seller or any officer or director of the Company, or any of their respective Affiliates, on the other hand; and (b) neither any current or former member, manager, stockholder, director, officer or employee of the Company, nor any immediate family member of any of the foregoing: (i) has any ownership interest in any property or asset used by the Company; (ii) provides material services to the Company (other than employment by the Company); (iii) has borrowed money from or loaned money to the Company that is currently outstanding; or (iv) is a party to any Contract or ongoing transaction or business relationship with, or has any claim or right against, the Company.

Section 3.21. Broker's Fees.

Except as set forth in Section 3.21 of the Sellers Disclosure Schedule, none of the Sellers, the Company or any of their respective Representatives has employed any financial advisor, broker or finder in a manner that would result in any Liability for any broker's fees, commissions or finder's fees in connection with any of the Transactions. There are no rights, obligations or other Liabilities under any Contract with any of the financial advisors, brokers or finders set forth in Section 3.21 of the Sellers Disclosure Schedule that will continue in effect beyond the Closing.

Section 3.22. Unlawful Payments.

(a) Neither the Company nor any Affiliate, director, officer or employee of the Company, nor, to the Sellers' Knowledge, any agent, representative, sales intermediary or other third party acting on behalf of the Company, in any way relating to the business of the Company: (i) has taken any action in violation of any applicable anticorruption Law, including the U.S. Foreign Corrupt Practices Act (15 U.S.C. § 78 dd-1 et seq.); or (ii) has corruptly offered, paid, given, promised to pay or give or authorized the payment or gift of anything of value, directly or indirectly through third parties, to any "Public Official" (as hereinafter defined) or other Person, for purposes of (A) influencing any act or decision of any Public Official or other Person in his, her or its official capacity; (B) inducing such Public Official or other Person to do or omit to do any act in violation of his, her or its lawful duty; (C) securing any improper advantage; or (D) inducing such Public Official or other Person to use his, her or its influence with a government, Governmental Entity, commercial enterprise owned or controlled by any government (including state owned or controlled facilities), or any other Person in order to assist the business of the Company, or any Person related in any way to the business of the Company, in obtaining or retaining business or directing any business to any Person.

(b) There is no pending or, to the Sellers' Knowledge, threatened claims against the Company with respect to violations of any applicable anticorruption Law.

(c) For purposes of this Section 3.22, "Public Official" means: (i) any director, officer, employee or representative of any regional, federal, state, provincial, county or municipal government or government department, agency, or other division; (ii) any director, officer, employee or representative of any commercial enterprise that is owned or controlled by a government, including any state-owned or controlled company or organization; (iii) any director, officer, employee or representative of any public international organization, such as the United Nations or the World Bank; (iv) any person acting in an official capacity for any government or government entity, enterprise, or organization identified above; and (v) any political party, party official or candidate for political office.

Section 3.23. Product Liability; Defects.

(a) There are no Proceedings commenced, brought, conducted, or pending before any court or other Governmental Entity or any arbitrator or arbitration panel or, to the Knowledge of Sellers, threatened, notice of violation or investigation, by or before any Governmental Entity relating to or involving any Company Product.

(b) There has not been, nor is there under consideration by the Company, any product recall or post-sale warning of a material nature conducted by or on behalf of the Company concerning any Company Product. All Company Products complied and comply with applicable Laws, and there have not been and there are no material defects in any such Company Product that have not been fully remedied. Except as set forth on Section 3.23(b) of the Sellers Disclosure Schedule, No Company Product is subject to any guaranty, warranty or other indemnity beyond the applicable standard terms and conditions of sale, license or lease or beyond that implied or imposed by applicable Law.

(c) Section 3.23(c) of the Sellers Disclosure Schedule sets forth a complete list of all product warranty Liabilities of the Company, all product return Liabilities and all customer service Liabilities of the business of the Company, as currently conducted or as currently contemplated to be conducted, related to or that arise out of the Company Products for the 2017 fiscal year of the Company and (ii) for the period between January 1, 2018 and the Effective Date.

Section 3.24. Unwritten Agreements Summaries.

Each summary of an unwritten agreement contained in the Sellers Disclosure Schedule is accurate, complete and fairly represents the matters which it describes.

Section 3.25. Interim Operating Covenants.

The Company has taken no action, following December 1, 2018, that would be a violation of Section 6.1 of this Agreement were such action to be taken following the date hereof and prior to the Closing. The Company has not between December 1, 2018 and the date hereof distributed any cash to its members. For the avoidance of doubt, however, the Company's distribution of cash in accordance with the definition of "Purchaser Portion of the 2018 Tax Liability" shall not serve as the basis for any breach of this Section 3.25 or any other provision of this Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Each Seller hereby represents and warrants to Purchaser as of the date of this Agreement and as of the Closing Date as follows:

Section 4.1. Authority.

Such Seller has all requisite power, authority and capacity to enter into this Agreement and the other documents related to the Transactions (the "Transaction Documents") contemplated hereby to which such Seller is a party and to consummate the Transactions. If such Seller is an Entity, the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party by such Seller, and the consummation of the Transactions by such Seller, have been duly authorized by all necessary action on the part of such Seller and its board of directors (or, if the Seller does not have a board of directors, manager or equivalent body), and no other proceedings on the part of such Seller are necessary to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents by such Seller or the consummation of the Transactions.

Section 4.2. Due Execution.

This Agreement has been, and each other Transaction Document to which such Seller is a party has been or will be, duly executed and delivered by such Seller, and, assuming due execution and delivery by the other parties hereto and thereto, constitutes or will constitute the legal, valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms except that such enforceability: (a) may be limited by bankruptcy, insolvency, moratorium or other similar Laws affecting or relating to the enforcement of creditors' rights generally; and (b) is subject to general principles of equity.

Section 4.3. Non-Contravention.

The execution and delivery of this Agreement and the other Transaction Documents does not, and the consummation of the Transactions and the performance of this Agreement and the other Transaction Documents will not: (i) if such Seller is an Entity, conflict with or violate any of its governing documents, or any resolution adopted by its shareholders or other holders of voting securities, board of directors (or other similar body) or any committee of the board of directors (or other similar body) of such Seller; (ii) conflict with or violate any applicable Laws to which such Seller is subject; (iii) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or impair the rights of such Seller or alter the rights or obligations of any Person under, or give to any Person any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien on any of the properties or assets of such Seller (including any outstanding Purchased Equity held by such Seller) pursuant to, any Contract to which such Seller is a party or by which it is bound; or (iv) contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Entity the right to revoke, withdraw, suspend, cancel, terminate or modify, any Permit that is held by such Seller.

Section 4.4. Contractual Consents.

Except as set forth on Section 4.4 of the Sellers Disclosure Schedule, no Consent under any Contract to which such Seller is a party or by which it is bound is required to be obtained, and such Seller is not or will not be required to give any notice to, any Person in connection with the execution, delivery or performance of this Agreement or any other Transaction Document to which such Seller is a party or the consummation of the Transactions. For purposes of this Section 4.4, a Consent will be deemed "required to be obtained," and a notice will be deemed "required to be given," if the failure to obtain such Consent or give such notice would result in such Seller or the Company becoming subject to any Liability, being required to make any payment or losing or forgoing any right or benefit or would have an adverse effect on Purchaser or the Company.

Section 4.5. Governmental Consents.

Except as set forth on Section 4.5 of the Sellers Disclosure Schedule, no Consent of any Governmental Entity is required to be obtained, and no filing is required to be made with any Governmental Entity, by such Seller in connection with the execution, delivery or performance of this Agreement or any other Transaction Document to which such Seller is a party, or the consummation of the Transactions.

Section 4.6. Litigation

(a) There is no Proceeding pending, or, to the knowledge of such Seller, threat in writing against such Seller: (i) that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the entry into, performance of, compliance with and enforcement of any of the obligations of such Seller or any other Person under this Agreement; (ii) that relates to the ownership or alleged ownership of any Purchased Equity, or any option, warrant or other right to acquire share capital or other securities of the Company or Jupiter Europe, in each case, by such Seller; or (iii) that relates to any right or alleged right of such Seller to receive any consideration as a result of or in connection with this Agreement, any other Transaction Document, or any of the Transactions. No event has occurred, and no claim, dispute or other condition or circumstance exists, that will or would reasonably be expected to give rise to or serve as a basis for the commencement of any such Proceeding.

(b) No Seller has commenced any Proceeding, nor has such Seller threatened any Proceeding, against the Company, any employee of the Company, Purchaser or any Affiliate of any of the foregoing. No event has occurred, and no claim, dispute or other condition or circumstance exists, that will or would reasonably be expected to give rise to or serve as a basis for the commencement of any such Proceeding. No Seller has assigned its rights in any Proceeding described in the first sentence of this Section 4.6(b).

Section 4.7. Title and Ownership.

Such Seller is the record and beneficial owner of the Purchased Equity set forth as being owned by such Seller in Section 3.2(a)(i) and Section 3.2(b)(i) of the Sellers Disclosure Schedule, and such Seller has good, valid and marketable title to such shares, free and clear of all Liens. Such Seller is not a party to any option, warrant, purchase right or other Contract that could require such Seller to sell, transfer or otherwise dispose of any Purchased Equity (other than this Agreement). Such Seller is not a party to any voting trust, proxy or other agreement or understanding with respect to the voting of Purchased Equity, except for agreements of such nature entered into with Purchaser. Except for the Purchased Equity set forth in Section 3.2(a)(i) and Section 3.2(b)(i) of the Sellers Disclosure Schedule, such Seller does not own any securities of the Company or Jupiter Europe or any right to acquire any such securities.

Section 4.8. Consideration Securities Investment

(a) Such Seller is acquiring the Consideration Securities for his own account and is not acquiring such Consideration Securities with a view to, or for sale in connection with, any distribution thereof within the meaning of the Securities Act. Such Seller has received no advice from Purchaser or any of its Affiliates or Representatives as to the legal, investment or tax consequences of such Seller's investment in the Consideration Securities.

(b) Such Seller is an "accredited investor" within the meaning of Rule 501 promulgated under the Securities Act or is sophisticated in financial matters and able to evaluate the risks and benefits of the investment in the Consideration Securities, and has determined that investment in the Consideration Securities is suitable for such Seller, based upon his financial situation and needs, as well as his other securities holdings. Such Seller has the capacity to protect his own interests in connection with the transactions contemplated by this Agreement. Such Seller has become familiar, in connection with this Transaction, with the business that is conducted and is intended to be conducted by TILT.

(c) Such Seller is able to bear the economic risk of its investment in the Consideration Securities for an indefinite period of time.

(d) Such Seller understands that the Consideration Securities have not been registered under the Securities Act and cannot be sold unless subsequently registered under the Securities Act or unless an exemption from such registration requirement is available. Such Seller further acknowledges and understands that such an exemption may not be available, and that the Purchaser is under no obligation to register the Consideration Securities.

(e) Such Seller has had an opportunity to ask questions and receive answers concerning the terms and conditions of the offering of Consideration Securities and has received such other information concerning TILT as he, she or it has requested. Such Seller has had an opportunity to ask questions and receive answers concerning the financial condition, operation and prospects of TILT and the Company both before and after giving effect to this Agreement.

(f) THE CONSIDERATION SECURITIES ISSUED TO SUCH SELLER HAVE NOT BEEN REGISTERED UNDER FEDERAL OR STATE SECURITIES LAWS AND SUCH SELLER'S INVESTMENT IN THE CONSIDERATION SECURITIES IS SPECULATIVE AND RISKY. THERE IS NO PUBLIC OR OTHER MARKET FOR THE CONSIDERATION SECURITIES. SUCH SELLER ACKNOWLEDGES THAT HE, SHE OR IT MAY AND CAN AFFORD TO LOSE HIS, HER OR ITS ENTIRE INVESTMENT IN THE CONSIDERATION SECURITIES AND THAT HE, SHE OR IT UNDERSTANDS HE, SHE OR IT MAY HAVE TO HOLD SUCH INVESTMENT INDEFINITELY. Such Seller understands that such Seller must bear the economic risk of this investment indefinitely unless the Consideration Securities are registered pursuant to the Securities Act or an exemption from such registration is available, and unless the disposition of Consideration Securities is qualified under applicable state securities Laws or an exemption from such qualification is available.

(g) Such Seller understands that, upon receipt of the Consideration Securities, such Seller will be obligated to accede to the Partnership Agreement as a limited partner and to that certain Exchange Agreement (as defined in the Partnership Agreement), and will be subject to the transfer restrictions contained therein relating to the Consideration Securities.

Section 4.9. Tax Withholding Information.

All information provided or to be provided to Purchaser or the Escrow Agent by or on behalf of such Seller for purposes of enabling Purchaser to determine the amount to be deducted or withheld, if any, from the consideration payable to such Seller pursuant to this Agreement under any Law applicable to such Seller is and will be true, accurate and complete.

Section 4.10. Brokers.

Except as set forth on Section 4.10 of the Sellers Disclosure Schedule, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with any of the Transactions based upon arrangements made by or on behalf of such Seller.

Section 4.11. Viper Due Diligence Report.

Such Seller agrees that he or she shall in no way rely, and has not in any way relied, on the accuracy or completeness of the contents of the Viper Due Diligence Report for any purpose.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Except as set forth in the disclosure schedule delivered by Purchaser to Sellers' Representative simultaneously with the execution and delivery of this Agreement (the "Purchaser Disclosure Schedule"), Purchaser hereby represents and warrants to the Sellers as of the date of this Agreement and as of the Closing Date as follows (with each reference to Purchaser in this Article V being deemed to reference Purchaser and/or its subsidiaries, as appropriate):

Section 5.1. Organization and Qualification

(a) Purchaser is a limited partnership formed, validly existing and in good standing under the Laws of Delaware and has the requisite power and authority to own, operate or lease all of the properties and assets that it purports to own, operate or lease and to carry on its business as it is now being conducted. Purchaser is duly licensed or qualified to do business and is in good standing (with respect to jurisdictions that recognize such concept) in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned, operated or leased by it makes such licensing or qualification necessary except where the failure to be so duly licensed or qualified would not reasonably be expected to have, when aggregated with all other such failures, a material adverse effect on Purchaser's ability to perform its obligations under this Agreement or prevent the consummation of the Transactions (a "Purchaser Material Adverse Effect").

Section 5.2. Capitalization; Ownership of Equity Securities

(a) All of the issued and outstanding equity securities of Purchaser have been duly authorized and validly issued and are fully paid, non-assessable and free of any preemptive rights. As of immediately prior to the Closing and on a fully diluted basis factoring in all outstanding subscriptions, options, warrants, calls, commitments or agreements of any character calling for the purchase or issuance of equity securities of Purchaser to which Purchaser is a party, TILT will not have issued and outstanding more than 360,744,018 common shares. As of immediately prior to the Closing, the number of units of LP Interests that are issued and outstanding will be equal to the number of common shares of TILT that are issued and outstanding, reduced by a number of such units sufficient to take into account the amount of cash held by or on behalf of TILT and assuming that all compressed shares of TILT have been converted to common shares of TILT.

(b) Except as set forth in Section 5.2(b), there are no outstanding contractual obligations to which Purchaser is a party: (i) to repurchase, redeem or otherwise acquire any equity interests in Purchaser; or (ii) relating to the voting of any equity interests in Purchaser.

(c) All of the equity interests and all other securities that have ever been issued or granted by Purchaser have been issued and granted in compliance with: (i) all applicable state, United States and Canadian securities Laws and all other applicable Laws; and (ii) all requirements set forth in all applicable Contracts. None of the outstanding equity securities of Purchaser were issued in violation of any preemptive rights or other rights to subscribe for or purchase securities of Purchaser.

(d) There is no requirement under Laws for Purchaser to make any filing, give any notice, obtain any permit or take any proceeding as a condition to the lawful consummation of the transactions contemplated by the Transaction, other than the filings required to be made prior to or following Closing under applicable stock exchange rules and policies and the filing of a report of exempt distribution following Closing with the British Columbia Securities Commission.

(e) To the knowledge of the Purchaser, with the exception of the Lockup Agreements and the Partnership Agreement, neither Purchaser nor any of Purchaser's Affiliates are a party to or bound by any operating agreement, voting trust agreement, or other Contract restricting Sellers' ability to transfer the Consideration Securities or any TILT securities into which the Consideration Securities are exchangeable.

Section 5.3. Authority.

Purchaser has all necessary power and authority and the requisite legal capacity to execute and deliver this Agreement, to perform Purchaser's obligations hereunder and to consummate the Transactions to be consummated by Purchaser. The execution and delivery by Purchaser of this Agreement, the performance by Purchaser of its obligations hereunder, and the consummation by Purchaser of the Transactions to be consummated by Purchaser, have been duly and validly authorized by all necessary action (or necessary corporate action, if applicable) on the part of Purchaser, and no other or further action or proceeding on the part of Purchaser or its equity holders is necessary to authorize the execution and delivery by Purchaser of this Agreement, the performance by Purchaser of its obligations hereunder, and the consummation by Purchaser of the Transactions to be consummated by it. This Agreement has been duly executed and delivered by Purchaser and, assuming the due and valid authorization, execution and delivery of this Agreement by Sellers and the Sellers' Representative, constitutes a valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except that such enforceability: (a) may be limited by bankruptcy, insolvency, moratorium or other similar Laws of general application affecting or relating to the enforcement of creditors' rights generally; and (b) is subject to general principles of equity.

Section 5.4. Consents and Approvals; No Violations

(a) No Consent of, or filing, declaration or registration with, or notice to any Governmental Entity or any other Person, which has not been received or made, is required to be obtained or made by Purchaser for the execution and delivery by Purchaser of this Agreement or for the consummation by Purchaser of the Transactions. TILT has taken all such actions, and secured all approvals required, in accordance with the Law and the governing documents of TILT, to (i) elect Mark Scatterday to the board of directors of TILT and (ii) issue the equity securities of TILT to the Sellers, as contemplated by this Agreement.

(b) The execution and delivery by Purchaser of this Agreement, the performance by Purchaser of its obligations hereunder, and the consummation by Purchaser of the Transactions to be consummated by Purchaser do not and will not: (i) conflict with or violate any provision of the Partnership Agreement; or (ii) (x) conflict with or result in a violation or breach of any Law applicable to Purchaser or any of its respective properties or assets; (y) conflict with, result in a violation or breach of, result in the loss of any material rights or material benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination, material modification or cancellation of or a right of termination, material modification or cancellation under, or accelerate the performance required under, any Purchaser Material Contract, any Permit required for the conduct of the business of Purchaser, or any Contract by which Purchaser is bound or affected; or (z) result in the creation of any Lien upon any of the material properties or assets of Purchaser.

Section 5.5. Availability of Funds.

Purchaser, has, or shall have at the Closing, sufficient cash, available lines of credit, or other sources of immediately available funds to enable Purchaser to pay the Estimated Purchase Price payable at the Closing and to make payment of all fees, cost and expenses required to be paid by Purchaser at the Closing in connection with the Transaction.

Section 5.6. Broker's Fees.

Purchaser nor any of its Representatives has employed any financial advisor, broker or finder in a manner that would result in any Liability for any broker's fees, commissions or finder's fees in connection with any of the Transactions.

Section 5.7. Canadian Securities Filings.

TILT has made all filings and disclosure required to be made by it pursuant to Canadian Securities Laws. The Public Record does not contain any misrepresentation (as such term is defined in Canadian Securities Laws). Neither TILT nor any of its Affiliates have any obligations or liabilities, direct or indirect, contingent or otherwise, not disclosed in the Public Record which: (i) are required to be disclosed by TILT on the Public Record pursuant to Canadian Securities Laws; and (ii) would reasonably be expected to have a material adverse effect on TILT or Purchaser.

ARTICLE VI

PRE-CLOSING COVENANTS

Section 6.1. Conduct of Company Business.

(a) During the period from the date of this Agreement to the earlier of the Closing and the date this Agreement is terminated in accordance with Article X (the "Interim Period"), except: (A) as set forth in Section 6.1(a) of the Sellers Disclosure Schedule; (B) as expressly required by this Agreement; or (C) with the prior written consent of Purchaser, the Sellers shall cause the Company and Jupiter Europe to (with each reference in this Section 6.1 and elsewhere in this Article VI, with an exception to Section 3.1(a), to "Company" being deemed to be a reference to both the Company and Jupiter Europe):

(i) conduct its business in the ordinary course of business consistent with past practice and substantially in the same manner as currently conducted;

(ii) maintain and preserve intact its business organization, assets and properties and its existing relationships with and goodwill of those having material business relationships with the Company; and

(iii) retain the services of its present officers except Dan Santy, Adam Drazin and Jordan Geotas.

(b) Without limiting the generality of Section 6.1(a), during the Interim Period, except: (A) as set forth in Section 6.1(b) of the Sellers Disclosure Schedule; (B) as expressly required by this Agreement; or (C) with the prior written consent of Purchaser, the Sellers shall cause the Company not to:

(i) amend the Operating Agreement or any other governing document;

(ii) sell, transfer, assign, convey, lease, or otherwise dispose of any of the properties or assets of the Company (or any interest therein), other than inventory or supplies sold or used in the ordinary course of business consistent with past practice;

(iii) mortgage, pledge or subject to any Lien (other than a Permitted Lien) any portion of the assets or properties of the Company;

(iv) (A) acquire (by merging or consolidating with, or by purchasing a substantial portion of the properties or assets of) any business or any corporation, partnership or other business organization or any division thereof, or (B) purchase or otherwise acquire any material amount of assets from any Person;

(v) make any capital expenditures or commitments therefor, except in the ordinary course of business consistent with past practice;

(vi) make any loan, advance or capital contribution to, or investment in, any Person, other than advancement of expenses to employees of the Company in the ordinary course of business consistent with past practice;

(vii) (A) create or incur, or offer, place or arrange, any Indebtedness (with "Indebtedness" being deemed to mean both (a) its as defined meaning and (b) the meaning it would have if the references in its definition to "Company" were replaced with "Jupiter Europe"); (B) cancel, release or assign any Indebtedness (with "Indebtedness" being deemed to mean both (a) its as defined meaning and (b) the meaning it would have if the references in its definition to "Company" were replaced with "Jupiter Europe") owed to the Company; or (C) assume, guarantee or endorse, or otherwise become responsible for, the indebtedness of any other Person;

(viii) (A) sell, issue, grant, mortgage, pledge, subject to any Lien, transfer or otherwise dispose of: (1) any membership interests or other equity interests or securities of the Company; or (2) any securities or rights convertible into, exchangeable for, or evidencing the right to subscribe for, any membership interests or other equity interests or securities of the Company; (B) sell, issue or grant any options, warrants, puts, calls, subscriptions, commitments or other rights of any character relating to the issuance, sale, purchase, conversion, exchange, registration, voting or transfer of any membership interests or other equity interests of the Company, or any securities or rights convertible into, exchangeable for, or evidencing the right to subscribe for, any membership interests or other equity interests or securities of the Company; (C) redeem, repurchase or otherwise acquire any membership interests or other equity interests or securities of the Company; or (D) combine, split, subdivide or reclassify any membership interests or other equity interests or securities of the Company;

(ix) except as required by applicable Law or the terms of any Benefit Plan in effect as of the date hereof: (A) increase the compensation payable or to become payable to, or change any of the benefits provided or to be provided to, any employee (except nothing herein shall preclude the Company from hiring new non-officer employees in the ordinary course of business and consistent with past practice), director, officer, independent contractor or consultant of the Company; (B) grant, commit to pay or increase the rate or terms of any retention, severance, change of control or termination pay to any employee (except nothing herein shall preclude the Company from hiring new non-officer employees in the ordinary course of business and consistent with past practice), director, officer, independent contractor or consultant of the Company; (C) amend or accelerate the payment, right to payment, or vesting of any compensation or benefits; (D) terminate, renew, modify or amend any existing, or adopt, establish or enter into any new, Benefit Plan or employment policy relating to vacation pay, sick pay, disability coverage or severance pay, in each case with, for or in respect of any employee, director, officer, independent contractor or consultant of the Company; or (E) hire any Person to be an officer of the Company or terminate the employment of any officer, or elect any director of the Company;

(x) implement or announce any plant closing, material reduction in labor force or mass lay-off;

(xi) engage in any merger, consolidation, reorganization, recapitalization, complete or partial liquidation, dissolution or similar transaction or file a petition in bankruptcy under any provision of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;

(xii) sell, abandon, permit to lapse, fail to maintain, dispose of, license or transfer to any person any right to, or permit the imposition of any Lien on, any Owned Intellectual Property (other than non-exclusive licenses granted in the ordinary course of business);

(xiii) except as required by GAAP or applicable Law: (A) make or change any Tax election; (B) change any annual Tax accounting period; (C) adopt or change any method of Tax accounting; (D) file any amended Tax Return (or similar report filed by the Company); (E) enter into any Tax closing agreement; (F) settle or compromise any Tax claim or assessment; (G) surrender any right to claim a Tax refund, offset or other reduction in liability; or (H) consent to any extension or waiver of the limitations period applicable to any Tax claim or assessment;

(xiv) except as required by GAAP, make any change in its accounting methodologies, practices, estimation techniques, assumptions, principles, policies or procedures;

(xv) except in the ordinary course of business consistent with past practice: (A) modify its cash management activities (including the extension of trade credit, the timing of, invoicing and collection of receivables and the accrual and payment of payables and other current liabilities); or (B) modify the manner in which the books and records of the Company are maintained;

(xvi) enter into any new line of business or abandon or discontinue any existing line of business;

(xvii) commence, pay, discharge, settle, release, waive or compromise any pending or threatened Proceeding;

(xviii) fail to maintain in full force and effect any of the Insurance Policies;

(xix) except in the ordinary course of business consistent with past practice: (A) enter into any Contract that, if in effect on the date hereof, would constitute a Company Material Contract; (B) terminate or materially amend or modify any Company Material Contract; (C) assign or otherwise transfer any rights or claims with respect to, or waive any term of or default under, or any Liability owing to the Company under, any Company Material Contract; or (D) take any action or fail to act, when such action or failure to act will cause a termination of or material breach or default under any Company Material Contract;

(xx) enter into any Contract which contains a change of control or similar provision that would require the Consent of, or a payment to, the other party or parties thereto in connection with the Transactions; or

(xxi) enter into any Contract, except for the prospective office lease currently being negotiated between HL Camelback Office, LLC and the Company, or otherwise agree or commit, to take, any of the actions prohibited by this Section 6.1(b).

Section 6.2. Reasonable Best Efforts; Notices and Consents; Regulatory Filings.

(a) General. Upon the terms and subject to the conditions set forth in this Agreement, except as otherwise provided in this Agreement, and without limiting the obligations of the parties under Section 6.2(c), each of the parties hereto agrees to cooperate with each other and to use (and to cause its Representatives to use) commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the Transactions as promptly as practicable after the date of this Agreement.

(b) Notices and Consents. Each of the parties shall, and shall cause his, her or its Affiliates to, promptly prepare and file all necessary documentation, to effect all necessary applications, notices, petitions, registrations, filings and other documents, and to obtain, as promptly as practicable after the date of this Agreement, all Consents of Governmental Entities and other Persons necessary or advisable in connection with the consummation of the Transactions, including the Company Required Consents.

(c) Regulatory Filings.

(i) Without limiting the generality of the parties' undertakings pursuant to Section 6.2(a) and Section 6.2(b), each party hereto shall (and the Sellers shall cause the Company to): (i) make, or cause to be made, the registrations, filings and submissions required of it or any of its Affiliates under the HSR Act in connection with this Agreement and the Transactions as promptly as practicable (but in any event no later than five (5) Business Days) following the date of this Agreement; (ii) make, or cause to be made, the registrations, filings and submissions (if any) required of it or any of its Affiliates under any other applicable Antitrust Laws in connection with this Agreement and the Transactions as promptly as practicable (but in any event no later than five (5) Business Days) following the date of this Agreement; (iii) comply at the earliest practicable date and after consultation with the Sellers' Representative or Purchaser, as applicable, with any request for additional information or documentary material received by the other or any of its Affiliates from any applicable Governmental Entity in connection with any registrations, filings or submissions required under the HSR Act or any other applicable Antitrust Laws; (iv) cooperate with the other parties (including furnishing all necessary information and reasonable assistance as any other party may reasonably request) in connection with any registrations, filings or submissions required under the HSR Act or any other applicable Antitrust Laws and in connection with resolving any investigation or other inquiry concerning the Transactions initiated by any Governmental Entity; and (v) use commercially reasonable efforts to secure the early termination of any waiting periods under the HSR Act and the receipt of any clearances, approvals, or confirmations from Governmental Entities in other countries in which any registrations, filings or submissions pursuant to any applicable Antitrust Laws have been made to the extent required in connection with the consummation of the Transactions at the earliest possible date. Each party hereto shall promptly inform the other parties of any communication (whether oral or written) made to, or received by, such party from any Governmental Entity regarding any of the Transactions, and promptly provide a copy of any such written communication, or a written summary of any such oral communication, to the other parties.

(ii) All analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, arguments, and proposals made by or on behalf of any party before any Governmental Entity or the staff or regulators of any Governmental Entity, in connection with the Transactions (but, for the avoidance of doubt, not including any interactions that any party may have with Governmental Entities in the ordinary course of business and not relating to the Transactions) shall be disclosed to the other parties hereunder in advance of any filing, submission or attendance, it being the intent that the parties will consult and cooperate with one another, and consider in good faith the views of one another, in connection with any such analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, arguments, and proposals. None of the parties shall initiate, participate in, or agree to participate in any substantive meeting, discussion, appearance or contact with any Governmental Entity or the staff or regulators of any Governmental Entity unless it shall have given advance notice to the other parties of such substantive meeting, discussion, appearance or contact, with such notice being sufficient to provide the other parties with the opportunity to attend and participate in such meeting, discussion, appearance or contact. Nothing in this Section 6.2(c) shall require any party to provide access to, or disclose any information to, any other party or any of its Affiliates if such access or disclosure, in the good faith reasonable belief of such first party: (x) would waive any attorney-client or an attorney work-product privilege; (y) would be in violation of applicable Laws (including the HSR Act or any other Antitrust Laws) or the provisions of any Contract to which such first party is a party; or (z) would contain any confidential information.

(iii) Notwithstanding anything to the contrary set forth in thisSection 6.2, nothing in this Agreement shall require, or be construed to require, Purchaser or any of its Affiliates to propose or agree to: (w) sell, hold separate, dispose of, divest, discontinue or limit, before or after the Closing Date, any assets, products, businesses or interests of Purchaser, the Company or any of their respective Affiliates; (x) any conditions relating to, or changes or restrictions in, the operations of any such assets, products, businesses or interests which, in either case, could reasonably be expected to result in a Purchaser Material Adverse Effect or materially and adversely impact the economic or business benefits to Purchaser of the Transactions; (y) any material modification or waiver of the terms and conditions of this Agreement; or (z) take any other action that limits the freedom of action with respect to, or the ability to retain, any assets, products, businesses or interests of Purchaser, the Company or any of their respective Affiliates in order to avoid the entry of or to effect the dissolution of any Order (whether temporary, preliminary or permanent), which would otherwise have the effect of preventing or delaying the consummation of the Transactions.

Section 6.3. Access to Information

(a) During the Interim Period, the Sellers shall, and shall cause the Company to:

(i) afford Purchaser and its Representatives full and free access, during normal business hours and upon reasonable notice, to the personnel, offices, properties (including the Leased Real Property), assets, book and records, Contracts and other documents and data of or related to the Company;

(ii) furnish Purchaser and its Representatives with such financial, operating and other data and information related to the Company as Purchaser or any of its Representatives may reasonably request; and (iii) instruct their respective Representatives to cooperate with Purchaser in its investigation of the Company; provided, however, that such access shall not unreasonably interfere with the ongoing business or operations of the Company.

Section 6.4. Notice of Certain Events and Updating of Disclosure Schedules.

(a) During the Interim Period, the Sellers' Representative shall promptly notify Purchaser in writing of, and Purchaser shall promptly notify the Sellers' Representative in writing: (i) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the Transactions or (ii) any notice or other communication from any Governmental Entity in connection with the Transactions. During the Interim Period, the Sellers' Representative shall promptly notify Purchaser in writing of any Proceeding commenced or, to the Knowledge of Sellers, threatened in writing against, relating to, involving or otherwise affecting the Company or any Seller that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.9 of this Agreement or that relates to the consummation of the Transactions.

(b) During the Interim Period, the Sellers' Representative shall promptly notify Purchaser of any changes, additions, or events that would cause any of the Company's or the Sellers' representations and warranties in this Agreement to be inaccurate in any material respect and shall promptly update the Sellers Disclosure Schedules related thereto. No notification of a change or addition to a Sellers Disclosure Schedule made pursuant to this Section 6.4(b) shall be deemed to waive the condition set forth in Section 9.1(a) hereof unless in any such case Purchaser specifically agrees thereto in writing. If the Closing occurs, all such updates, changes, additions or modifications to the Sellers Disclosure Schedules shall be deemed for all purposes to modify the Sellers Disclosure Schedules and the related representations and warranties made by the Company and Sellers under this Agreement.

Section 6.5. Exclusive Dealing.

During the Interim Period, the Sellers shall not take, and shall cause the Company not to take, and shall not authorize, encourage, permit or instruct any of their Representatives or any Representatives of the Company to take, directly or indirectly, any action to: (a) solicit, initiate or encourage the making, submission or announcement of any indication of interest, inquiry, proposal or offer from any Person (other than Purchaser or its Representatives) relating to an Acquisition Transaction; (b) encourage, initiate, participate in or engage in any discussions, negotiations or other communications regarding an Acquisition Transaction; (c) execute, enter into or become bound by any letter of intent or other Contract with any Person (other than Purchaser or its Representatives) relating to or in connection with an Acquisition Transaction; (d) provide any information to any Person (other than Purchaser or its Representatives) concerning an Acquisition Transaction; or (e) entertain or accept any proposal or offer from, cooperate in any way with, or facilitate or encourage any effort or attempt by any Person (other than Purchaser or its Representatives) relating to an Acquisition Transaction. The Sellers shall, and shall cause the Company to, and shall instruct their respective Representatives and the Representatives of the Company to, immediately cease and cause to be terminated all existing discussions, conversations, negotiations and other communications with any Person (other than Purchaser and its Representatives) conducted heretofore with respect to any Acquisition Transaction. Within two (2) Business Days following the date hereof, the Sellers shall, or shall cause the Company or a Representative of the Company to, instruct any such Person to return or destroy all nonpublic information provided to such Person in connection with such Person's consideration of any Acquisition Proposal in accordance with the confidentiality agreements entered into between the Company and any such Person. The Sellers shall, and shall cause the Company to, notify Purchaser as soon as practicable in writing of any indication of interest, inquiry, proposal, offer or request for information relating to an Acquisition Transaction that is received by the Company, any Seller or the Sellers' Representative during the Interim Period, which notice shall include: (i) a general description of the nature of the Person making or submitting such indication of interest, inquiry, proposal, offer or request (i.e., a "strategic buyer," a "financial buyer," etc.) and (ii) a summary of the terms and conditions thereof.

Section 6.6. Termination of Affiliate Agreements.

At or prior to the Closing, the Sellers shall, and shall cause the Company to, terminate all Affiliate Agreements, other than: (a) any Affiliate Agreement the continuation of which Purchaser has requested; and (b) any Affiliate Agreement which Purchaser has approved in writing to not be so terminated (collectively, the "Continuing Affiliate Agreements").

ARTICLE VII

POST-CLOSING COVENANTS

Section 7.1. Further Assurances.

Subject to the terms and conditions of this Agreement, each of the parties hereto agrees that, from time to time after the Closing, at the request of the other party or parties, they shall execute and deliver, or cause to be executed and delivered, to the other party or parties such further documents or instruments of any kind and take, or cause to be taken, such other actions as may be necessary, proper or advisable to carry out any of the provisions of this Agreement or the Transactions. The Sellers agree, from time to time after the Closing, at Purchaser's request, to execute, acknowledge, and deliver to Purchaser such other instruments of conveyance and transfer, and take such other actions and execute and deliver such other documents, certifications, and further assurances, as Purchaser may reasonably require in order to vest more effectively in Purchaser, or to put Purchaser more fully in possession of, the Purchased Equity and any of the Company's rights or assets. In addition, Purchaser agrees, from time to time after the Closing, at the Sellers' Representative's request, to execute, acknowledge, and deliver to the Sellers such other instruments of conveyance and transfer, and take such other actions and execute and deliver such other documents, certifications, and further assurances, as the Sellers may reasonably require in order to vest more effectively in the Sellers or to put the Sellers more fully in possession of the Consideration Securities. Each party shall bear its own costs and expenses in compliance with this Section 7.1.

Section 7.2. Post-Closing Confidentiality

(a) From and after the Closing, each Seller shall, and shall instruct his, her or its Affiliates to, and shall instruct his, her or its and their respective Representatives to, hold in confidence any and all confidential, proprietary and non-public information and materials, whether in written, verbal, graphic or other form, concerning Purchaser, the Company or any of their respective Affiliates (collectively, "Company Confidential Information"), except that no Seller shall have any obligation under this Section 7.2 with respect to any Company Confidential Information that: (i) after the date of this Agreement becomes generally available to the public other than through a breach by the applicable Seller, any of his, her or its Affiliates or any of his, her or its or their respective Representatives of their respective obligations under this Section 7.2; (ii) is already known to, or in the possession of, the applicable Seller prior to disclosure by Purchaser, free of any confidentiality obligation known to the Seller; (iii) is independently developed by the applicable Seller by activity not involving the use of or reference to the applicable Company Confidential Information; or (iv) is provided to the applicable Seller or any of his, her or its Affiliates by a third party that was not known to the receiving party to be bound by any duty of confidentiality to Purchaser, the Company or any of their respective Affiliates.

(b) From and after the Closing, no Seller shall, and each Seller shall cause his, her or its Affiliates not to, and shall instruct his, her or its and their respective Representatives not to, use any Company Confidential Information except as expressly authorized in writing by Purchaser or the Company. Each Seller shall, and shall instruct his, her or its Affiliates to, and shall instruct his, her or its and their respective Representatives to, take the same degree of care to protect the Company

Confidential Information that such Person uses to protect his, her or its own trade secrets and confidential information of a similar nature, which shall be no less than a reasonable degree of care.

(c) Notwithstanding the foregoing, no Seller shall be in breach of this Section 7.2 as a result of any disclosure of Company Confidential Information that is required by applicable Law or that is required by any Governmental Entity or under any subpoena, civil investigative demand or other similar process by a court of competent jurisdiction having jurisdiction over such Seller; provided, however, that the applicable Seller shall give advance written notice of such compelled disclosure to Purchaser, and shall cooperate with Purchaser (at Purchaser's sole expense) in connection with any efforts to prevent or limit the scope of such disclosure; and provided further, that the applicable Seller shall disclose only that portion of such Company Confidential Information which such Seller is advised by his, her or its counsel is legally required to be disclosed.

(d) Each Seller agrees to accept responsibility for any breach of this Section 7.2 by any of his, her or its Affiliates or any of his, her or its or their respective Representatives.

Section 7.3. Non-Competition; Non-Solicitation; Non-Disparagement.

(a) For a period commencing on the Closing Date and ending on the later of (i) the four (4) year anniversary of the Closing Date and (ii) two (2) years following any Separation Date (as applicable, the "Restricted Period"), no Seller set forth on Schedule 6.3 (the "Restricted Sellers") shall directly or indirectly: (i) engage in or assist others in engaging (whether through employment, consultation, advisory services, representation on a board of directors or other similar governing body or by any financial or other investment) in the Restricted Business in the Territory;

(ii) have an interest in any Person that engages directly or indirectly in the Restricted Business in the Territory in any capacity, including as a partner, stockholder, member, employee, principal, agent, trustee or consultant; or (iii) intentionally interfere in any material adverse respect with the business relationships (whether formed prior to or after the date of this Agreement) between the Company and any customer, supplier, licensee, licensor, client or distributor of the Company. Notwithstanding the foregoing, each Seller may own, directly or indirectly, solely as an investment, securities of any Person traded on any national securities exchange if such Seller is not a controlling Person of, or a member of a group which controls, such Person and does not, directly or indirectly, own five percent (5%) or more of any class of securities of such Person.

(b) During the Restricted Period, no Seller shall directly or indirectly, solicit, recruit, encourage, or induce any employee or individual consultant of the Company to terminate his or her employment or engagement with the Company or any of its parent, subsidiaries or affiliates or to become employed or engaged by such Seller or any other third party, which for purposes of this Section 7.3(b) shall include any employee or consultant whose employment or engagement was terminated for cause or who resigned during the six month period preceding any such solicitation, recruitment, encouragement or inducement; provided, however, that nothing in this Section 7.3(b) shall prevent any Seller or any Affiliate of any Seller from hiring any employee whose employment has been terminated by the Company without cause or from making general solicitations in publications that are not targeted at the Company's employees or consultants (provided, however, that such exception shall not apply to targeted or "blast" emails or solicitations published, directly or indirectly, on or through any social media website, account or network (including but not limited to Facebook, LinkedIn, Twitter, etc.).

(c) During the Restricted Period, no Seller shall directly or indirectly, solicit or entice, or attempt to solicit or entice, any customers, suppliers, vendors, licensees, licensors, clients or distributors of the Company or potential customers, suppliers, vendors, licensees, licensors, clients or distributors of the Company for purposes of diverting their business or services from the Company.

(d) Each Seller agrees that he, she or it will not make or publish, verbally or in writing, any statements concerning Purchaser, the Company or any of their respective Affiliates or any of their respective Representatives which statements are intended to be injurious or inimical to the best interests of Purchaser, the Company or any of their respective Affiliates or any of their respective Representatives, including statements alleging that Purchaser, the Company or any of their respective Affiliates who such Seller knows is an Affiliate have acted improperly, illegally or unethically or have engaged in business practices which are improper, illegal or unethical. The foregoing shall not restrict (i) any Seller from making statements to Purchaser, (ii) any Seller who is an employee of Purchaser, the Company or any of their Affiliates from making non-public statements to officers of Purchaser, the Company or any of their Affiliates, (iii) any Seller or any Affiliate of a Seller from taking actions that they are required to take to enforce their rights and remedies under this Agreement or any Transaction Document or any other agreement which now or in the future may exist between a Seller or its Affiliate on the one hand and Purchaser, the Company or any of their Affiliates on the other hand, or (iv) any Seller sending a confidential communication to any Governmental Entity (including communications made in the course of any government investigation) in any testimony provided in any legal proceeding, or as otherwise may be required by law.

(e) If any Seller breaches, or threatens to commit a breach of, any of the provisions of this Section 7.3, Purchaser and the Company shall have the following rights and remedies not subject to any limitations under Article X, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to Purchaser or the Company under law or in equity:

(i) the right and remedy to have such provision specifically enforced by any court having jurisdiction, it being acknowledged and agreed that any such breach or threatened breach may cause irreparable injury to each of Purchaser and the Company and that money damages may not provide an adequate remedy to Purchaser and the Company; and

(ii) the right and remedy to recover from the applicable Seller all monetary damages suffered by Purchaser or the Company, as the case may be, as the result of any acts or omissions constituting a breach of this Section 7.3.

(f) Each Seller acknowledges that the restrictions contained in this Section 7.3 (i) are reasonable and necessary to protect the legitimate interests of Purchaser and the goodwill, customer relationships and Intellectual Property purchased by Purchaser and (ii) constitute a material inducement to Purchaser to enter into this Agreement and consummate the Transactions. In the event that any covenant contained in this Section 7.3 should ever be adjudicated to exceed the time, geographic, product or service, 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, geographic, product or service, or other limitations permitted by applicable Law. The covenants contained in this Section 7.3 and each provision hereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written shall not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenant or provision in any other jurisdiction.

Section 7.4. General Release.

(a) Notwithstanding anything to the contrary set forth in this Agreement, effective as of the Closing, in consideration of the mutual agreements contained herein, including the Purchase Price to be received by the Sellers, each Seller, on behalf of himself, herself or itself and each of his, her or its past, present and future Affiliates,

firms, corporations, limited liability companies, partnerships, trusts, associations, organizations, Representatives, investors, stockholders, members, partners, trustees, principals, consultants, contractors, family members, heirs, executors, administrators, predecessors, successors and assigns (each, a "Releasing Party" and, collectively, the "Releasing Parties"), hereby absolutely, unconditionally and irrevocably releases, acquits and forever discharges the Company, its former, present and future Affiliates, parent and subsidiary companies, joint ventures, predecessors, successors and assigns (including Purchaser and its Affiliates), and their respective former, present and future Representatives, investors, stockholders, members, partners, insurers and indemnitees (collectively, the "Released Parties") of and from any and all manner of action or inaction, cause or causes of action, Proceedings, Liens, Contracts, promises, Liabilities or Damages (whether for compensatory, special, incidental or punitive Damages, equitable relief or otherwise) of any kind or nature whatsoever, past, present or future, at law, in equity or otherwise (including with respect to conduct which is negligent, grossly negligent, willful, intentional, with or without malice, or a breach of any duty, Law or rule), whether known or unknown, whether fixed or contingent, whether concealed or hidden, whether disclosed or undisclosed, whether liquidated or unliquidated, whether foreseeable or unforeseeable, whether anticipated or unanticipated, whether suspected or unsuspected, which such Releasing Parties, or any of them, ever have had or ever in the future may have against the Released Parties, or any of them, and which are based on acts, events or omissions occurring up to and including the Closing (the "Released Claims"); provided, however, that the foregoing release shall not release, impair or diminish, and the term "Released Claims" shall not include, in any respect any rights of: (i) the Sellers under this Agreement or any written agreement entered into by such Seller and any of Purchaser, the Company or their Affiliates in connection with this Agreement; or (ii) the Releasing Parties to indemnification, reimbursement or advancement of expenses under the provisions of the Operating Agreement (or any directors' and officers' liability insurance policy maintained by the Company in respect of the same) if any Releasing Party is made a party to a Proceeding as a result of such Releasing Party's status as an officer, director, manager, member or employee of the Company with respect to any act, omission, event or transaction occurring on or prior to the Closing.

(b) Without limiting the generality of Section 7.4(a), with respect to the Released Claims, each Seller, on behalf of himself, herself or itself and each Releasing Party, hereby expressly waives all rights under any Law or common law principle in any applicable jurisdiction prohibiting or restricting the waiver of unknown claims. Notwithstanding any such Law or common law principle in any applicable jurisdiction, and for the purpose of implementing a full and complete release and discharge of the Released Parties, each Seller, on behalf of himself, herself or itself and each Releasing Party, expressly acknowledges that the foregoing release is intended to include in its effect all claims which such Seller or any Releasing Party does not know or suspect to exist in his, her or its favor against any of the Released Parties (including unknown and contingent claims), and that the foregoing release expressly contemplates the extinguishment of all such claims (except to the extent expressly set forth herein).

(c) Each Seller, on behalf of himself, herself or itself and each Releasing Party, acknowledges that he, she or it may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but each Seller, on behalf of himself, herself or itself and each Releasing Party, intends to and, by operation of this Agreement shall have, fully, finally and forever settled and released any and all Released Claims without regard to the subsequent discovery of existence of such different or additional facts.

(d) Each Seller, on behalf of himself, herself or itself and each Releasing Party, represents, warrants, covenants and agrees that such Releasing Party has not and will not assign or transfer any Released Claim or possible Released Claim against any Released Party. Each Seller, on behalf of himself, herself or itself and each Releasing Party, agrees to indemnify and hold the Released Parties harmless from any Liabilities, Damages, costs, expenses and attorneys' fees arising as a result of any such assignment or transfer.

(e) Each Seller, on behalf of himself, herself or itself and each Releasing Party, covenants and agrees not to, and agrees to direct his, her or its respective Affiliates not to, whether in his, her or its own capacity, as successor, by reason of assignment or otherwise, assert, commence, institute or join in, or assist or encourage any third party in asserting, commencing, instituting or joining in, any Proceeding of any kind whatsoever, in law or equity, in each case against the Released Parties, or any of them, with respect to any Released Claims. Each Seller acknowledges that the foregoing release was separately bargained for and is a key element of this Agreement.

Section 7.5. Use of Names.

From and after the Closing Date, no Seller shall, and each Seller shall instruct his, her or its Affiliates not to: (a) market or offer any products or services using any of the words or terms (in any combination) that are identical or confusingly similar to, or a probable imitation or intentionally dilutive of any of the words and terms then used by the Company to market or offer any of the Company's products or services; or (b) use any of the names set forth on Schedule 7.5 or any name confusingly similar to such names set forth on such schedule, including on stationery, business cards or signage.

Section 7.6. Company Employee Benefits; Purchaser Benefit Plan

Effective immediately after the Closing and for a period of twelve (12) months following the Closing, each employee of the Company shall be provided employee benefits (excluding, for purposes of clarity, base compensation, equity and other incentive compensation, and severance benefits) that are substantially comparable, in the aggregate, to the employee benefits provided by the Purchaser to its similarly-situated employees.

Section 7.7. Purchaser Portion of the 2018 Tax Liability.

Following the closing, and in no event later than 10 days following demand by the Sellers, and the provision of backup materials and/or information, as reasonably requested by Purchaser, Purchaser shall pay to the Sellers the Purchaser Portion of the 2018 Tax Liability. For the avoidance of doubt, the Purchaser Portion of the 2018 Tax Liability shall not exceed $6,000,000.

Section 7.8. Purchaser Equity Pool Payment.

Following the Closing, Parent and Sellers' Representative shall cooperate in good faith to find a manner for TILT to issue, pursuant to the form of award agreement attached hereto as Exhibit G, 1,202,501 common shares of TILT (as adjusted for share splits, combinations, dividends and similar matters) in such amounts and to such Jupiter employees as designated by Mark Scatterday (the "Equity Pool Interests"), as reasonably approved by Parent. Such Equity Pool Interests, if issued, shall be non-transferrable for a period of at least six (6) months following the Closing, and shall be subject to the same vesting requirements as TILT's senior executives. If the Equity Pool Interests are issued, Parent shall ensure that TILT complies with all applicable securities and other laws, rules and regulations, and use its best efforts to cause TILT's directors and officers, in their capacities as such, to comply with such laws, rules and regulations, with the issuance of the Equity Pool Interests. If the Equity Pool Interests are not issued or fail to vest, a number of LP units shall be issued to Sellers on a pro rata basis in accordance with such Sellers' formerly owned portion of the Purchased Equity equivalent to the number of Equity Pool Interests that are not issued or do not vest. The parties hereto intend that any issuance of LP units pursuant to the immediately preceding sentence shall be treated as a purchase price adjustment for Tax purposes (and thereby, an adjustment of the fair market value of the portion of its interest in the Company contributed to Purchaser in a Code Section 721(a) transaction) and no party hereto shall take any position contrary to such treatment in any Tax Return, contest or audit unless otherwise required by applicable law.

ARTICLE VIII

TAX MATTERS

Section 8.1. Transfer Taxes.

All transfer, stamp, documentary, sales, use, registration, value-added and other similar Taxes (including all applicable real estate transfer Taxes and real property transfer gains Taxes and including any filing and recording fees) and related amounts (including any penalties, interest and additions to Tax) and all such reasonable costs (including accounting and legal fees) associated with filing all Tax Returns related to transfer Taxes imposed on the Company or any Seller in connection with this Agreement (" Transfer Taxes") shall be paid 50% by Sellers and 50% by Purchaser. At least thirty (30) days prior to filing any such Tax Returns, the Sellers' Representative shall submit a copy of such Tax Return to Purchaser for Purchaser's review and approval. Purchaser and the Sellers shall each be responsible for 50% of all costs and fees associated with filing all Tax Returns related to Transfer Taxes.

Section 8.2. Cooperation on Tax Matters.

Purchaser, the Sellers and the Sellers' Representative shall fully cooperate, to the extent reasonably requested by the other party, with respect to the filing of Tax Returns, filing of Tax elections, and any audit, litigation or other Proceeding with respect to Taxes. Such cooperation shall include the retention and provision of records and information relevant to such audit, litigation or other Proceeding and making employees available on a mutually convenient basis to provide additional information. Purchaser, the Sellers and the Sellers' Representative agree to retain records with respect to Tax matters pertinent to the Company until the expiration of the relevant statute of limitations. Purchaser, the Sellers and the Sellers' Representative further agree to use their best efforts to obtain any certificate or other document from any Governmental Entity as may be necessary to mitigate, reduce or eliminate any Tax that may be imposed.

Section 8.3. Tax Returns.

From and after the Closing Date, Purchaser shall prepare or cause to be prepared and file or cause the Company and Jupiter Europe to file on a timely basis all Tax Returns for the Company and Jupiter Europe for any Pre-Closing Tax Period that are first due after the Closing Date (collectively "Purchaser Prepared Returns"). Purchaser shall provide to the Sellers' Representative copies of all such Purchaser Prepared Returns (and the associated workpapers) that are income Tax Returns, for review by the Sellers' Representative at least forty-five (45) days prior to the earlier of their due date (including extensions where applicable) or their expected filing date, and shall make such changes to those Purchaser Prepared Returns before filing as are reasonably requested by the Sellers' Representative; provided that notwithstanding the foregoing, Sellers' Representative shall be entitled, with reasonable approval by Purchaser, to select a "partnership representative" for purposes of any of the Company's income Tax Returns for a Pre-Closing Tax Period as defined under Section 6223 of the Code and applicable Treasury regulations thereunder, shall have the option to preclude the Company from filing the election under Section 6226(a) of the Code (and corresponding provisions of applicable state or local Tax law) with respect to any such Pre-Closing Taxable Period of the Company so long each Seller agrees to indemnify the Company with respect to any Tax Liability resulting from the failure to file such election in accordance with Section 10.2(a)(iii). Unless required by applicable Law, Purchaser shall not cause or allow the Company to file any new or amended Purchaser Prepared Returns with respect to the Company without the prior written consent of the Sellers' Representative (which shall not be unreasonably withheld, delayed, or conditioned). No failure or delay of Purchaser in delivering Purchaser Prepared Returns to Sellers' Representative to review shall reduce or otherwise affect the obligations or liabilities of Sellers pursuant to this Agreement, except to the extent the Sellers are actually prejudiced by such failure or delay.

Section 8.4. Tax Contests.

The Sellers' Representative shall promptly notify Purchaser upon receipt by any Seller or the Sellers' Representative of any written notice of any inquiries, claims, assessments, audits or similar events with respect to Taxes relating to a Pre-Closing Tax Period (any such inquiry, claim, assessment, audit or similar event, a " Tax Matter"). Sellers' Representative may elect to have sole control of the conduct of any Tax Matter with respect to a Pre-Closing Tax Period, including any settlement or compromise thereof, provided, however, that neither the Sellers nor the Sellers' Representative shall settle or compromise such Tax Matter without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, delayed or conditioned. If Sellers' Representative does not elect to have such sole control, Purchaser shall, and Sellers' Representative shall cause the Sellers to, provide copies of all correspondence with the applicable Governmental Entity, and Purchaser shall not settle or compromise such Tax Matter without the prior written consent of Sellers' Representative, which consent shall not be unreasonably withheld, delayed or conditioned. Except as otherwise provided in this Section 8.4, Purchaser shall have the sole right to control any audit or examination by any Tax authority, initiate any claim for refund or amend or file any Tax Return, and contest, resolve and defend against any assessment for additional Taxes, notice of Tax deficiency or other adjustment of Taxes of, or relating to, the income, assets or operations of the Company for all Tax periods; provided, however, that to the extent that any such matter could result in the liability of Sellers under this Agreement, Purchaser shall not take such action without the approval of Sellers' Representative, which shall not be unreasonably withheld, delayed or conditioned. Any refunds of Taxes received with respect to any Pre-Closing Tax Periods shall be for the benefit of the Sellers and shall be paid to the Sellers' Representative for disbursement to the Sellers within 5 days of receipt of such funds.

Section 8.5. Tax Sharing Agreements.

All Tax sharing agreements or similar agreements between the Company, on the one hand, and any of the Sellers and their Affiliates, on the other hand, shall be terminated prior to the Closing Date, and, after the Closing Date, the Company shall not be bound thereby or have any Liability thereunder.

Section 8.6. Allocations of Taxes in Straddle Period.

For purposes of determining the amount of Taxes allocable to the portion of the Straddle Period ending on (and including) the Closing Date, in the case of any Taxes that are imposed on a periodic basis and are payable for a Tax period that includes (but does not end on) the Closing Date, the portion of such Tax which relates to the portion of the Straddle Period ending on (and including) the Closing Date shall: (a) in the case of any Taxes other than the Taxes based upon or related to income or receipts, be deemed to be the amount of such Tax for the entire Tax period multiplied by a fraction the numerator of which is the number of days in the Tax period ending on the Closing Date and the denominator of which is the number of days in the entire Tax period; and (b) in the case of any Tax based upon or related to income or receipts be deemed equal to the amount which would be payable if the relevant Tax period ended on the Closing Date.

Section 8.7. Conflict.

In the event of any conflict or overlap between the provisions of this Section 8.7 and Article IX, the provisions of this Section 8.7 shall control.

Section 8.8. Definitions.

Each reference in this Section 8.7 to the Company, other than any such reference in Section 8.3, shall be deemed to be a reference to both the Company and Jupiter Europe.

ARTICLE IX

CONDITIONS TO CLOSING

Section 9.1. Conditions to Obligations of Purchaser.

The obligations of Purchaser to consummate the Transactions shall be subject to the satisfaction, at or prior to the Closing, of each of the following conditions, any or all of which may be waived, in whole or in part, by Purchaser:

(a) Representations and Warranties. Except as otherwise set forth in the Sellers Disclosure Schedules, each of the Company Fundamental Representations and each of the representations and warranties made by the Sellers in Article III of this Agreement that are qualified by materiality (including by a Company Material Adverse Effect qualifier) shall be true and correct in all respects, and each of the other representations and warranties made by the Sellers in Article III of this Agreement shall be true and correct in all material respects, in each case at and as of the date of this Agreement and at and as of the Closing as though such representation or warranty was made at and as of such time, except for those representations and warranties that address matters as of a particular date (in which case such representations and warranties shall be true and correct in the manner set forth in this Section 9.1(a) as of such particular date).

(b) Performance of Covenants. The Sellers shall have duly performed and complied in all material respects with all covenants, obligations and agreements required by this Agreement to be performed or complied with by the Sellers at or prior to the Closing.

(c) No Company Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any Material Adverse Effect.

(d) Certificate. Purchaser shall have received a certificate signed by each of the Sellers, dated the Closing Date, to the effect that the conditions set forth in Sections 9.1(a), (b), and (c) have been satisfied.

(e) Absence of Illegality; No Proceedings.

(i) No Law shall have been enacted or promulgated by any Governmental Entity of competent jurisdiction and remain in effect that makes consummation of the Transactions illegal or otherwise prohibits consummation of the Transactions, and no Order shall have been issued by any Governmental Entity of competent jurisdiction and be in effect precluding, restraining, enjoining or prohibiting consummation of the Transactions.

(ii) No Proceeding shall have been filed in any court of competent jurisdiction seeking to restrain, materially delay or prohibit the consummation of any of the Transactions nor shall any such Proceeding have been overtly threatened by any Governmental Entity.

(f) Waiting Periods. The waiting period under the HSR Act applicable to the Transactions shall have expired or been terminated. The required approval under any other applicable Antitrust Laws set forth on Section 9.1(f) of the Sellers Disclosure Schedule shall have been obtained or any applicable waiting period thereunder shall have been terminated or shall have expired.

(g) Closing Deliveries. The Sellers' Representative shall have made, or stand ready at the Closing to make, the deliveries required to be made by the Sellers' Representative pursuant to Section 2.9(a).

(h) Jupiter Europe. All of the outstanding share capital of Jupiter Europe has been purchased by the Company.

(i) Unit Issuance Agreements. Each Seller has entered into a unit issuance agreement in a form reasonably satisfactory to the Purchaser and the Sellers' Representative.

Section 9.2. Conditions to Obligation of the Sellers.

The obligations of the Sellers to consummate the Transactions shall be subject to the satisfaction, at or prior to the Closing, of each of the following conditions, any or all of which may be waived, in whole or in part, by the Sellers:

(a) Representations and Warranties. Each of the Purchaser Fundamental Representations and each of the representations and warranties made by Purchaser in Article V of this Agreement that are qualified by materiality (including by a Purchaser Material Adverse Effect qualifier) shall be true and correct in all respects, and each of the other representations and warranties made by Purchaser in Article V of this Agreement shall be true and correct in all material respects, in each case at and as of the date of this Agreement and at and as of the Closing as though such representation or warranty was made at and as of such time, except for those representations and warranties that address matters as of a particular date (in which case such representations and warranties shall be true and correct in the manner set forth in this Section 9.2(a) as of such particular date).

(b) No Purchaser Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any Purchaser Material Adverse Effect.

(c) Performance of Covenants. Purchaser shall have duly performed and complied in all material respects with all covenants, obligations and agreements required by this Agreement to be performed or complied with by Purchaser at or prior to the Closing.

(d) Certificate. The Sellers' Representative shall have received a certificate signed by an executive officer of Purchaser, dated the Closing Date, to the effect that the conditions set forth in Section 9.2(a), Section 9.2(b) and Section 9.2(c) have been satisfied.

(e) Absence of Illegality; No Proceedings.

(i) No Law shall have been enacted or promulgated by any Governmental Entity of competent jurisdiction and remain in effect that makes consummation of the Transactions illegal or otherwise prohibits consummation of the Transactions, and there shall not be any Order of any court of competent jurisdiction in effect precluding, restraining, enjoining or prohibiting consummation of the Transactions.

(ii) No Proceeding shall have been filed in any court of competent jurisdiction seeking to restrain, materially delay or prohibit the consummation of any of the Transactions nor shall any such Proceeding have been overtly threatened by any Governmental Entity.

(f) Waiting Periods. The waiting period under the HSR Act applicable to the Transactions shall have expired or been terminated. The required approval under any other applicable Antitrust Laws set forth on Section 9.2(f) of Purchaser Disclosure Schedule shall have been obtained or any applicable waiting period thereunder shall have been terminated or shall have expired.

(g) Private Placement Condition. TILT shall have consummated a private placement transaction, whereby it has sold equity securities of TILT to unaffiliated institutional investors, with such equity securities having a value of at least CAD [***] (such condition, the "Private Placement Condition").

(h) Closing Deliveries. Purchaser shall have made, or stand ready at the Closing to make, the deliveries required to be made by Purchaser pursuant to Section 2.9(b).

ARTICLE X

SURVIVAL AND INDEMNIFICATION

Section 10.1. Survival of Representations and Covenants.

(a) General Survival. Subject to Section 2.7(b), Section 9.1(b), Section 9.1(c), Section 9.1(f), Section 9.2(b), Section 9.2(c) and Section 9.2(f), the representations and warranties made by the Company, Purchaser and the Sellers in this Agreement shall survive the Closing until the date that is eighteen (18) months from the Closing Date (the "General Survival Date"); provided, however, that if, at any time on or prior to the General Survival Date, any Purchaser Indemnitee delivers to the Sellers' Representative or and Sellers' Indemnitee delivers to Purchaser a written notice alleging the existence of an inaccuracy in or a breach of any such representation or warranty and asserting facts reasonably expected to establish a claim for recovery under Section 10.2 or Section 10.3 based on such alleged inaccuracy or breach, then the relevant representation and warranty and claim for recovery shall survive the General Survival Date until such time as such claim is fully and finally resolved.

(b) Specified Representations. Subject to Section 10.1(e) and notwithstanding anything to the contrary contained in Section 10.1(a), the Seller Specified Representations shall survive the Closing until the date that is sixty (60) days following the expiration of the statute of limitations applicable to Purchaser Indemnitees' right of recovery for the inaccuracy in or breach thereof (including any waiver, extension or mitigation thereof); provided, however, that if, at any time on or prior to the date that is sixty (60) days following the expiration of the applicable statute of limitations (including any waiver, extension or mitigation thereof), any Purchaser Indemnitee delivers to the Sellers' Representative a written notice alleging the existence of an inaccuracy in or a breach of, or a potential inaccuracy in or a potential breach of any such Seller Specified Representation, and asserting facts reasonably expected to establish a claim for recovery under Section 10.2 based on such alleged inaccuracy or breach, then the relevant Specified Representation and claim for recovery shall survive such expiration date until such time as such claim is fully and finally resolved.

(c) Fundamental Representations. Notwithstanding anything to the contrary contained in Section 10.1(a), the Company Fundamental Representations and the Purchaser Fundamental Representations shall survive the Closing indefinitely.

(d) Survival of Covenants. All covenants and agreements of the parties hereto contained herein shall survive the Closing until fully performed or complied with.

(e) Intentional Misrepresentation; Fraud. The limitations set forth in Section 10.1(a) and in Section 10.1(b) shall not apply in the event of any intentional misrepresentation or fraud, each shall survive the Closing indefinitely.

Section 10.2. Indemnification by the Sellers.

(a) Indemnification as to Company Matters. From and after the Closing (but subject to Section 10.1 and Section 10.4), the Sellers, severally but not jointly, shall hold harmless and indemnify each of Purchaser Indemnitees from and against, and shall compensate and reimburse each of Purchaser Indemnitees for, any Damages which are suffered or incurred at any time by any of Purchaser Indemnitees or to which any of Purchaser Indemnitees may otherwise become subject at any time (regardless of whether or not such Damages relate to any Third Party Claim) and which arise from or as a result of:

(i) any inaccuracy in or breach of any representation or warranty made by the Sellers in this Agreement or in any other agreement, document, certificate or instrument entered into or delivered by or on behalf of the Sellers or the Company under or pursuant to this Agreement or in connection with the Transactions;

(ii) any breach or non-fulfillment of any covenant or other obligation of or to be performed by any of the Sellers or the Sellers' Representative (in his capacity as such) in this Agreement or in any other agreement, document, certificate or instrument entered into or delivered by or on behalf of the Sellers under or pursuant to this Agreement or in connection with the Transactions;

(iii) any Liability (including by way of transferee liability), together with any Damages (including court and administrative costs and reasonable legal fees and expenses incurred in investigating and preparing for any audit, examination, litigation or other judicial or administrative proceeding) arising out of, in connection with or incident to: (A) the determination, assessment or collection of any actual or asserted Liability for any Tax of the Company in respect of any Pre-Closing Tax Period (including, for the avoidance of doubt, any "imputed underpayments" within the meaning of Section 6225 of the Code that relate to a Pre-Closing Tax Period) and any Tax attributes allocable to any Pre-Closing Tax Period, except to the extent such Taxes are taken into account in the calculation of the Final Purchase Price; (B) any inaccuracy in or breach of any of the representations and warranties set forth in Section 3.11 or Section 3.14 (determined, in each case, without regard to any materiality, Material Adverse Effect, knowledge, Sellers' Knowledge or similar qualifiers or any matters disclosed in the Sellers Disclosure Schedule); (C) the determination, assessment or collection of any actual or asserted Liability for any Tax that is a social security, Medicare, unemployment or other employment, withholding or payroll Tax or similar amount or employee insurance owed by the Company as a result of any payments made to any Seller pursuant to this Agreement; (D) the determination, assessment or collection of any actual or asserted Liability for any Tax of or owed by any Seller (including Taxes arising as a result of the Transactions) or any of his, her or its Affiliates (excluding the Company); (E) the determination, assessment or collection of any actual or asserted Liability for any Tax for which the Company (or any predecessor of the Company) is held liable under Section 1.1502-6 of the United States Treasury Regulations (or any similar provision of state, local or foreign Law) by reason of such entity being included in any consolidated, affiliated, combined or unitary group at any time on or before the Closing Date (other than a consolidated, affiliated, combined or unitary group of which Purchaser is a member); (F) the determination, assessment or collection of any actual or asserted Liability for any Tax imposed on or payable by third parties with respect to which the Company has an obligation to indemnify such third party pursuant to a transaction consummated on or prior to the Closing; and (G) any Transfer Taxes;

(iv) the amount of any Change of Control Payment, any Company Transaction Expenses or any Indebtedness remaining unpaid at the Closing and not accounted for in the calculation of the Final Purchase Price; and

(v) any matter referred to in Section 10.2(a)(v) of the Sellers Disclosure Schedule.

(b) Indemnification as to Seller Matters. From and after the Closing (but subject to Section 10.1), each Seller shall hold harmless and indemnify each of Purchaser Indemnitees from and against, and shall compensate and reimburse each of Purchaser Indemnitees for, any Damages which are directly or indirectly suffered or incurred at any time by any of Purchaser Indemnitees or to which any of Purchaser Indemnitees may otherwise directly or indirectly become subject at any time and which arise directly or indirectly from or as a result of, or are directly or indirectly connected with any inaccuracy in or breach of any representation or warranty contained in Article IV made by such Seller.

(c) Damage to Purchaser. The parties acknowledge and agree that, if after the Closing the Company suffers, incurs or otherwise becomes subject to any Damages as a result of or in connection with any inaccuracy in or breach of any representation, warranty, covenant or obligation, then (without limiting any of the rights of the Company as an Indemnitee) Purchaser shall also be deemed, by virtue of its ownership of the capital stock of the Company after the Closing, to have incurred Damages as a result of and in connection with such inaccuracy or breach.

Section 10.3. Indemnification by Purchaser.

(a) Indemnification as to Purchaser Matters. From and after the Closing (but subject to Section 10.1), Purchaser shall hold harmless and indemnify each of the Seller Indemnitees from and against, and shall compensate and reimburse each of the Seller Indemnitees for, any Damages which are directly or indirectly suffered or incurred at any time by any of the Seller Indemnitees or to which any of the Seller Indemnitees may otherwise directly or indirectly become subject at any time and which arise directly or indirectly from or as a result of:

(i) any inaccuracy in or breach of any representation or warranty made by Purchaser in this Agreement or in any other agreement, document, certificate or instrument entered into or delivered by or on behalf of Purchaser under or pursuant to this Agreement or in connection with the Transactions; or

(ii) any breach or non-fulfillment of any covenant or other obligation of or to be performed by any of Purchaser in this Agreement or in any other agreement, document, certificate or instrument entered into or delivered by or on behalf of Purchaser under or pursuant to this Agreement or in connection with the Transactions.

Section 10.4. Limitations.

(a) Sellers Indemnification Basket.

(i) The Sellers shall not be required to make any indemnification payment pursuant to Section 10.2(a)(i) until such time as the total amount of all Damages that have been directly or indirectly suffered or incurred by any one or more of Purchaser Indemnitees, or to which any one or more of Purchaser Indemnitees has or have otherwise directly or indirectly become subject, exceeds $1,000,000 (the "Purchaser Indemnitee Deductible Amount") in the aggregate. Once the total amount of such Damages exceeds the Purchaser Indemnitee Deductible Amount, then the Purchaser Indemnitees shall be entitled to be indemnified and held harmless against and compensated and reimbursed for the amount of Damages that exceeds $500,000.

(ii) The limitation set forth in Section 10.4(a)(i) shall not apply (and shall not limit the indemnification or other obligations of the Sellers): (A) in the event of intentional misrepresentation or fraud; (B) to inaccuracies in or breaches of any of the Company Fundamental Representations; (C) to inaccuracies in or breaches of any of the Seller Specified Representations, or (D) to inaccuracies in or breaches of any of the representations or warranties in Article IV.

(b) Purchaser Indemnification Basket.

(i) Purchaser shall not be required to make any indemnification payment pursuant to Section 10.3(a)(i) until such time as the total amount of all Damages that have been directly or indirectly suffered or incurred by any one or more of the Seller Indemnitees, or to which any one or more of the Seller Indemnitees has or have otherwise directly or indirectly become subject, exceeds $1,000,000 (the "Seller Indemnitee Deductible Amount") in the aggregate. Once the total amount of such Damages exceeds the Seller Indemnity Deductible Amount, then the Seller Indemnitees shall be entitled to be indemnified and held harmless against and compensated and reimbursed for the amount of such Damages, that exceeds $500,000.

(ii) The limitation set forth in Section 10.4(b) shall not apply (and shall not limit the indemnification or other obligations of Purchaser): (A) in the event of intentional misrepresentation or fraud; or (B) to inaccuracies in or breaches of any of the Purchaser Fundamental Representations.

(c) Liability Cap for Breaches of Representations and Warranties. Recourse by Purchaser Indemnitees and Seller Indemnitees under Section 10.2(a)(i) and Section 10.3(a)(i), respectively, shall be limited to an aggregate amount equal to the Escrow Amount; provided, however, that the limitation set forth in this Section 10.4(b) shall not apply (and shall not limit the indemnification or other obligations of the parties): (i) in the event of intentional misrepresentation or fraud; (ii) to inaccuracies in or breaches of any of the Company Fundamental Representations or the Purchaser Fundamental Representations; (iii) to inaccuracies in or breaches of any of the Seller Specified Representations or (iv) inaccuracies in or breaches of any of the representations or warranties in Article IV. For the avoidance of doubt, under no circumstances shall the total cumulative amount of Damages for which any individual Seller shall be liable under Section 10.2(a)(i) exceed such Seller's Pro Rata Share of the applicable cap.

(d) Overall Liability Cap. Except in the event of intentional misrepresentation or fraud, in no event will the total cumulative amount of Damages for which the Sellers may be liable to Purchaser Indemnitees under this Article X exceed $35,000,000, plus an additional $35,000,000 (for a total of $70,000,000), if, and only if, Sellers receive the Purchase Price Holdback Amount. For the avoidance of doubt, under no circumstances (except with respect to an individual Seller, to the extent that such individual Seller made an intentional misrepresentation or committed fraud) shall the total cumulative amount of Damages for which any individual Seller shall be liable under this Article X exceed such Seller's Pro Rata Share of the liability cap provided for in this Section 10.4(d).

(e) Qualifications. For purposes of Section 10.2(a) and Section 10.3(a), with respect to each representation, warranty, covenant or agreement contained in this Agreement that is subject to a "materiality," "material," "Company Material Adverse Effect," "in all material respects" or similar qualification (but not including knowledge, Sellers' Knowledge or Knowledge of Sellers), any such qualification shall be disregarded for purposes of determining whether a breach of such representation, warranty, covenant or agreement contained in this Agreement has occurred and for calculating the amount of any Damages that is subject to indemnification hereunder.

Section 10.5. No Contribution.

Each Seller waives, and each Seller acknowledges and agrees that such Seller shall not have and shall not exercise or assert (or attempt to exercise or assert), any right of contribution, right of indemnity or advancement of expenses or other right or remedy against Purchaser or the Company in connection with any indemnification obligation or any other Liability to which such Seller may become subject under or in connection with this Agreement or any other agreement, document, certificate or instrument delivered to Purchaser in connection with this Agreement. Effective as of the Closing, each Seller expressly waives and releases any and all rights of subrogation, contribution, advancement, indemnification or other claim against Purchaser or the Company.

Section 10.6. Defense of Third Party Claims.

(a) In the event of the assertion or commencement by any Person, other than a party hereto, of any claim or Proceeding (whether against the Company, Purchaser or any other Person) with respect to which the Sellers may become obligated to hold harmless, indemnify, compensate or reimburse any Purchaser Indemnitee pursuant to this Article X (a "Third Party Claim"), if the Sellers' Representative agrees that the applicable Seller shall indemnify such Purchaser Indemnitee for and against any Damages resulting from such underlying claim, then the Sellers' Representative, at its election, shall be entitled to defend, contest or otherwise protect against any such Proceeding at the expense of the applicable Seller, and the Purchaser and the Purchaser Indemnitee must cooperate in any such defense or other action. Notwithstanding the foregoing, the Sellers' Representative shall not have the right to assume the defense of such Third Party Claim if such Third Party Claim, if determined adversely to Purchaser Indemnitee, would be likely to result in injunctions, equitable remedies or reputational damage in respect of such Purchaser Indemnitee. If the Sellers' Representative proceeds with the defense of any such Third Party Claim:

(i) subject to the other provisions of this Article X, all reasonable expenses relating to the defense of such Third Party Claim shall be borne and paid exclusively by the applicable indemnifying Seller; and

(ii) if the Sellers' Representative proceeds with the defense of any such Third Party Claim, Purchaser and the Purchaser Indemnitee shall make available to the Sellers' Representative any documents and materials in their possession or control, reasonably requested by the Sellers' Representative, that may be necessary to the defense of such Third Party Claim. If the Purchaser proceeds with the defense of any such Third Party Claim, the applicable indemnifying Seller shall make available to Purchaser any documents and materials in their possession or control, reasonably requested by Purchaser, that may be necessary to the defense of such Third Party Claim.

(b) In the event the Sellers' Representative does not assume the defense of such Third Party Claim in accordance with this Section 10.6, the Purchaser Indemnitee shall have the right, but not the obligation, thereafter to defend, contest or otherwise protect against the same and make any compromise or settlement thereof and recover the entire cost thereof from the applicable indemnifying Seller, including reasonable attorneys' fees, disbursements and all amounts paid as a result of such Proceeding or the compromise or settlement thereof.

(c) The Sellers' Representative or the Purchaser Indemnitee, as the case may be, shall not compromise and settle any indemnifiable matters related to Third Party Claims without the prior written consent of the Sellers' Representative or the applicable Purchaser Indemnitee, as the case may be, such consent not to be unreasonably withheld, delayed, or conditioned.

(d) If the Sellers' Representative assumes the defense of such third party claim in accordance with this Section 10.6, the applicable Purchaser Indemnitee shall have the right, but not the obligation, to participate at its own expense in defense thereof by counsel of its own choosing, but the Sellers' Representative shall be entitled to control the defense unless the Purchaser Indemnitee has relieved the applicable indemnifying Seller from liability with respect to the particular matter.

(e) If the Sellers' Representative undertakes the defense of any Third Party Claim in accordance with this Section 10.6, the Purchaser Indemnitee shall not, so long as the Sellers' Representative does not abandon the defense thereof, be entitled to recover from the applicable indemnifying Seller, any legal or other expenses subsequently incurred by the Purchaser Indemnitee in connection with the defense thereof.

(f) If the Sellers' Representative undertakes the defense of any Third Party Claim in accordance with this Section 10.6, the Purchaser Indemnitee shall not, so long as the Sellers' Representative zealously pursues the defense thereof, be entitled to recover from the applicable indemnifying Seller, any legal or other expenses subsequently incurred by the Purchaser Indemnitee in connection with the defense thereof.

Section 10.7. Indemnification Claim Procedure for Company Matters

(a) If any Purchaser Indemnitee has or claims in good faith to have incurred or suffered, or believes in good faith that it may incur or suffer, Damages for which it is or may be entitled to be held harmless, indemnified, compensated or reimbursed under this Article X (except pursuant to Section 10.2(b)) or for which it is or may be entitled to a monetary remedy (such as in the case of a claim based on fraud or intentional misrepresentation), such Purchaser Indemnitee may deliver a notice of claim (a "Notice of Claim") to the Sellers' Representative and, to the extent funds or Consideration Securities remain in the Escrow Account, to the Escrow Agent. Each Notice of Claim shall: (i) state that such Indemnitee believes in good faith that such Indemnitee is or may be entitled to indemnification, compensation or reimbursement under this Article X or is or may otherwise be entitled to a monetary remedy; (ii) contain a brief description of the facts and circumstances supporting Purchaser Indemnitee's claim; and (iii) contain a good faith, non-binding, preliminary estimate of the aggregate amount of the actual and potential Damages that Purchaser Indemnitee believes have arisen and may arise as a result of such facts and circumstances (the aggregate amount of such estimate, as it may be modified by such Purchaser Indemnitee in good faith from time to time, being referred to as the "Claimed Amount").

(b) During the twenty (20)-day period commencing upon delivery by a Purchaser Indemnitee to the Sellers' Representative of a Notice of Claim (the "Claim Dispute Period"), the Sellers' Representative may deliver to Purchaser Indemnitee who delivered the Notice of Claim and, to the extent funds or Consideration Securities remain in the Escrow Account, to the Escrow Agent a written response (the "Response Notice") in which the Sellers' Representative: (i) agrees that the full Claimed Amount is owed to Purchaser Indemnitee; (ii) agrees that part, but not all, of the Claimed Amount (such agreed portion, the "Agreed Amount") is owed to Purchaser Indemnitee; or (iii) indicates that no part of the Claimed Amount is owed to Purchaser Indemnitee. If the Response Notice is delivered in accordance with clause (ii) or (iii) of the preceding

sentence, the Response Notice shall also contain a brief description of the facts and circumstances supporting the Sellers' Representative's claim that only a portion or no part of the Claimed Amount is owed to Purchaser Indemnitee, as the case may be. Any part of the Claimed Amount that is not agreed to be owed to Purchaser Indemnitee pursuant to the Response Notice (or the entire Claimed Amount, if the Sellers' Representative asserts in the Response Notice that no part of the Claimed Amount is owed to Purchaser Indemnitee) is referred to in this Agreement as the "Contested Amount" (it being understood that the Contested Amount shall be modified from time to time to reflect any good faith modifications by the Indemnitee to the Claimed Amount). If no Response Notice is delivered prior to the expiration of the Claim Dispute Period, then the Sellers shall be conclusively deemed to have agreed that the full Claimed Amount is owed to Purchaser Indemnitee.

(c) If: (i) the Sellers' Representative delivers a Response Notice agreeing that the full Claimed Amount is owed to Purchaser Indemnitee; or (ii) the Sellers' Representative does not deliver a Response Notice during the Claim Dispute Period, then, within three (3) Business Days following the receipt of such Response Notice by Purchaser Indemnitee (or, to the extent funds or Consideration Securities remain in the Escrow Account, by the Escrow Agent) or within three (3) Business Days after the expiration of the Claim Dispute Period, as the case may be: (A) to the extent funds or Consideration Securities remain in the Escrow Account, the Escrow Agent shall release to the applicable Purchaser Indemnitee from the Escrow Account, at Sellers' Representative's Option, (I) an amount in cash equal to the full Claimed Amount (or such lesser amount as may remain in the Escrow Account), (II) an amount in Consideration Securities (valued, for this purpose, at $2.4948 per unit (as such price may be adjusted for share splits, combinations, dividends and similar matters) with a value equal to the full Claimed Amount (or such lesser amount as may remain in the Escrow Account), or (III) a combination of cash and Consideration Securities as provided for in the foregoing clauses (I) and (II); provided, however, that to the extent the funds and Consideration Securities in the Escrow Account are insufficient to cover the Claimed Amount, the Sellers' Representative shall provide written notice thereof to each Seller, and each Seller shall pay to the applicable Purchaser Indemnitee, within three (3) Business Days following the receipt by such Seller of such written notice, such Seller's Pro Rata Share of the amount by which the Claimed Amount exceeds the remaining funds and Consideration Securities in the Escrow Account; or (B) to the extent no funds or Consideration Securities remain in the Escrow Account, each Seller shall pay to the applicable Purchaser Indemnitee such Seller's Pro Rata Share of the full Claimed Amount at such Sellers' option, in (i) cash, or (ii) Consideration Securities valued, for this purpose, at a five percent (5%) discount to the average of the closing sale price of one common share of TILT as reported on the CSE for the ten (10) consecutive full trading days ending at the closing of trading on the full trading day immediately preceding the date of payment.

(d) If the Sellers' Representative delivers a Response Notice during the Claim Dispute Period agreeing that less than the full Claimed Amount is owed to Purchaser Indemnitee, then within three (3) Business Days following the receipt of such Response Notice by Purchaser Indemnitee (or, to the extent funds or Consideration Securities remain in the Escrow Account, by the Escrow Agent): (i) to the extent funds or Consideration Securities remain in the Escrow Account, the Escrow Agent shall release to the applicable Purchaser Indemnitee from the Escrow Account, at Sellers' Representative's Option, (I) an amount in cash equal to the Agreed Amount (or such lesser amount as may remain in the Escrow Account), (II) an amount in Consideration Securities (valued, for this purpose, at $2.4948 per unit (as such price may be adjusted for share splits, combinations, dividends and similar matters), with a value equal to the Agreed Amount (or such lesser amount as may remain in the Escrow Account), or (III) a combination of cash and Consideration Securities as provided for in the foregoing clauses (I) and (II); provided, however, that to the extent the funds and Consideration Securities in the Escrow Account are insufficient to cover the Agreed Amount, the Sellers' Representative shall provide written notice thereof to each Seller, and each Seller shall pay to the applicable Purchaser Indemnitee, within three (3) Business Days following the receipt by such Seller of such written notice, such Seller's Pro Rata Share of the amount by which the Agreed Amount exceeds the remaining funds and Consideration Securities in the Escrow Account; or (ii) to the extent no funds or Consideration Securities remain in the Escrow Account, each Seller shall pay to the applicable Purchaser Indemnitee such Seller's Pro Rata Share of the Agreed Amount at such Sellers' option, in (i) cash, or (ii) Consideration Securities valued, for this purpose, at a five percent (5%) discount to the average of the closing sale price of one common share of TILT as reported on the CSE for the ten (10) consecutive full trading days ending at the closing of trading on the full trading day immediately preceding the date of payment.

(e) If the Sellers' Representative delivers a Response Notice during the Claim Dispute Period indicating that there is a Contested Amount, the Sellers' Representative and Purchaser Indemnitee shall attempt in good faith to resolve the dispute related to the Contested Amount. If Purchaser Indemnitee and the Sellers' Representative resolve such dispute, a settlement agreement stipulating the amount owed to the Indemnitee (the "Stipulated Amount") shall be signed by Purchaser Indemnitee and the Sellers' Representative. Within three (3) Business Days following the execution of such settlement agreement (or such shorter period of time as may be set forth in the settlement agreement): (i) to the extent funds or Consideration Securities remain in the Escrow Account, the Sellers' Representative and Purchaser shall deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to release to the applicable Purchaser Indemnitee from the Escrow Account, at Sellers' Representative's option, (I) an amount in cash equal to the Stipulated Amount (or such lesser amount as may remain in the Escrow Account), (ii) an amount in Consideration Securities (valued, for this purpose, at $2.4948 per unit (as such price may be adjusted for share splits, combinations, dividends and similar matters) with a value equal to the Stipulated Amount (or such lesser amount as may remain in the Escrow Account), or (III) a combination of cash and Consideration Securities as provided for in the foregoing clauses (I) and (II); provided, however, that to the extent the funds and Consideration Securities in the Escrow Account are insufficient to cover the Stipulated Amount, the Sellers' Representative shall provide written notice thereof to each Seller, and each Seller shall pay to the applicable Purchaser Indemnitee, within three (3) Business Days following the receipt by such Seller of such written notice, such Seller's Pro Rata Share of the amount by which the Stipulated Amount exceeds the remaining funds and Consideration Securities in the Escrow Account; or (ii) to the extent no funds or Consideration Securities remain in the Escrow Account, each Seller shall pay to the applicable Purchaser Indemnitee such Seller's Pro Rata Share of the Stipulated Amount at such Sellers' option, in (i) cash, or (ii) Consideration Securities valued, for this purpose, at a five percent (5%) discount to the average of the closing sale price of one common share of TILT as reported on the CSE for the ten (10) consecutive full trading days ending at the closing of trading on the full trading day immediately preceding the date of payment.

(f) In the event that there is a dispute relating to any Notice of Claim or any Contested Amount (whether it is a matter between any Purchaser Indemnitee, on the one hand, and the Sellers, on the other hand, or it is a matter that is subject to a Third Party Claim brought against any Purchaser Indemnitee) that remains unresolved after application of the terms of this Section 10.7, such dispute shall be settled in accordance with Section 12.11 hereof.

Section 10.8. Indemnification Claim Procedure for Seller Matters.

(a) If any Purchaser Indemnitee has or claims in good faith to have incurred or suffered, or believes in good faith that it may incur or suffer, Damages for which it is or may be entitled to be held harmless, indemnified, compensated or reimbursed pursuant to Section 10.2(b) or for which it is or may be entitled to a monetary remedy pursuant to Section 10.2(b) (such as in the case of a claim based on fraud or intentional misrepresentation), such Purchaser Indemnitee may deliver a notice of claim (a "Seller Matter Notice of Claim") to the applicable Seller and, to the extent funds or Consideration Securities remain in the Escrow Account, to the Escrow Agent. Each Seller Matter Notice of Claim shall: (i) state that such Purchaser Indemnitee believes in good faith that such Purchaser Indemnitee is or may be entitled to indemnification, compensation or reimbursement under Section 10.2(b) or is or may otherwise be entitled to a monetary remedy under Section 10.2(b); (ii) contain a brief description of the facts and circumstances supporting Purchaser Indemnitee's claim; and (iii) contain a good faith, non-binding, preliminary estimate of the aggregate amount of the actual and potential Damages that Purchaser Indemnitee believes have arisen and may arise as a result of such facts and circumstances (the aggregate amount of such estimate, as it may be modified by such Purchaser Indemnitee in good faith from time to time, being referred to as the "Seller Matter Claimed Amount").

(b) During the twenty (20)-day period commencing upon delivery by an Indemnitee to the Seller of a Seller Matter Notice of Claim (the "Seller Matter Claim Dispute Period"), the Seller may deliver to Purchaser Indemnitee who delivered the Seller Matter Notice of Claim and, to the extent funds or Consideration Securities remain in the Escrow Account, to the Escrow Agent a written response (the "Seller Matter Response Notice") in which the Seller: (i) agrees that the full Seller Matter Claimed Amount is owed to Purchaser Indemnitee; (ii) agrees that part, but not all, of the Seller Matter Claimed Amount (such agreed portion, the "Seller Matter Agreed Amount") is owed to Purchaser Indemnitee; or (iii) indicates that no part of the Seller Matter Claimed Amount is owed to Purchaser Indemnitee. If the Seller Matter Response Notice is delivered in accordance with clause (ii) or (iii) of the preceding sentence, the Seller Matter Response Notice shall also contain a brief description of the facts and circumstances supporting the Seller's claim that only a portion or no part of the Seller Matter Claimed Amount is owed to Purchaser Indemnitee, as the case may be. Any part of the Seller Matter Claimed Amount that is not agreed to be owed to Purchaser Indemnitee pursuant to the Seller Matter Response Notice (or the entire Seller Matter Claimed Amount, if the Seller asserts in the Seller Matter Response Notice that no part of the Seller Matter Claimed Amount is owed to Purchaser Indemnitee) is referred to in this Agreement as the "Seller Matter Contested Amount" (it being understood that the Seller Matter Contested Amount shall be modified from time to time to reflect any good faith modifications by Purchaser Indemnitee to the Seller Matter Claimed Amount). If no Response Notice is delivered prior to the expiration of the Seller Matter Claim Dispute Period, then the Seller shall be conclusively deemed to have agreed that the full Claimed Amount is owed to Purchaser Indemnitee.

(c) If: (i) the Seller delivers a Seller Matter Response Notice agreeing that the full Seller Matter Claimed Amount is owed to Purchaser Indemnitee; or (ii) the Seller does not deliver a Seller Matter Response Notice during the Seller Matter Claim Dispute Period, then, within three (3) Business Days following the receipt of such Seller Matter Response Notice by Purchaser Indemnitee (or, to the extent funds or Consideration Securities remain in the Escrow Account, by the Escrow Agent) or within three (3) Business Days after the expiration of the Seller Matter Claim Dispute Period, as the case may be: (A) to the extent funds or Consideration Securities remain in the Escrow Account and Purchaser so elects, the Escrow Agent shall release to the applicable Purchaser Indemnitee from the Escrow Account, at Sellers' Representatives' option, (I) an amount in cash equal to the full Seller Matter Claimed Amount (or such lesser amount as may remain in the Escrow Account), (II) an amount in Consideration Securities (valued, for this purpose, at $2.4948 per unit (as such price may be adjusted for share splits, combinations, dividends and similar matters) with a value equal to the full Seller Matter Claimed Amount (or such lesser amount as may remain in the Escrow Account), or (III) a combination of cash and Consideration Securities as provided for in the foregoing clauses (I) and (II); provided, however, that to the extent the funds and Consideration Securities in the Escrow Account are insufficient to cover the Seller Matter Claimed Amount, the Sellers' Representative shall provide written notice thereof to each Seller, and each Seller shall pay to the applicable Purchaser Indemnitee, within three (3) Business Days following the receipt by such Seller of such written notice, such Seller's Pro Rata Share of the amount by which the Seller Matter Claimed Amount exceeds the remaining funds and Consideration Securities in the Escrow Account; or (B) to the extent no funds or Consideration Securities remain in the Escrow Account, the applicable Seller shall pay to the applicable Purchaser Indemnitee such Seller's Pro Rata Share of the full Seller Matter Claimed Amount at such Sellers' option, in (i) cash, or (ii) Consideration Securities valued, for this purpose, at a five percent (5%) discount to the average of the closing sale price of one common share of TILT as reported on the CSE for the ten (10) consecutive full trading days ending at the closing of trading on the full trading day immediately preceding the date of payment.

(d) If the Seller delivers a Seller Matter Response Notice during the Seller Matter Claim Dispute Period agreeing that less than the full Seller Matter Claimed Amount is owed to Purchaser Indemnitee, then within three (3) Business Days following the receipt of such Response Notice by Purchaser Indemnitee (or, to the extent funds or Consideration Securities remain in the Escrow Account, by the Escrow Agent): (i) to the extent funds or Consideration Securities remain in the Escrow Account, the Escrow Agent shall release to the applicable Purchaser Indemnitee from the Escrow Account, at Sellers' Representative's option, (I) an amount in cash equal to the Seller Matter Agreed Amount (or such lesser amount as may remain in the Escrow Account), (ii) an amount in Consideration Securities (valued, for this purpose, at $2.4948 per unit (as such price may be adjusted for share splits, combinations, dividends and similar matters) with a value equal to the Seller Matter Agreed Amount (or such lesser amount as may remain in the Escrow Account), or (III) a combination of cash and Consideration Securities as provided for in the foregoing clauses (I) and (II); provided, however, that to the extent the funds and Consideration Securities in the Escrow Account are insufficient to cover the Seller Matter Agreed Amount, the Sellers' Representative shall provide written notice thereof to each Seller, and each Seller shall pay to the applicable Purchaser Indemnitee, within three (3) Business Days following the receipt by such Seller of such written notice, such Seller's Pro Rata Share of the amount by which the Seller Matter Agreed Amount exceeds the remaining funds and Consideration Securities in the Escrow Account; or (ii) to the extent no funds or Consideration Securities remain in the Escrow Account, the applicable Seller shall pay to the applicable Purchaser Indemnitee such Seller's Pro Rata Share of the Seller Matter Agreed Amount at such Sellers' option, in (i) cash, or (ii) Consideration Securities valued, for this purpose, at a five percent (5%) discount to the average of the closing sale price of one common share of TILT as reported on the CSE for the ten (10) consecutive full trading days ending at the closing of trading on the full trading day immediately preceding the date of payment.

(e) If the Seller delivers a Seller Matter Response Notice during the Seller Matter Claim Dispute Period indicating that there is a Seller Matter Contested Amount, the Seller and Purchaser Indemnitee shall attempt in good faith to resolve the dispute related to the Seller Matter Contested Amount. If Purchaser Indemnitee and the Seller resolve such dispute, a settlement agreement stipulating the amount owed to Purchaser Indemnitee (the "Seller Matter Stipulated Amount") shall be signed by Purchaser Indemnitee and the Seller. Within three (3) Business Days following the execution of such settlement agreement (or such shorter period of time as may be set forth in the settlement agreement): (i) to the extent funds or Consideration Securities remain in the Escrow Account, the Sellers' Representative and Purchaser shall deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to release to the applicable Purchaser Indemnitee from the Escrow Account, at Sellers' Representative's option, (I) an amount in cash equal to the Seller Matter Stipulated Amount (or such lesser amount as may remain in the Escrow Account), (II) an amount in Consideration Securities (valued, for this purpose, at $2.4948 per unit (as such price may be adjusted for share splits, combinations, dividends and similar matters) with a value equal to the Seller Matter Stipulated Amount (or such lesser amount as may remain in the Escrow Account), or (III) a combination of cash and Consideration Securities as provided for in the foregoing clauses (I) and (II); provided, however, that to the extent the funds and Consideration Securities in the Escrow Account are insufficient to cover the Seller Matter Stipulated Amount, the Sellers' Representative shall provide written notice thereof to each Seller, and each Seller shall pay to the applicable Purchaser Indemnitee, within three (3) Business Days following the receipt by such Seller of such written notice, such Seller's Pro Rata Share of the amount by which the Seller Matter Stipulated Amount exceeds the remaining funds and Consideration Securities in the Escrow Account; or (ii) to the extent no funds or Consideration Securities remain in the Escrow Account, each Seller shall pay to the applicable Purchaser Indemnitee such Seller's Pro Rata Share of the Seller Matter Stipulated Amount at such Sellers' option, in (i) cash, or (ii) Consideration Securities valued, for this purpose, at a five percent (5%) discount to the average of the closing sale price of one common share of TILT as reported on the CSE for the ten (10) consecutive full trading days ending at the closing of trading on the full trading day immediately preceding the date of payment.

(f) In the event that there is a dispute relating to any Seller Matter Notice of Claim or any Contested Amount (whether it is a matter between any Indemnitee, on the one hand, and the Sellers, on the other hand, or it is a matter that is subject to a Third Party Claim brought against any Purchaser Indemnitee) that remains unresolved after application of the terms of this Section 10.8, such dispute shall be settled in accordance with Section 12.11 hereof.

Section 10.9. Indemnification Claim Procedure for Purchaser Matters.

(a) If any Seller Indemnitee has or claims in good faith to have incurred or suffered Damages for which it is or may be entitled to be held harmless, indemnified, compensated or reimbursed under this Article X or for which it is or may be entitled to a monetary remedy (such as in the case of a claim based on fraud or intentional misrepresentation), such Seller Indemnitee may deliver a notice of claim (a "Purchaser Matter Notice of Claim") to Purchaser. Each Purchaser Matter Notice of Claim shall: (i) state that such Seller Indemnitee believes in good faith that such Seller Indemnitee is or may be entitled to indemnification, compensation or reimbursement under Article X or is or may otherwise be entitled to a monetary remedy under Article X; (ii) contain a brief description of the facts and circumstances supporting the Seller

Indemnitee's claim; and (iii) contain a good faith, non-binding, preliminary estimate of the aggregate amount of the actual and potential Damages that the Seller Indemnitee believes have arisen and may arise as a result of such facts and circumstances (the aggregate amount of such estimate, as it may be modified by such Seller Indemnitee in good faith from time to time, being referred to as the "Purchaser Matter Claimed Amount").

(b) During the twenty (20)-day period commencing upon delivery by a Seller Indemnitee to Purchaser of a Purchaser Matter Notice of Claim (the "Purchaser Matter Claim Dispute Period"), Purchaser may deliver to the Seller Indemnitee who delivered Purchaser Matter Notice of Claim a written response (the Purchaser Matter Response Notice") in which Purchaser: (i) agrees that the full Purchaser Matter Claimed Amount is owed to the Seller Indemnitee; (ii) agrees that part, but not all, of Purchaser Matter Claimed Amount (such agreed portion, the "Purchaser Matter Agreed Amount") is owed to the Seller Indemnitee; or (iii) indicates that no part of Purchaser Matter Claimed Amount is owed to the Seller Indemnitee. If the Purchaser Matter Response Notice is delivered in accordance with clause (ii) or (iii) of the preceding sentence, the Purchaser Matter Response Notice shall also contain a brief description of the facts and circumstances supporting Purchaser's claim that only a portion or no part of Purchaser Matter Claimed Amount is owed to the Seller Indemnitee, as the case may be. Any part of the Purchaser Matter Claimed Amount that is not agreed to be owed to the Seller Indemnitee pursuant to the Purchaser Matter Response Notice (or the entire Purchaser Matter Claimed Amount, if Purchaser asserts in Purchaser Matter Response Notice that no part of the Purchaser Matter Claimed Amount is owed to the Seller Indemnitee) is referred to in this Agreement as the "Purchaser Matter Contested Amount" (it being understood that the Purchaser Matter Contested Amount shall be modified from time to time to reflect any good faith modifications by the Indemnitee to the Purchaser Matter Claimed Amount). If no Response Notice is delivered prior to the expiration of the Purchaser Matter Claim Dispute Period, then Purchaser shall be conclusively deemed to have agreed that the full Claimed Amount is owed to the Seller Indemnitee.

(c) If: (i) Purchaser delivers a Purchaser Matter Response Notice agreeing that the full Purchaser Matter Claimed Amount is owed to the Seller Indemnitee; or (ii) Purchaser does not deliver a Purchaser Matter Response Notice during the Purchaser Matter Claim Dispute Period, then, within three (3) Business Days following the receipt of such Purchaser Matter Response Notice by the Seller Indemnitee or within three (3) Business Days after the expiration of the Purchaser Matter Claim Dispute Period, as the case may be, Purchaser shall pay to the applicable Seller Indemnitee the full Purchaser Matter Claimed Amount.

(d) If Purchaser delivers a Purchaser Matter Response Notice during the Purchaser Matter Claim Dispute Period agreeing that less than the full Purchaser Matter Claimed Amount is owed to the Seller Indemnitee, then within three (3) Business Days following the receipt of such Response Notice by the Seller Indemnitee, Purchaser shall pay to the applicable Seller Indemnitee the Purchaser Matter Agreed Amount.

(e) If Purchaser delivers a Purchaser Matter Response Notice during the Purchaser Matter Claim Dispute Period indicating that there is a Purchaser Matter Contested Amount, Purchaser and the Seller Indemnitee shall attempt in good faith to resolve the dispute related to the Purchaser Matter Contested Amount. If the Seller Indemnitee and Purchaser resolve such dispute, a settlement agreement stipulating the amount owed to the Seller Indemnitee (the "Purchaser Matter Stipulated Amount") shall be signed by the Seller Indemnitee and Purchaser. Within three (3) Business Days following the execution of such settlement agreement (or such shorter period of time as may be set forth in the settlement agreement), Purchaser shall pay to the applicable Seller Indemnitee the Purchaser Matter Stipulated Amount.

(f) In the event that there is a dispute relating to any Purchaser Matter Notice of Claim or any Contested Amount that remains unresolved after application of the terms of this Section 10.9, such dispute shall be settled in accordance with Section 12.11 hereof.

Section 10.10. Exercise of Remedies Other Than by the Sellers and Purchaser

(a) No Purchaser Indemnitee or Seller Indemnitee (other than Purchaser, the Sellers, the Company or any successor thereto or assign thereof) shall be permitted to assert any indemnification claim or exercise any other remedy under this Agreement unless Purchaser, the Sellers, the Company or any successor thereto or assign thereof, as the case may be, shall have consented to the assertion of such indemnification claim or the exercise of such other remedy.

Section 10.11. Escrow Release.

(a) If the funds and value of the Consideration Securities remaining in the Escrow Account, including any interest accrued or income otherwise earned thereon owned by the Sellers, as of the General Survival Date (the "Escrow Balance") exceed the aggregate dollar amount, as of the General Survival Date, of Claimed Amounts and Contested Amounts associated with all indemnification claims contained in any Notice of Claim that have not been finally resolved and paid prior to the General Survival Date in accordance with Section 10.7 and Section 10.8 (each, an "Unresolved Escrow Claim" and the aggregate dollar amount of such Claimed Amounts and Contested Amounts as of the General Survival Date being referred to as the "Pending Claim Amount"), then the Sellers' Representative and Purchaser shall, within three (3) Business Days following the General Survival Date, deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to release from the Escrow Account an amount equal to the Escrow Balance ***minus*** the Pending Claim Amount to the Sellers' Representative (on behalf of the Sellers on a Pro Rata Share basis).

(b) Following the General Survival Date, if an Unresolved Escrow Claim is finally resolved, Purchaser and the Sellers' Representative shall, within three (3) Business Days after the final resolution of such Unresolved Escrow Claim, deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to release from the Escrow Account: (i) to the applicable Purchaser Indemnitee an amount in cash and Consideration Securities determined in accordance with Section 10.7 and Section 10.8, and (ii) to the Sellers' Representative (on behalf of the Sellers on a Pro Rata Share basis) an amount equal to the amount (if any) by which the amount of funds and Consideration Securities remaining in the Escrow Account, including any interest accrued or income otherwise earned thereon owned by the Sellers, as of the date of resolution of such Unresolved Escrow Claim exceeds the aggregate amount of the remaining Pending Claim Amount.

Section 10.12. Exclusive Remedy.

Except: (a) for equitable relief, to which any party hereto may be entitled pursuant to this Agreement; (b) for Damages resulting from or arising out of fraud or intentional misrepresentation; and (c) as otherwise expressly provided in this Agreement, after the Closing the indemnification provided in this Article X shall be the sole and exclusive remedy of the parties for damages for any breach of any representation, warranty or covenant contained in this Agreement.

ARTICLE XI

TERMINATION

Section 11.1. Termination .

This Agreement may be terminated and the Transactions may be abandoned at any time prior to the Closing:

(a) by the mutual written consent of Purchaser and the Sellers' Representative;

(b) by the Sellers' Representative, by written notice from the Sellers' Representative to Purchaser, if the Closing shall not have occurred on or before January 31, 2019 (the "Outside Date"); provided, however, that the right to terminate this Agreement under this Section 11.1(b) shall not be available to the Sellers' Representative if the failure of any Seller or the Sellers' Representative to fulfill any of its obligations under this Agreement shall have been the principal cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date;

(c) by Purchaser, by written notice from Purchaser to the Sellers' Representative, if the Closing shall not have occurred on or before the Outside Date; provided, however, that the right to terminate this Agreement under this Section 11.1(c) shall not be available to Purchaser if the failure of Purchaser to fulfill any of its obligations under this Agreement shall have been the principal cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date;

(d) by the Sellers' Representative, by written notice from the Sellers' Representative to Purchaser, if: (i) there exists a breach of or inaccuracy in any representation or warranty made by Purchaser in this Agreement such that the condition set forth in Section 9.2(a) is not capable of being satisfied; or (ii) Purchaser shall have breached any of the covenants or agreements contained in this Agreement to be complied with by it such that the condition set forth in Section 9.2(b) is not capable of being satisfied and, in the case of clauses (i) and (ii), such breach is incapable of being cured or, if capable of being cured, is not cured by Purchaser prior to the earlier of: (x) thirty (30) days after receipt of written notice thereof from the Sellers' Representative or (y) the Outside Date;

(e) by Purchaser, by written notice from Purchaser to the Sellers' Representative, if: (i) there exists a breach of or inaccuracy in any representation or warranty made by the Sellers in this Agreement such that the condition set forth in Section 9.1(a) is not capable of being satisfied; or (ii) any Seller or the Sellers' Representative shall have breached any of the covenants or agreements contained in this Agreement to be complied with by any of them such that the condition set forth in Section 9.1(b) is not capable of being satisfied and, in the case of clauses (i) and (ii), such breach is incapable of being cured or, if capable of being cured, is not cured by Sellers or the Sellers' Representative prior to the earlier of: (x) thirty (30) days after receipt of written notice thereof from Purchaser or (y) the Outside Date;

(f) by Purchaser, by written notice from Purchaser to the Sellers' Representative, if, after the date of this Agreement, there shall have occurred a Company Material Adverse Effect;

(g) by Sellers, by written notice from Sellers' Representative, if, after the date of this Agreement, there shall have occurred a Purchaser Material Adverse Effect; or

(h) by Purchaser, by written notice from Purchaser to the Sellers' Representative, or the Sellers' Representative, by written notice from the Sellers' Representative to Purchaser, if:

( ) any Governmental Entity shall have issued an Order or taken any other action permanently restraining, enjoining or otherwise prohibiting the Transactions and such Order or other action shall have become final and non-appealable; or (ii) any Law shall have been enacted, issued or promulgated which has the effect of making consummation of the Transaction illegal or otherwise prohibits consummation of the Transactions.

Section 11.2. Effect of Termination.

If this Agreement is terminated pursuant to Section 11.1, this Agreement shall forthwith become null and void and have no further effect, and there shall be no Liability or obligation on the part of Purchaser, any of the Sellers, the Sellers' Representative, any of their respective Affiliates, or any of their respective officers, directors, equity holders, managers or partners, and all rights and obligations of the parties hereunder shall cease; provided, however, that notwithstanding the foregoing: (a) the provisions of this Section 11.2 and Article XII (except for Section 12.13) shall survive the termination of this Agreement and shall continue in full force and effect in accordance with their terms; and (b) nothing herein shall relieve any party hereto from liability for Damages incurred or suffered by any other party hereto as a result of any knowing and willful breach by such party of any of its covenants or other agreements set forth in this Agreement prior to the time of such termination.

ARTICLE XII

MISCELLANEOUS

Section 12.1. Publicity.

(a) So long as this Agreement is in effect, , no party hereto nor any of their respective Affiliates (excluding, for the avoidance of doubt, Purchaser and the Company after the Closing) shall issue or cause the publication of any press release or other public or industry announcement, statement or acknowledgment with respect to this Agreement or any of the Transactions absent the prior written consent of the Purchaser and the Sellers' Representative.

(b) Purchaser and each Seller shall, and shall cause his, her or its Affiliates to, and shall instruct his, her or its and their respective Representatives to, hold in confidence the existence of this Agreement, the ancillary documents contemplated by this Agreement, and the terms hereof and thereof, and each such Person shall not disclose any such information to any other Person; provided, however, that such Person may disclose any such information: (i) that after the date of this Agreement becomes generally available to the public other than through a breach by Purchaser or the applicable Seller, any of his, her or its Affiliates or any of his, her or its or their respective Representatives of their respective obligations under this Section 12.1(b); (ii) to his, her or its respective tax, accounting or legal Representatives who have a need to know such information and are informed of the confidential nature of such information; (iii) as required by applicable Law, by any Governmental Entity or under any subpoena, civil investigative demand or other similar process by a court of competent jurisdiction having jurisdiction over such Person; or (iv) with Purchaser's and the Sellers' Representations prior written consent.

Section 12.2. Amendment and Modification.

This Agreement may not be amended, modified or supplemented except by an instrument in writing signed by Purchaser and the Sellers' Representative.

Section 12.3. Extension; Waiver.

At any time prior to the Closing, the parties may: (a) extend the time for the performance of any of the obligations or other acts of any party; (b) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant to this Agreement; and (c) waive compliance with any of the agreements or conditions contained in this Agreement or in any document delivered pursuant to this Agreement. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or

otherwise shall not constitute a waiver of such rights, nor shall any single or partial exercise of any such rights preclude any other or further exercise thereof.

Section 12.4. Notices.

Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed to have been duly given and effective: (a) on the date of transmission, if such notice or communication is sent via electronic mail and receipt is confirmed, at the email address specified in this Section 12.4, prior to 5:00 p.m., Pacific Time, on a Business Day; (b) on the first Business Day after the date of transmission, if such notice or communication is sent via electronic mail and receipt is confirmed, at the email address specified in this Section 12.4 (i) at or after 5:00 p.m., Pacific Time, on a Business Day or (ii) on a day that is not a Business Day; (c) when received, if sent by nationally recognized overnight courier service; or (d) upon actual receipt by the party to whom such notice is required or permitted to be given. The address for such notices and communications (unless changed by the applicable party by like notice) shall be as follows:

(A) if to the Sellers or the Sellers' Representative, to:

Mark Scatterday
4400 N. Scottsdale Rd., Ste 9 #529
Scottsdale, AZ 85251
Email: [***]

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

Snell & Wilmer L.L.P.
One Arizona Center
400 East Van Buren
Phoenix, Arizona 85004
Attn: Daniel Mahoney
E-mail: [*]
Attn: Joshua Schneiderman
E-mail: [***]

(B) if to Purchaser, to:

1300 Elizabeth Avenue
West Palm Beach, FL 33401
Attention: Alex Coleman
Email: [***]

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

O'Melveny & Myers LLP
Two Embarcadero Center, Embarcadero Center 28th Floor
San Francisco, CA 94111
Attention: Brophy Christensen, Esq.
Telephone: (415) 984-8793
Email: [***]

Section 12.5. Counterparts.

This Agreement may be executed in any number of counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed an original, but all of which shall be considered one and the same agreement, and shall become effective when each party has received counterparts signed by each of the other parties, it being understood and agreed that delivery of a signed counterpart signature page to this Agreement by facsimile transmission, by electronic mail in portable document format (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document shall constitute valid and sufficient delivery thereof.

Section 12.6. Entire Agreement; Third Party Beneficiaries.

This Agreement (including the documents and the instruments referred to herein): (a) constitutes the entire agreement among the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement and (b) except as expressly provided herein, is not intended to confer upon any Person other than the parties hereto and their respective successors and permitted assigns any rights, benefits or remedies whatsoever.

Section 12.7. Severability.

If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall nevertheless remain in full force and effect and shall in no way be affected, impaired or invalidated. Upon such determination that any term, provision, covenant or restriction is invalid, illegal, void, unenforceable or against regulatory policy, the parties hereto shall negotiate in good faith to modify this Agreement so as to affect the original intent of the parties hereto as closely as possible in an acceptable manner in order that the Transactions are consummated as originally contemplated to the greatest extent possible.

Section 12.8. Governing Law.

This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware (including in respect of the statute of limitations or other limitations period applicable to any state Law claim, controversy or dispute) that apply to agreements made and performed entirely within the State of Delaware, without regard to the conflicts of law provisions thereof or of any other jurisdiction. Each party hereto agrees and acknowledges that the application of the Laws of the State of Delaware is

reasonable and appropriate based upon the parties' respective interests and contacts with the State of Delaware. Each of the parties waives any right or interest in having the Laws of any other state, including specifically, state Law regarding the statute of limitation or other limitations period, apply to any party's state Law claim, controversy or dispute which in any way arises out of or relates to this Agreement or the Transactions.

Section 12.9. Assignment.

Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any of the parties hereto, in whole or in part (whether by operation of law, division or otherwise), without the prior written consent of the other parties hereto; Purchaser and its Affiliates shall be permitted to collaterally assign, at any time and in their sole discretion, their respective rights hereunder to any lender or lenders providing financing to Purchaser or any of its Affiliates (including any agent for any such lender or lenders) or to any assignee or assignees of such lender, lenders or agent. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns. Any purported assignment in violation of the provisions of this Agreement shall be null and void ab initio.

Section 12.10. Expenses.

Except as expressly set forth in this Agreement, all fees, costs and expenses incurred by any party to this Agreement or on its behalf in connection with this Agreement and the Transactions shall be paid by the party incurring such expenses; provided, however, that Purchaser may pay any such fees, costs and expenses incurred by Purchaser or on its behalf directly or through one of its Affiliates (including the Company following the Closing).

Section 12.11. Submission to Jurisdiction; Waiver of Jury Trial

(a) Each party hereto, for itself and its successors and assigns, irrevocably agrees that any Proceeding arising out of or relating to this Agreement or any of the Transactions shall be brought and determined in the Court of Chancery in and for New Castle County in the State of Delaware (or, if subject matter jurisdiction in that court is not available, in any appropriate state or federal courts in New Castle County in the State of Delaware) (and each such party shall not bring any Proceeding arising out of or relating to this Agreement or any of the Transactions in any court other than the aforesaid courts), and each party hereto, for itself and its successors and assigns and in respect to its property, hereby irrevocably submits with regard to any such Proceeding, generally and unconditionally, to the exclusive jurisdiction of the aforesaid courts. Each party hereto, for itself and its successors and assigns, hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any such Proceeding: (i) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to lawfully serve process; (ii) that it or its property is exempt or immune from jurisdiction of such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise); and (iii) that (A) such Proceeding in any such court is brought in an inconvenient forum; (B) the venue of such Proceeding is improper; and (C) this Agreement, the Transactions or the subject matter hereof or thereof, may not be enforced in or by such courts.

(b) EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS. EACH PARTY HERETO 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 ANY SUCH PROCEEDING; (II) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (III) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY; AND (IV) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS Section 12.11(b).

Section 12.12. Construction of Agreement

(a) The terms and provisions of this Agreement represent the results of negotiations among the parties hereto, each of which has been represented by counsel of its own choosing, and none of which has acted under duress or compulsion, whether legal, economic or otherwise. Accordingly, the terms and provisions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings, and each of the parties hereto hereby waives the application in connection with the interpretation and construction of this Agreement of any Law to the effect that ambiguous or conflicting terms or provisions contained in this Agreement shall be interpreted or construed against the party whose attorney prepared the executed draft or any earlier draft of this Agreement.

(b) All references in this Agreement to Sections, Articles and Schedules without further specification are to Sections and Articles of, and Schedules to, this Agreement.

(c) The Table of Contents and the captions in this Agreement are for convenience only and shall not in any way affect the meaning, interpretation or construction of any provisions of this Agreement.

(d) Unless the context otherwise requires, "or" is not exclusive.

(e) Unless the context otherwise requires, "including" means "including but not limited to".

(f) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as the feminine and neuter genders of such terms.

(g) Time is of the essence in the performance of the parties' respective obligations under this Agreement.

(h) Any item disclosed in any particular section or subsection of the Sellers Disclosure Schedule or Purchaser Disclosure Schedule shall be deemed to be disclosed in any other section or subsection of the Sellers Disclosure Schedule or Purchaser Disclosure Schedule if the relevance of such item to the other section or subsection is readily apparent on the face of such disclosure.

Section 12.13. Specific Performance and Other Remedies.

The parties hereto agree that if any of the provisions of this Agreement were not to be performed as required by their specific terms or were to be otherwise breached, irreparable damage will occur to the other parties, no adequate remedy at law would exist and damages would be difficult to determine. Accordingly, the parties hereto acknowledge that the parties hereto shall be entitled to an injunction or injunctions to prevent breaches or threatened breaches of this Agreement by any other party or to

specific performance of the terms hereof, without posting any bond and without proving that monetary damages would be inadequate, in addition to any other remedy at law or equity. No party shall oppose, argue, contend or otherwise be permitted to raise as a defense that an adequate remedy at law exists or that specific performance or equitable or injunctive relief is inappropriate or unavailable with respect to any breach of this Agreement.

Section 12.14. Sellers' Representative

(a) Appointment. Each Seller hereby irrevocably nominates, constitutes and appoints Mark Scatterday as his, her or its agent and true lawful attorney in fact (the "Sellers' Representative"), with full power of substitution, to act in the name, place and stead of the Sellers for purposes of executing any documents and taking any actions that the Sellers' Representative may, in his sole discretion, determine to be necessary, desirable or appropriate in connection with such Sellers' Representative's duties and obligations under this Agreement or the Escrow Agreement.

(b) Expense Fund. In furtherance of the foregoing, at the Closing, an amount in cash equal to the Expense Fund shall be withheld from the portion of the Estimated Purchase Price payable to the holders of Purchased Equity at Closing and deposited into an account designated by the Sellers' Representative. The Expense Fund shall be held and administered by the Sellers' Representative in accordance with the terms of this Section 12.14. The Sellers' Representative, in his sole discretion, shall have the right to pay (or reimburse himself to the extent he has advanced) the out-of-pocket costs and expenses associated with the performance of his duties hereunder (including legal fees and costs) (collectively, "Seller Expenses") from the Expense Fund. The Sellers will not receive any interest or earnings on the Expense Fund and irrevocably transfer and assign to the Sellers' Representative any ownership right that they may otherwise have had in any such interest or earnings. The Sellers' Representative will not be liable for any loss of principal of the Expense Fund other than as a result of his gross negligence or willful misconduct. The Sellers' Representative shall (i) maintain the Expense Fund in an account maintained solely for such Expense Fund and no other funds, (ii) and shall disburse the funds in such account exclusively in accordance with this Agreement. If at any time the balance of the Expense Fund is insufficient to pay or reimburse the full amount of Seller Expenses, then the Sellers' Representative shall have the right to charge the excess to the Sellers, with each Seller being severally liable for the excess amounts pro rata has described above. At such time or times as the Sellers' Representative determines, in his reasonable judgment, that the remaining balance in the Expense Fund exceeds the amount required to cover the Seller Expenses that he reasonably expects to be incurred, the Sellers' Representative shall distribute the excess funds to the Sellers.

(c) Authority. Each Seller hereby grants to the Sellers' Representative full authority to execute, deliver, acknowledge, certify and file on behalf of such Seller (in the name of any or all of the Sellers or otherwise) any and all documents that the Sellers' Representative may, in his sole discretion, determine to be necessary, desirable or appropriate, in such forms and containing such provisions as the Sellers' Representative may, in his sole discretion, determine to be appropriate, in performing his duties as contemplated by this Agreement or the Escrow Agreement. Notwithstanding anything to the contrary set forth in this Agreement or in any other agreement executed in connection with the Transactions: (i) Purchaser, each Purchaser Indemnitee and each such party's Representatives shall be entitled to deal exclusively with the Sellers' Representative on all matters relating to the Estimated Closing Date Statement, the Closing Date Statement and the determination of the Purchase Price under Section 2.8, on all tax matters under Article VIII, on all matters relating to any claim for indemnification, compensation or reimbursement under Article X, and on all matters related to the Escrow Agreement; and (ii) Purchaser, each Purchaser Indemnitee and each such party's Representatives shall be entitled to rely conclusively (without further evidence of any kind whatsoever) on any document executed or purported to be executed on behalf of any Seller by the Sellers' Representative, and on any other action taken or purported to be taken on behalf of any Seller by the Sellers' Representative, as fully binding upon such Seller. The Sellers, individually and independently, hereby acknowledge and agree that (x) the Sellers' Representative shall be solely responsible for ensuring that each Seller receives that portion of any amount(s) to which such Seller is entitled in connection with the Transactions based upon his, her or its Pro Rata Share and which is paid by Purchaser to the Sellers' Representative; and (y) Purchaser shall bear no obligation or responsibility to any Seller with regard to the obligations of the Sellers' Representative relating to the pro-rata distribution of such payments or otherwise.

(d) Reliance. the Sellers' Representative shall not have by reason of this Agreement a fiduciary relationship in respect of any Sellers. All actions, decisions and instructions of the Sellers' Representative shall be conclusive and binding upon all of the Sellers, and no Seller shall have any cause of action against the Sellers' Representative, and the Sellers' Representative shall not be liable to any Seller, for any action taken or not taken, decision made or instruction given by the Sellers' Representative under this Agreement, except for actions or omissions constituting fraud or willful misconduct by the Sellers' Representative. Neither the Sellers' Representative nor any agent employed by it shall incur any liability to any Seller by virtue of the performance of its other duties hereunder, except for actions or omissions constituting fraud or willful misconduct by the Sellers' Representative.

(e) Sellers' Representative Indemnification. A Seller will be deemed a party or a signatory to any agreement, document, instrument or certificate for which the Sellers' Representative signs on behalf of such Seller. The Sellers shall pay and indemnify and hold harmless the Indemnitees from and against any losses that they may suffer or sustain as the result of any claim by any Person that an action taken by the Sellers' Representative on behalf of the Sellers is not binding on, or enforceable against, the Sellers. The provisions of this Section 12.14 are binding upon the executors, heirs, legal representatives and successors of each Seller, and any references in this Article XII to a Seller means and includes any successors to any such Seller's rights hereunder, whether pursuant to testamentary disposition, the laws of descent and distribution or otherwise

(f) Power of Attorney. Each Seller recognizes and intends that the power of attorney granted in this Section 12.14: (i) is coupled with an interest and is irrevocable; (ii) may be delegated by the Sellers' Representative; and (iii) shall survive the death, incapacity, dissolution, liquidation or winding up of each of the Sellers.

(g) Replacement. If the Sellers' Representative shall die, resign, become disabled, or otherwise be unable to fulfill his responsibilities hereunder, the Sellers shall (by consent of the Sellers entitled to at least a majority of the Purchase Price), within ten (10) days after such death, resignation, disability, or inability, appoint a successor to the Sellers' Representative (who shall be reasonably satisfactory to Purchaser) and promptly thereafter notify Purchaser of the identity of such successor. Any such successor shall succeed the Sellers' Representative as Sellers' Representative hereunder. If for any reason there is no Sellers' Representative at any time, all references herein to the Sellers' Representative shall be deemed to refer to the Sellers.

Section 12.15. Conflict Waiver; Attorney-Client Privilege

(a) Each of the parties hereto acknowledges that Snell & Wilmer L.L.P. and Jordan Geotas (collectively, "Sellers' Counsel") is serving as counsel for the Company and the Sellers' Representative in connection with the negotiation and consummation of this Agreement, the other documents contemplated, executed and delivered pursuant to this Agreement, and the Transaction Documents and Sellers' Counsel has represented the Company on other matters. Purchaser and the Company expressly consent to Sellers' Counsel's representation of the Sellers' Representative in any matter after the date of this Agreement in which the interests of Purchaser, on the one hand and the Sellers and the Sellers' Representative, on the other hand, are adverse and Purchaser shall not, and shall cause the Company not to, seek to or have Sellers' Counsel disqualified from any such representation based upon the prior representation of the Company by Sellers' Counsel, whether or not such matter is one in which Sellers' Counsel may have previously advised the Company, and the Company and Purchaser agree to cause the Company to execute and deliver any conflict waiver letter or other document, reasonably requested by the Sellers' Representative, to confirm and implement such consent and the provisions of this Section 12.15. The covenants, consent and waiver contained in this Section 12.15 shall not be deemed exclusive of any other rights to which Sellers' Counsel is entitled whether pursuant to law, contract or otherwise.

(b) Each party to this Agreement further acknowledges that, notwithstanding any other provision in this Agreement to the contrary, although Purchaser is acquiring the Purchased Equity pursuant to this Agreement, after the Date of this Agreement, neither Purchaser nor the Company shall have any right to any attorney-client privileged matters or materials arising out of or relating to the legal representation of the Company and the Sellers' Representative and pertaining to the Transaction Documents (collectively, the "Seller Retained Materials"), and, at the Closing, all rights to any Seller Retained Materials shall, without the requirement of any further action, be deemed automatically transferred to and fully vested in the Sellers' Representative and not in the Company, and, as such, Purchaser and the Company expressly consent to the disclosure by Sellers' Counsel to the Sellers' Representative of any information learned by Sellers' Counsel in the course of its representation of the Company and such information shall be deemed to be attorney-client privileged and the expectation of client confidence relating thereto shall belong solely to the Sellers' Representative and shall not pass to or be claimed by Purchaser or the Company. Accordingly, Purchaser and the Company shall not have access to any Seller Retained Materials or to the files of Sellers' Counsel relating to Sellers' Counsel's engagement in connection with the Transaction Documents from and after the date of this Agreement. Without limiting the generality of the foregoing, from and after the date of this Agreement, (i) the Sellers' Representative (and not Purchaser or the Company) shall be the sole holders of the attorney-client privilege with respect to the Seller Retained Materials, and none of Purchaser or the Company shall be a holder thereof, (ii) to the extent that files of Sellers' Counsel in respect of Sellers' Counsel's engagement in connection with the Transaction Documents constitute property of the client, only the Sellers' Representative (and not Purchaser nor the Company) shall hold such property rights and (iii) Sellers' Counsel shall have no duty whatsoever to reveal or disclose any Seller Retained Materials to Purchaser or the Company by reason of any attorney-client relationship between Sellers' Counsel and the Company or otherwise. Notwithstanding the foregoing, in the event that a dispute arises between Purchaser or the Company and a third party after the date of this Agreement, the Company may assert and control the attorney-client privilege to prevent disclosure of confidential communications by Sellers' Counsel or the Sellers' Representative to such third party, or alternatively, Purchaser or the Company may seek to have the Sellers' Representative waive the attorney-client privilege or other privilege or work product protection of the Seller Retained Materials (which consent shall not be unreasonably withheld, conditioned or delayed) if Purchaser has a good faith belief that such Seller Retained Materials may be relevant to such dispute. Under no circumstances shall the Sellers' Representative or any of the Sellers, as applicable, waive the attorney-client privilege to permit any disclosure of the Seller Retained Materials to any third party without the prior written consent (not to be unreasonably withheld, conditioned or delayed) of the Purchaser. In the event that the Sellers' Representative or any Seller is legally required by governmental order or otherwise to access or obtain a copy of all or a portion of the Seller Retained Materials, such party shall immediately notify Purchaser in writing so that Purchaser, in its sole discretion, can seek, at Purchaser's sole expense, a protective order and the Sellers' Representative and each Seller (as reasonably needed) agrees to use commercially reasonable efforts, at Purchaser's sole expense, to assist therewith. Purchaser and the Company irrevocably waive any right they may have to discover or obtain any Seller Retained Materials. Nothing set forth herein shall affect the attorney-client privilege with respect to any communications between Sellers' Counsel, on the one hand, and the Company or any its representatives, on the other hand, with respect to communications other than those made solely and directly in connection with the Transaction matters.

(c) This Section 12.15 is intended for the benefit of, and shall be enforceable by, Sellers' Counsel. This Section 12.15 shall be irrevocable, and no term of this Section 12.15 may be amended, waived or modified, without the prior written consent of Sellers' Counsel.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, Purchaser, the Sellers and the Sellers' Representative have caused this Agreement to be executed on the date first set forth above.

PARENT:
JIMMY JANG, L.P.

By: /s/ Geoff Hamm
Name: Geoff Hamm

SELLERS:
[***]

By: [***]
Name: [***]

[***]

By: [***]
Name: [***]

[***]

By: [***]
Name: [***]

[***]

By: [***]
Name: [***]

[***]

By: [***]
Name: [***]

[***]

By: [***]
Name: [***]

SELLERS' REPRESENTATIVE:

MARK SCATTERDAY

By: /s/ Mark Scatterday
Name: Mark Scatterday

COMPANY

JUPITER RESEARCH, LLC

By: /s/ Mark Scatterday
Name: Mark Scatterday

MERGER SUB

HAMMBUTNOCHEESE MERGER SUB, INC.

By: /s/ Geoff Hamm
Name: Geoff Hamm

Exhibit 2.3

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

AGREEMENT OF PURCHASE AND SALE

between

DANIEL G. DAROSA, AS TRUSTEE OF 30 MOZZONE BOULEVARD 2013 REALTY TRUST, as SELLER

and

COMMONWEALTH ALTERNATIVE CARE, INC., as BUYER

Dated: February 8, 2022

LIST OF EXHIBITS AND SCHEDULES

EXHIBITS

Exhibit A-1	Legal Description of Units
Exhibit A-2	Legal Description of the Land
Exhibit B	Form of Condominium Unit Deed
Exhibit C	Form of Bill of Sale
Exhibit D	Form of Assignment of Service Contracts, Warranties and Other Intangible Property

SCHEDULES

Schedule 1	Form of Escrow Agreement
Schedule 2	List of Services Contracts

THIS AGREEMENT IS SUBJECT TO STRICT REQUIREMENTS FOR ONGOING REGULATORY COMPLIANCE BY THE PARTIES HERETO, INCLUDING, WITHOUT LIMITATION, REQUIREMENTS THAT THE PARTIES TAKE NO ACTION IN VIOLATION OF EITHER M.G.L. C. 94G AND M.G.L. C. 94I (COLLECTIVELY, TOGETHER WITH ALL RELATED RULES AND REGULATIONS THEREUNDER, AND ANY AMENDMENT OR REPLACEMENT ACT, RULES, OR REGULATIONS, THE "ACT") OR THE GUIDANCE OR INSTRUCTION OF THE COMMONWEALTH OF MASSACHUSETTS CANNABIS CONTROL COMMISSION (TOGETHER WITH ANY SUCCESSOR OR REGULATOR WITH OVERLAPPING JURISDICTION, THE "REGULATOR"). SECTION 16.19 OF THIS AGREEMENT CONTAINS SPECIFIC REQUIREMENTS AND COMMITMENTS BY THE PARTIES TO MAINTAIN FULLY THEIR RESPECTIVE COMPLIANCE WITH THE ACT AND THE REGULATOR. THE PARTIES HAVE READ AND FULLY UNDERSTAND THE REQUIREMENTS OF SECTION 3.8.

AGREEMENT OF PURCHASE AND SALE

This Agreement of Purchase and Sale (this "**Agreement**"), dated February 8, 2022 (the "**Effective Date**"), is between **Daniel G. DaRosa, as Trustee of 30 MOZZONE BOULEVARD 2013 REALTY TRUST** , u/d/t/ dated July 26, 2017, recorded with Northern Bristol County Registry of Deeds (the "**Registry**") in Book 23939, Page 1 ("**Seller**"), and **Commonwealth Alternative Care, Inc.**, a Massachusetts corporation ("**Buyer**").

RECITALS

A. WHEREAS, Seller owns Unit Nos. 30A and 30B of the 30 Mozzone Boulevard Condominium (the "**Condominium**"), as such Unit Nos. 30A and 30B are more particularly described on **Exhibit A-1** annexed hereto and made a part hereof (each, a "**Unit**;" collectively, the "**Units**;" and said Units No. 30 A and 30B being "**Unit A**" and "**Unit B**," respectively);

B. WHEREAS, the Condominium is located on the land commonly known as 30 Mozzone Boulevard, Taunton, Massachusetts and more particularly described on Exhibit A-3 attached hereto (the "**Land**");

C. WHEREAS, the Condominium was created by a Master Deed dated July 18, 2017 and duly recorded with the Registry in Book 23938, Page 330 in accordance with the provisions of Massachusetts General Laws Chapter 183A, (the "**Master Deed**");

D. WHEREAS, the Condominium is regulated and governed by the Declaration of Trust dated as of July 26, 2017 and recorded with the Registry in Book 23939, Page 1 (as amended, the "**Declaration**" together with the Master Deed and any other document governing the operation of the Condominium or establishing rights with respect thereto, collectively, the "**Condominium Documents**");

E. WHEREAS, pursuant to that certain (i) Lease, dated October 21, 2016 between Seller, as landlord, and Alternative Care Resource Group, LLC, predecessor-in-interest to Buyer, as tenant (the "**Unit A Lease**"), Seller granted to Buyer an option to purchase Unit 30A (the "**Unit A Option**"), and (ii) Lease, dated June, 2018 between Seller, as landlord, and Alternative Care Resource Group, LLC, as assignee of SH Realty Holdings, LLC, as tenant (the "**Unit B Lease**"), Seller granted to Buyer an option to purchase Unit 30B (the "**Unit B Option**"); and

F. WHEREAS, in connection with Buyer's exercise of the Unit A Option and the Unit B Option, Seller has agreed to sell the Units to Buyer pursuant to the provisions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and provisions contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as set forth below.

ARTICLE I
PURCHASE AND SALE OF PROPERTY

Section 1.1 **Sale.**

Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, subject to the terms, covenants and conditions set forth herein, all of Seller's right, title and interest in and to the following (collectively, the "**Property**"):

(a) The Units. The Units described as owned by Seller in the Recitals and more particularly described on **Exhibit A-1** annexed hereto;

(b) Improvements. The improvements that exclusively comprise the Units and all other structures, fixtures and property affixed to the Units (subject to the Condominium Documents) (individually and collectively, the "**Improvements**" as the context so requires);

(c) Appurtenances. Seller's undivided right, title and interest in and to all easements, licenses, privileges and all other rights appurtenant to the Units as set forth in the Condominium Documents, including, without limitation, all rights, benefits, privileges, easements, tenements, hereditaments, rights-of-way and other appurtenances thereon or in any way appertaining thereto (collectively, the "**Appurtenances**");

(d) Tangible Personal Property. The equipment, machinery, furniture, furnishings, supplies and other tangible personal property, if any, owned by Seller exclusively related to the Units and used exclusively in the operation, ownership or maintenance of the Units (collectively, the "**Tangible Personal Property**"), but specifically excluding from the Tangible Personal Property (1) any items of personal property owned by third parties and leased to Seller, and (2) proprietary computer software, systems and equipment and related licenses used in connection with the operation or management of the Units; and

(e) Intangible Personal Property. The intangible personal property, if any, owned by Seller and exclusively related to the Units and the Improvements, including, without limitation: any trade names and trademarks; any plans and specifications and other architectural and engineering drawings exclusively related to the Units and the Improvements; any outstanding warranties, including those covering equipment and construction in place exclusively servicing the Units; any voting or other rights under the Condominium Documents related to the Units; any Service Contracts (as defined in Section 2.1(b) below) and other contract rights exclusively related to the Units (but only to the extent Seller's obligations thereunder are expressly assumed by Buyer pursuant to the Assignment Agreement as defined in Section 8.3(a)(3) below); and any governmental permits, approvals and licenses (including any pending applications) exclusively related to the Units (collectively, the "**Intangible Personal Property**").

Section 1.2 **Unit B Termination Right.**

Notwithstanding any contrary provision herein, at any time prior to 5:00 p.m. (Boston time) on March 15, 2022, Buyer may elect by written notice to Seller to terminate this Agreement with respect to Unit B and proceed with purchasing only Unit A (the " **Unit B Termination Right**"). In such event, the Purchase Price hereunder shall be deemed to be the Unit A Purchase Price (as such terms are defined below), the Property shall be deemed modified to be only Unit A and the term "Units" as used herein shall be deemed modified to refer only to Unit A. In the event that Buyer so terminates this Agreement, Buyer shall continue to have the right to exercise its option to purchase Unit B under the Unit B Lease.

Section 1.3 **Purchase Price; Default by Buyer and Seller; Deposit.**

The purchase price of the Property is $13,046,802.90 (the "**Purchase Price**"), which is allocated to each Unit, as follows: the portion of the Purchase Price allocated to Unit A is Four Million Six Hundred Twelve Thousand One Hundred Ninety-Three and 18/100 Dollars ($4,612,193.18) (the " **Unit A Purchase Price**"), and the portion of the Purchase Price allocated to Unit B is Eight Million Four Hundred Thirty-Four Thousand Six Hundred Nine and 74/100 Dollars ($8,434,609.74) (the "**Unit B Purchase Price**").

(a) The Purchase Price shall be paid as follows:

(1) Within two (2) business days after the Effective Date of this Agreement, Buyer shall deposit in escrow with Title Connect, LLC (the "**Title Company**;" provided, that the Title Company will engage Boston National Title to issue the Title Commitment and Title Policy as such terms are defined below) cash or other immediately available funds in the amount of Fifty Thousand and No/100 Dollars ($50,000.00) (the "**Initial Deposit**").

(2) If Buyer delivers a notice to proceed under Section 2.2 to Seller prior to the expiration of the Contingency Period, Buyer shall deposit in escrow with the Title Company an additional amount of One Hundred Fifty Thousand and No/100 Dollars ($150,000.00) (the "**Additional Deposit**") in cash or other immediately available funds within two (2) business days after the expiration of the Contingency Period. The Initial Deposit and the Additional Deposit (if and when the Additional Deposit is deposited by Buyer with the Title Company as provided hereunder) are collectively referred to herein as the "**Deposit**". The Deposit shall include any interest accrued thereon. Simultaneously with the execution and delivery of this Agreement, Seller and Buyer shall execute the Escrow Agreement with the Title Company in the form attached hereto as **Schedule 1**.

The Deposit shall be held in an interest-bearing account and all interest thereon, less investment fees, if any, shall be deemed a part of the Deposit. If the sale of the Property as contemplated hereunder is consummated, then the Deposit shall be paid to Seller at the Closing (as defined below) and credited against the Purchase Price. **IF THE SALE OF THE PROPERTY IS NOT CONSUMMATED DUE TO SELLER'S DEFAULT HEREUNDER, THEN BUYER MAY ELECT, AS BUYER'S SOLE AND EXCLUSIVE REMEDY EITHER TO: (1) TERMINATE THIS AGREEMENT AND RECEIVE A REFUND OF THE DEPOSIT, IN WHICH EVENT NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER EXCEPT AS PROVIDED IN SECTION 6.1 AND SECTION 9.3 OF THIS AGREEMENT, OR (2) ENFORCE SPECIFIC PERFORMANCE OF THIS AGREEMENT; PROVIDED, HOWEVER, THAT IF THE REMEDY OF SPECIFIC**

PERFORMANCE IS NOT AVAILABLE DUE TO THE SELLER CONVEYING THE PROPERTY TO A THIRD PARTY WHILE THIS AGREEMENT IS IN EFFECT OR DUE TO SELLER'S VOLUNTARY ENCUMBRANCE OF THE PROPERTY IN VIOLATION HEREOF, THEN BUYER SHALL HAVE THE RIGHT TO PURSUE ALL DAMAGES AND REMEDIES AVAILABLE AT LAW OR IN EQUITY. BUYER SHALL NOT HAVE ANY OTHER RIGHTS OR REMEDIES HEREUNDER AS A RESULT OF ANY DEFAULT BY SELLER PRIOR TO CLOSING, AND BUYER HEREBY WAIVES ANY OTHER SUCH REMEDY AS A RESULT OF A DEFAULT HEREUNDER BY SELLER. IF THE SALE IS NOT CONSUMMATED DUE TO ANY DEFAULT BY BUYER HEREUNDER, THEN SELLER SHALL RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES AS ITS SOLE AND EXCLUSIVE REMEDY. THE PARTIES HAVE AGREED THAT SELLER'S ACTUAL DAMAGES, IN THE EVENT OF A FAILURE TO CONSUMMATE THIS SALE DUE TO BUYER'S DEFAULT PRIOR TO CLOSING, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. AFTER NEGOTIATION, THE PARTIES HAVE AGREED THAT, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, THE AMOUNT OF THE DEPOSIT IS A REASONABLE ESTIMATE OF THE DAMAGES THAT SELLER WOULD INCUR IN SUCH EVENT. THE FOREGOING IS NOT INTENDED TO LIMIT BUYER'S OBLIGATIONS UNDER SECTION 6.1 AND SECTION 9.3 OF THIS AGREEMENT.

(3) The balance of the Purchase Price (plus or minus the prorations pursuant to Section 8.4 hereof) shall be paid to Seller in cash or by wire transfer of other immediately available funds at the consummation of the purchase and sale contemplated hereunder (the "**Closing**").

ARTICLE II
CONDITIONS

Section 2.1 **Due Diligence Materials; Buyer's Conditions Precedent.**

Subject to the below provisions of this Section 2.1 and Section 9.3 of this Agreement, Buyer will have from the period commencing on the Effective Date and ending at 5:00 p.m. (Boston time) on the day that is forty-five (45) days after the Effective Date (the **"Contingency Period"**) to complete its physical inspection, review of title, survey and all other due diligence deemed necessary by Buyer in its discretion regarding the Property.

On the Effective Date, to the extent in Seller's possession, Seller shall provide, or make available, to Buyer copies of all surveys, operating statements for the past three (3) years, Seller's books and records relating to the Property, tax bills, soil studies, environmental studies, wetland s tudies, title reports, Intangible Property, Service Contracts, the annual budgets of the Association for the past three (3) fiscal years (the "**Annual Budgets**") warranties, zoning reports, site plans an d engineering studies in connection with the Property and such other items that Buyer reasonably requests (collectively, the "**Due Diligence Materials**") and Seller shall not intentionally withhold delivering any of the Due Diligence Materials to Buyer if the Due Diligence Materials are in Seller's possession. The Due Diligence Materials are provided to Buyer as a convenience and delivered to Buyer "as-is" without any warranty or representation, expressed or implied, as to their content, suitability for any purpose, accuracy, truthfulness, or completeness and Buyer nor any of its affiliates, shall have any recourse against Seller or any trustee, beneficiaries, employee, agents, representative or consultant parties in the event of any errors therein or omissions therefrom. In addition, from and after the day after the Effective Date, Buyer may make physical inspections of the Property to the extent allowed by Section 9.3 below:

(a) Title to the Property and survey matters in accordance with ARTICLE IV below.

(b) The Due Diligence Materials, including, but not limited to, all service and maintenance contracts and equipment leases pertaining to the operation of the Property set forth on Schedule 2 (collectively, the "**Service Contracts**").

(c) The physical condition of the Property.

(d) The zoning, land use, building, environmental and other statutes, rules, or regulations applicable to the Property.

(e) Any other matters Buyer deems relevant, in its sole discretion, to the Property.

Section 2.2 **Buyer's Termination Right.**

Prior to the expiration of the Contingency Period, Buyer, in its sole and absolute discretion, may elect to proceed with the Closing of this Agreement in accordance with the terms and conditions of this Agreement by delivering written notice to Seller electing to proceed with the Closing (the "**Notice to Proceed**") not later than 5:00 p.m. (Boston time) on the last day of the Contingency Period. If Buyer fails to deliver the Notice to Proceed by 5:00 p.m. (Boston time) on the last day of the Contingency Period, this Agreement shall be deemed terminated, except for any provisions that expressly survive the termination of this Agreement. Buyer reserves the right to withhold a Notice to Proceed for any reason or no reason whatsoever. If Buyer elects to proceed with the Closing of this Agreement in accordance with the terms and conditions of this Agreement by delivering to Seller a Notice to Proceed prior to the expiration of the Contingency Period, then (a) Buyer shall be deemed to have satisfied its investigation and review of the property and approved all of the matters described in Section 2.1, paragraphs (a) through (e) above (subject to the provisions of Section 4.1 below as to any Objections raised in any Buyer's Notice), including, without limitation, all Due Diligence Materials, and (b) the Initial Deposit and the Additional Deposit shall be non-refundable to Buyer, except as expressly set forth herein, but shall be credited against the Purchase Price at Closing. In addition, Buyer may terminate this Agreement in its sole discretion, for any reason or no reason whatsoever, by delivering written notice to Seller at any time prior to the expiration of the Contingency Period. Upon termination of this Agreement pursuant to this Section 2.2, the Initial Deposit shall be immediately and unconditionally returned to Buyer, and neither party shall have any further rights or obligations hereunder except as provided in Section 6.1 and Section 9.3 of this Agreement.

ARTICLE III
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 3.1 **Representations and Warranties of Seller.**

Seller hereby makes the following representations and warranties with respect to the Property, as of the Effective Date and as of the Closing.

(a) Seller has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Seller's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Seller's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

(b) Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended (the "**Code**") and any related

regulations.

(c) This Agreement (i) has been, and all documents executed by Seller which are to be delivered to Buyer at Closing will be, duly authorized, executed and delivered by Seller, and (ii) does not, and such other documents will not, violate any provision of any judicial order to which Seller is a party or to which Seller or the Property is subject.

(d) The only lease, license or occupancy affecting the Units is the Unit A Lease and the Unit B Lease, and the only tenant of the Property is Buyer under the Unit A Lease and Unit B Lease.

(e) Except for the Unit A Lease and Unit B Lease, Service Contracts and Conditions of Title (as defined in Section 4.1 below), there are no other leases, contracts or other agreements affecting the Property.

(f) The Due Diligence Materials made available to Buyer pursuant to Section 2.1, if any, hereof include to the best of Seller's knowledge, true, correct and complete copies of all of the Service Contracts listed on **Schedule 2** attached hereto, which are all of the Service Contracts affecting the Property that are currently in force and effect. Seller has not entered into any agreements, written or oral, relating to the management, leasing, operation, maintenance and/or improvement of the Property or any portion thereof that would bind Buyer after the Closing Date that Seller has not provided to Buyer as a part of the Due Diligence Materials.

(g) Seller has been duly organized, is validly existing, and is in good standing in the state in which it was formed, and is qualified to do business in The Commonwealth of Massachusetts. In addition, the sale of the Property contemplated herein does not constitute a sale of all or substantially all of the assets of any Seller in The Commonwealth of Massachusetts.

(h) Other than as set forth in the Unit A Lease and Unit B Lease, there are no existing options, rights of first refusal, or other contracts which give any other party a right to purchase or acquire any special interest in the Property or any part thereof.

(i) The Seller has no knowledge of any litigation or governmental proceeding as to condemnation proceedings or claims pending with respect to the Property or that would otherwise impair Seller's ability to perform its obligations hereunder.

(j) To the best of Seller's knowledge, Seller has received no written notice from any governmental authority of any violation of any law applicable to the Property (including, without limitation, any Environmental Laws (as defined below)). To Seller's actual knowledge without investigation, except for cleaning supplies, no part of the Property owned by Seller has been previously used by Seller, or, to Seller's knowledge, by any other person or entity, for the storage, manufacture or disposal of Hazardous Materials (as defined below). Seller has no knowledge and has received no notice of any underground storage tanks of any nature located on or under any portion of the Property.

(k) To Seller's knowledge, the Property is not subject to any special taxes or assessments for roadway, sewer or water improvements or other public improvements and there are no such special taxes or assessments pending or threatened.

(l) There are no unpaid bills, claims, or liens in connection with any construction or repair of the Property except for those that shall be paid by Seller in the ordinary course of business prior to the Closing Date.

(m) Seller has not followed the formalities required by the Condominium Documents; accordingly there are no condominium fees, special assessments or other amounts payable under the Condominium Documents. The Board of Trustees under the Condominium Documents is governed by the provisions of the Declaration. There is no litigation threatened or pending against or on behalf of the Board of Trustees under the Condominium Documents. The Board of Trustees are, however, maintaining all insurance that it is required to maintain pursuant to the Condominium Documents. Unit A and Unit B comprise all of the units under the Condominium Documents and upon the sale of both Units to Buyer, Buyer will own all of the property subject to the Condominium Documents, which includes all of the Land and all improvements and structures constructed thereon.

(n) Seller and each person or entity owning an interest in Seller is (A) (x) not currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the "**List**"), and (y) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States, (B) none of the funds or other assets of Seller constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person (as hereinafter defined), (C) no Embargoed Person has any interest of any nature whatsoever in Seller (whether directly or indirectly), and (D) Seller has implemented procedures, and will consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times.

The term "**Embargoed Person**" means any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder with the result that the investment in Seller is prohibited by law or Seller is in violation of law.

Seller also shall require, and shall take reasonable measures to ensure compliance with the requirement, that no person who owns any other direct interest in Seller is or shall be listed on any of the Lists or is or shall be an Embargoed Person. This Section shall not apply to any person to the extent that such person's interest in the Seller is through a U.S. Publicly-Traded Entity. As used in this Agreement, " **U.S. Publicly-Traded Entity**" means a Person (other than an individual) whose securities are listed on a national securities exchange, or quoted on an automated quotation system, in the United States, or a wholly-owned subsidiary of such a person.

For purposes of this Agreement, "**Hazardous Materials**" shall mean inflammable explosives, radioactive materials, asbestos, asbestos–containing materials, polychlorinated biphenyls, lead, lead-based paint, radon, under and/or above ground tanks, hazardous materials, hazardous wastes, hazardous substances, oil, or related materials, which are listed or regulated in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.), the Federal Pollution Control Act (33 U.S.C. Section 1251, et seq.), the Safe Drinking Water Act (42 U.S.C. Section 300f, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 5101, et seq.), and the Toxic Substances Control Act (15 U.S.C. Section 2601, et seq.) and any other applicable federal, state or local laws (collectively, "**Environmental Laws**").

Each of the representations and warranties of Seller contained in this Section 3.1: (1) shall be true in all material respects as of the date of Closing; and (2) shall survive the Closing as provided in Section 3.2 below.

Section 3.2 **Survival of Representations and Warranties**.

The representations and warranties of Seller contained in this Agreement shall survive the Closing for a period of one (1) year after the Closing. Any claim which Buyer may have at any time against Seller for a breach of any such representation or warranty, whether such breach is known or unknown, which is not specifically asserted by written notice to Seller within such one (1) year period shall not be valid or effective, and Seller shall have no liability with respect thereto.

Section 3.3 **Seller's Knowledge**.

For purposes of this Agreement and any document delivered at Closing, whenever the phrase "**to the best of Seller's knowledge**" or the "**knowledge**" of Seller or words of similar import are used, they shall be deemed to mean and are limited to the actual knowledge of Daniel G. DaRosa who Seller confirms is the individual at Seller with the greatest familiarity of the Property.

Section 3.4 **Representations and Warranties of Buyer**.

Buyer represents and warrants to Seller as follows, as of the Effective Date and as of the Closing Date:

(a) Buyer represents and warrants to Seller that this Agreement and all documents executed by Buyer which are to be delivered to Seller at Closing do not and at the time of Closing will not violate any provision of any agreement or judicial order to which Buyer is a party or to which Buyer is subject.

(b) Buyer represents and warrants to Seller that Buyer has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Buyer's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Buyer's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Buyer's assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

(c) Buyer has been duly organized, is validly existing and is in good standing in the state in which it was formed, and is qualified to do business in the state in which the Real Property is located. This Agreement has been, and all documents executed by Buyer which are to be delivered to Seller at Closing will be, duly authorized, executed and delivered by Buyer.

(d) Buyer is not a party in interest with respect to any employee benefit or other plan within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or of Section 4975(e)(1) of the Code, which is subject to ERISA or Section 4975 of the Code and which is an investor in Seller.

(e) Buyer represents and warrants that (i) Buyer and its affiliates (A) are not currently identified on the List, and (B) are not persons or entities with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States, (ii) none of the funds or other assets of Buyer constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person, and (iii) Buyer has implemented procedures, and will consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times.

Buyer also shall require, and shall take reasonable measures to ensure compliance with the requirement, that no person who owns any other direct interest in Buyer is or shall be listed on any of the Lists or is or shall be an Embargoed Person. This Section shall not apply to any person to the extent that such person's interest in the Buyer is through a U.S. Publicly-Traded Entity.

Each of the representations and warranties of Buyer contained in this Section shall be deemed remade by Buyer as of the Closing and shall survive the Closing for a period of one (1) year.

Section 3.5 **AS-IS CONDITION**. BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER IS SELLING AND BUYER IS PURCHASING THE PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS AND THAT EXCEPT AS SET FORTH HEREIN OR IN ANY DOCUMENT EXECUTED AND DELIVERED BY SELLER AT CLOSING, BUYER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER, OR ANY SELLER RELATED PARTIES (AS DEFINED BELOW), OR THEIR AGENTS OR BROKERS, OR ANY OTHER PERSON ACTING OR PURPORTING TO ACT ON BEHALF OF SELLER, AS TO ANY MATTERS CONCERNING THE PROPERTY.

Except as expressly set forth in this Agreement to the contrary or to the extent arising under the Condominium Documents after the Closing Date, Buyer releases Seller and its trustee, beneficiaries, representatives, agents and consultants and their respective successors and assigns (the "**Seller Affiliates**") from and against any and all claims which Buyer or any party related to or affiliated with Buyer (each, a "**Buyer Related Party**") has or may have arising from or related to any matter or thing related to or in connection with the Property except as expressly set forth in this Agreement to the contrary, including the documents and information referred to herein, any construction defects, errors, or omissions in the design or construction and any environmental conditions and, except as expressly set forth in this Agreement to the contrary, neither Buyer nor any Buyer Related Party shall look to Seller, the Seller Affiliates, or their respective successors and assigns in connection with the foregoing for any redress or relief. This release shall be given full force and effect according to each of its express terms and provisions, including those relating to unknown and unsuspected claims, damages, and causes of action. To the extent required to be operative, the disclaimers and warranties contained herein are "conspicuous" disclaimers for purposes of any applicable law, rule, regulation, or order.

The provisions of this Section 3.5 shall survive the Closing or the earlier termination of this Agreement and shall not be deemed to have merged into any of the documents executed or delivered at the Closing.

Section 3.6 **Survival; Limitations.**

(a) The provisions of this Article III shall survive the Closing, subject to the limitations and qualifications contained in such provisions and in Section 3.2.

(b) Notwithstanding anything to the contrary, Seller's maximum liability in connection with the transaction contemplated by this Agreement, including, but not limited to, all liabilities arising under or as a result of the representations, warranties, indemnities, covenants (except to the extent arising under Sections 6.1 or 9.5 below) and other provisions of this Agreement (whether express or implied), shall not exceed One Million and No/100 US Dollars ($1,000,000.00) (the "**Cap**") in the aggregate, excluding liabilities arising as a result of any material misrepresentation committed by Seller; provided, however, that in the event that Buyer elects to terminate this Agreement

with respect to Unit B, the Cap shall be deemed to be Five Hundred Thousand and No/100 Dollars ($500,000.00). In no event, however, shall Buyer bring a claim against Seller unless or until the value of such claim (measured by the actual loss or damage to Buyer) exceeds Fifty Thousand Dollars ($50,000.00) (provided that if Buyer's claims shall exceed such floor, Buyer shall receive reimbursement on its claims, if found to be in excess of $50,000.00, from dollar one). The provisions of this section shall survive the termination of this Agreement or the Closing, as applicable. Notwithstanding anything in this Agreement to the contrary, the limitations and provisions of this Section 3.6 shall not apply to any claim relating to Seller's indemnity under Section 6.1 of this Agreement.

(c) The provisions of this Section 3.6 shall survive the termination of this Agreement and the Closing.

Section 3.7 **Satisfaction of Option**.

Seller and Buyer agree that upon execution of this Agreement, this Agreement amends, replaces and supersedes the Unit A Option and Unit B Option in all respects and the Unit A Option and Unit B Option shall have no further force or effect; provided, that, if the Buyer exercises the Unit B Termination Right, the Unit B Option shall continue in accordance with the Unit B Lease.

Section 3.8 **Application of Cannabis Laws**.

The parties hereto agree and acknowledge that no party makes, will make, or shall be deemed to make or have made any representation or warranty of any kind regarding the compliance of this Agreement with any Federal Cannabis Laws. No party hereto shall have any right of rescission or amendment arising out of or relating to any non-compliance with Federal Cannabis Laws unless such non-compliance also constitutes a violation of applicable state law as determined in accordance with the Act or by the Regulator, and no party shall seek to enforce the provisions hereof in federal court unless and until the parties have reasonably determined that the Act is fully compliant with Federal Cannabis Laws. As used herein, "**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, without limitation, 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 3.9 **Special Compliance Requirement**.

This Agreement is subject to strict requirements for ongoing regulatory compliance by the parties hereto, including, without limitation, requirements that the parties take no action in violation of either the Act or the guidance or instruction of the Regulator. The parties acknowledge and understand that the Act and/or the requirements of the Regulator are subject to change and are evolving as the marketplace for state-compliant cannabis businesses continues to evolve. If necessary or desirable to comply with the requirements of the Act and/or the Regulator, the parties hereby agree to (and to cause their respective affiliates and related parties and representatives to) use their respective commercially reasonable efforts to take all actions reasonably requested to ensure compliance with the Act and/or the Regulator, including, without limitation, negotiating in good faith to amend, restate, amend and restate, supplement, or otherwise modify this Agreement to reflect terms that most closely approximate the parties original intentions but are responsive to and compliant with the requirements of the Act and/or the Regulator. In furtherance, not limitation of the foregoing, the parties further agree to cooperate with the Regulator to promptly respond to any informational requests, supplemental disclosure requirements, or other correspondence from the Regulator and, to the extent permitted by the Regulator, keep all other parties hereto fully and promptly informed as to any such requests, requirements, or correspondence.

ARTICLE IV
TITLE

Section 4.1 **Conditions of Title.**

(a) Buyer shall order a Title Commitment from the Title Company for the Unit (the "**Title Commitment**").

(b) Prior to the end of the Contingency Period (the "**Title Review Date**"), Buyer shall furnish Seller with a written statement of objections, if any, to the title to the Property, including, without limitation, any objections to any matter shown on the ALTA Survey ordered by Buyer for the Unit (the " **Surveys**") (collectively, "**Objections**"). In the event the Title Company amends or updates the Title Commitment after the Title Review Date (each, a "**Title Commitment Update**"), Buyer shall furnish Seller with a written statement of Objections to any matter first raised in a Title Commitment Update within three (3) business days after its receipt of such Title Commitment Update (each, a "**Title Update Review Period**"); provided, that, the Buyer shall be prohibited from objecting to any matters that were included in a prior Title Commitment or Title Commitment Update. Should Buyer fail to notify Seller in writing of any Objections in the Title Commitment prior to the Title Review Date, or to any matter first disclosed in a Title Commitment Update prior to the expiration of the applicable Title Update Review Period, as applicable, Buyer shall be deemed to have approved such matters which shall be considered to be "Conditions of Title", as defined below.

(c) If Seller receives a timely Objection in accordance with Section 4.1(b) (i.e., in connection with the Title Commitment and/or a Title Commitment Update) (each, a "**Buyer's Notice**"), Seller shall have the right, but not the obligation, within five (5) business days after receipt of Buyer's Notice ("**Seller's Response Period**"), to elect to cure any such matter upon written notice to Buyer ("**Seller's Response**"), and may extend the Closing Date for up to fifteen (15) business days to allow such cure. If Seller does not give any Seller's Response, Seller shall be deemed to have elected not to cure any such matters. Notwithstanding anything in this Agreement to the contrary, Seller shall in any event be obligated to cure or cause the Title Company to insure over all of the following matters or items (collectively, "**Monetary Encumbrances**"): (i) any mortgage or deed of trust liens or security interests against the Property, in each case granted by Seller (and not third parties), (ii) real estate tax liens, other than liens for taxes and assessments not yet delinquent, (iii) any matters or items that have been voluntarily placed against the Property by Seller (and not third parties) after the Effective Date and that are not otherwise permitted pursuant to the provisions hereof, and (iv) any title exception that constitutes a mechanic's lien of record resulting from work that Seller has performed or caused to be performed at the Property. Seller shall be entitled to apply the Purchase Price towards the payment or satisfaction of such liens, and may cure any Objection by causing the Title Company to insure against collection of the same out of the Property.

(d) If Seller elects (or is deemed to have elected) not to cure any Objections raised in any Buyer's Notice timely delivered by Buyer to Seller pursuant to Section 4.1(b), or if Seller notifies Buyer that it elects to cure any such Objection but then does not for any reason effect such cure on or before the Closing Date as it may be extended hereunder, then Buyer, as its sole and exclusive remedy, shall have the option of terminating this Agreement by delivering written notice thereof to Seller within three (3) business days after (as applicable) (i) its receipt of Seller's Response stating that Seller will not cure any such Objection or (ii) the expiration of Seller's Response Period if Seller does not deliver a Seller's Response or (iii) Seller's failure to cure by the Closing Date (as it may be extended hereunder) any Objection which Seller has previously elected to cure pursuant to a Seller's Response. In the event of such a termination, the Deposit shall be returned to Buyer, and neither party shall have any further rights or obligations hereunder except as provided in Section 6.1 and Section 9.3 of this Agreement. If no such termination notice is timely received by Seller hereunder, Buyer shall be

deemed to have waived all such Objections in which event those Objections shall become "Conditions of Title." If the Closing is not consummated for any reason other than Seller's default hereunder, Buyer shall be responsible for any title or escrow cancellation charges.

(e) At the Closing, Seller shall convey title to the Property to Buyer by delivery of deeds for the Units in the form of **Exhibit C** attached hereto (the "**Deed**") subject to no exceptions other than:

(1) Matters created by or with the written consent of Buyer;

(2) Non-delinquent liens for real estate taxes and assessments;

(3) The Condominium Documents;

(4) All present and future zoning, building, environmental, and other laws, ordinances, codes, restrictions, and regulations of all governmental authorities having jurisdiction with respect to the Property, including, without limitation, landmark designations and all zoning variances and special exceptions, if any; and

(5) Any exceptions disclosed by (a) the Title Commitment, (b) any Title Commitment Update which is approved or deemed approved by Buyer in accordance with this ARTICLE IV above, and (c) and any other exceptions to title disclosed by the public records or which would be disclosed by any inspection and/or survey of the Property; in each case, however, excepting Monetary Encumbrances and the Objections that Seller has elected to cure.

All of the foregoing exceptions shall be referred to collectively as the "**Conditions of Title**." Subject to the terms and conditions contained elsewhere in this Agreement, by acceptance of the Deed and the Closing of the purchase and sale of the Property, Buyer agrees it is assuming for the benefit of Seller all of the obligations of Seller with respect to the Conditions of Title from and after the Closing. The provisions of this Section shall survive the Closing.

Section 4.2 **Evidence of Title.**

Delivery of title in accordance with the foregoing shall be evidenced by the willingness of the Title Company to issue, at Closing, its Owner's ALTA Policy of Title Insurance in the amount of the Purchase Price showing title to the Unit vested in Buyer, subject to the Conditions of Title (the "**Title Policy**"). The Title Policy may contain such endorsements as reasonably required by Buyer provided that the issuance of such endorsements shall not be a condition to Buyer's obligations hereunder. Buyer shall pay the costs of the Title Commitment and the Title Policy including for all such endorsements. Seller shall provide a title affidavit and gap indemnity on the Title Company's standard form.

ARTICLE V
RISK OF LOSS AND INSURANCE PROCEEDS

Section 5.1 **Minor Damage.**

In the event of loss or damage to the Property or any portion thereof which is not a Major Loss (as hereinafter defined), this Agreement shall remain in full force and effect; provided, that Seller, assigns to Buyer all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the Property. The Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy. Upon Closing, full risk of loss with respect to the Property shall pass to Buyer.

Section 5.2 **Major Damage**.

In the event of a Major Loss, Buyer may terminate this Agreement by written notice to the other party, in which event the Deposit shall be returned to Buyer. If Buyer does not elect to terminate this Agreement within ten (10) days after Buyer receives notice of the occurrence of the Major Loss and the estimate of costs to repair to such damage pursuant to Section 5.3, if applicable, then Buyer shall be deemed to have elected to proceed with Closing, in which event (a) Seller shall assign to Buyer all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the premises in question, and (b) the Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy. Upon Closing, full risk of loss with respect to the Property shall pass to Buyer.

Section 5.3 **Definition of Major Loss**.

For purposes of Sections 7.1 and 7.2, "**Major Loss**" shall mean: (I) loss or damage to the Property or the Condominium or any portion thereof such that (x) the cost of repairing or restoring damage or destruction to the Property or Condominium to a condition substantially identical to the condition of the Property or Condominium prior to the event of damage would be, in the opinion of an architect selected by Seller and approved by Buyer, equal to or greater than $200,000.00, or (y) any uninsured casualty, (ii) any loss due to a condemnation which permanently and materially impairs the current use of the Property or the Condominium, (iii) any loss or damage that would, impair access to the Property or the Condominium permanently.

ARTICLE VI
BROKERS AND EXPENSES

Section 6.1 **Brokers.**

The parties represent and warrant to each other that no broker or finder was instrumental in arranging or bringing about this transaction. At Closing, Seller shall pay the commission due, if any, to the Broker, which shall be paid pursuant to a separate agreement between Seller and Broker (with an invoice representing the amount due to be presented at the Closing for payment as part of the Closing) and Buyer shall indemnify and hold Seller harmless for any commission due to the Broker. If any person, other than the Broker, brings a claim for a commission or finder's fee based upon any contact, dealings or communication with Buyer or Seller, then the party through whom such person makes his claim shall defend the other party (the "**Indemnified Party**") from such claim, and shall indemnify the Indemnified Party and hold the Indemnified Party harmless from any and all costs, damages, claims, liabilities or expenses (including without limitation, court costs and reasonable attorneys' fees and disbursements) incurred by the Indemnified Party in defending against the claim. The provisions of this Section 6.1 shall survive the Closing or, if the purchase and sale is not consummated, any termination of this Agreement.

Section 6.2 **Expenses.**

Except as provided in ARTICLE IV above and Section 9.5 below, each party hereto shall pay its own expenses incurred in connection with this Agreement and the transactions contemplated hereby.

ARTICLE VII
OTHER AGREEMENTS

Section 7.1 **Buyer's Approval of Agreements Affecting the Property.**

Between the Effective Date and the expiration of the Closing, Seller shall not enter into any agreement affecting the Property or the Condominium, or amend or terminate any existing agreement affecting the Property, without Buyer's written consent, which Buyer may give or withhold in its sole discretion.

Section 7.2 **Maintenance of Improvements and Operation of Property; Removal of Tangible Personal Property.**

Seller agrees to keep its customary property insurance covering the Property in effect until the Closing (provided, however, that the terms of any such coverage maintained in blanket form may be modified as Seller deems necessary). Except to the extent required by Buyer, as tenant under the Unit A Lease or Unit B Lease, Seller shall maintain all Improvements substantially in their present condition (ordinary wear and tear and casualty excepted), and shall operate and manage the Property in a manner consistent with Seller's practices in effect prior to the Effective Date. Seller shall not remove any Tangible Personal Property, except as may be required for necessary repair or replacement, and replacement shall be of approximately equal quality and quantity as the removed item of Tangible Personal Property. Subject to Article V hereof, risk of loss shall remain with the Seller until the Deed has been released from escrow.

Section 7.3 **Service Contracts.**

Within five (5) business days prior to the Closing Date, Buyer will advise Seller in writing which Service Contracts Buyer will assume (the "**Assigned Service Contracts**") and which Service Contracts Buyer requests be terminated. Seller shall deliver at Closing notices of termination of all Service Contracts that are not so assumed and Buyer shall be responsible for any charges applicable to periods commencing with the Closing under any Assigned Service Contracts. Notwithstanding the foregoing, Seller shall terminate, as of the Closing Date, all existing management and leasing agreements for the Property. Seller shall be solely responsible for any fees payable in connection with terminating Service Contracts and any fees payable in connection with assigning Service Contracts.

Section 7.4 **Condominium Documents Following the Closing**.

In the event that Buyer exercises the Unit B Termination Right and only purchases Unit A, Seller and Buyer shall amend the Declaration so that the Board of Trustees (as defined in the Declaration) shall be comprised of two (2) individuals with one member of Board of Trustees appointed by the owner of Unit A and one member of the Board of Trustees appointed by the owner of Unit B (the "**Amendment to Declaration**"). The Amendment to Declaration shall contain such other mutually acceptable terms as deemed necessary by Buyer and Seller, including, but not limited to, a mutually acceptable deadlock provision as it relates to the Board of Trustees.

ARTICLE VIII
CLOSING AND ESCROW

Section 8.1 **Escrow Instructions.**

Upon execution of this Agreement, the parties hereto shall deposit an executed counterpart of this Agreement with the Title Company, and this instrument shall serve as the instructions to the Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and Buyer agree to execute such reasonable additional and supplementary escrow instructions as may be appropriate to enable the Title Company to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.

Section 8.2 **Closing.**

The Closing hereunder shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of the Title Company or as otherwise mutually agreed on March 31, 2022, and before 3:00 p.m. local time, or such other earlier date and time as Buyer and Seller may mutually agree upon in writing (the "**Closing Date**"). Except as set forth herein, such date and time may not be extended without the prior written approval of both Seller and Buyer. The Closing shall occur via an escrow with the Title Company where all documents and funds required for the Closing shall be deposited with the Title Company and funds shall be disbursed upon recording of the Deed with the Registry.

Section 8.3 **Deposit of Documents.**

(a) At or before the Closing, Seller shall deposit into escrow with the Title Company the following items:

(1) duly executed and acknowledged Deed in the form attached hereto as **Exhibit B**, subject to the Conditions of Title, conveying the Unit(s) to Buyer (or to a nominee designated pursuant to Section 9.6 below);

(2) two (2) duly executed counterparts of the Bill of Sale in the form attached hereto as **Exhibit C** (the "**Bill of Sale**");

(3) two (2) duly executed counterparts of an Assignment and Assumption of Service Contracts, Warranties and Other Intangible Property in the form attached hereto as **Exhibit D** pursuant to the terms of which Buyer shall assume all of Seller's obligations under the Service Contracts, and other documents and agreements affecting such location (the "**Assignment Agreement**");

(4) a customary certificate of no unpaid common expenses pursuant to Massachusetts General Laws Chapter 183A, Section 6(d), duly executed in accordance with the Bylaws, in recordable form and otherwise reasonably acceptable to Buyer and the Title Company;

(5) (i) if the Buyer exercises the Unit B Termination Right, a duly executed Amendment to Declaration, or (ii) if Buyer does not exercise the Unit B Termination Right and purchases Unit A and Unit B, Seller shall cause Daniel G. DaRosa to deliver a duly executed resignation of the Board of Trustees under the Declaration and shall deliver such other instruments reasonably requested by Buyer as necessary to appoint such representatives selected by Buyer pursuant to the provisions of the Declaration as the members of the Board of Trustees in place of the current members of the Board of Trustees.

(6) an affidavit pursuant to Section 1445(b)(2) of the Code, and on which Buyer is entitled to rely, that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Code;

(7) a title affidavit and gap indemnity, as more particularly described in Section 4.2 above;

(8) such evidence of Seller's authority as may be required by the Title Company in connection with the recording of the Deeds and the issuance of the Title Policy;

(9) any warranties to the extent in Seller's possession and in effect.

(10) two (2) duly executed counterparts of a termination of the Unit A Lease and Unit B Lease in a commercially reasonable form, terminating the Unit A Lease and Unit B Lease as of the Closing Date (the "**Lease Termination**"); provided, that, if the Buyer exercise the Unit B Termination Right, only the Unit A Lease shall be terminated;

(11) only if Buyer acquires Unit A and Unit B at Closing, Seller has cause B&D Construction Management, Inc. ("**B&D**"), an affiliate of Seller, to deliver two (2) duly executed agreements to terminate ("**Management Agreement Termination**") that certain Management and Operations Agreement dated July 10, 2021 between B&D and Commonwealth Alternative Care without any payment by Commonwealth Alternative Care, Buyer or any other party of a termination fee in connection therewith (the "**Management Agreement**"). For the avoidance of doubt, if Buyer exercises the Unit B Termination Right and does not acquire Unit B at Closing, the Management Agreement will not be terminated and will continue according to its terms; and

(12) Intentionally Deleted.

(13) any and all other documents or other items which are required by this Agreement to be executed, acknowledged and/or delivered, or which are either reasonably requested by Buyer or otherwise customarily executed, acknowledged and/or delivered, by a seller at similar closings in the Commonwealth of Massachusetts. All keys and access cards to, and combinations to locks and other security devices located at, the Property, if applicable, to the extent in Seller's possession.

(b) At or before Closing, and as otherwise required under this Agreement, Buyer shall deposit into escrow the following items:

(1) the Purchase Price (less the Deposit and interest thereon net of investment fees, if any) and as adjusted by the proration funds hereunder, in immediately available funds;

(2) two (2) duly executed counterparts of the Bill of Sale;

(3) two (2) duly executed counterparts of the Assignment Agreement;

(4) if applicable, two (2) duly executed counterparts to the Management Agreement Termination;

(5) two (2) duly executed counterparts of the Lease Termination;

(6) if the Buyer exercises the Unit B Termination Right, a duly executed Amendment to Declaration;

(7) Intentionally Deleted; and

(8) any and all other documents or other items which are required by this Agreement to be executed, acknowledged and/or delivered, or which are either reasonably requested by Seller or otherwise customarily executed, acknowledged and/or delivered, by a seller at similar closings in the Commonwealth of Massachusetts.

(c) Seller and Buyer shall each execute and deposit a closing statement and such other instruments as are reasonably required by the Title Company or otherwise required to close the escrow and consummate the acquisition of the Property in accordance with the terms hereof. Seller and Buyer hereby designate Title Company as the "**Reporting Person**" for the transaction pursuant to Section 6045(e) of the Code and the regulations promulgated thereunder and agree to execute such documentation as is reasonably necessary to effectuate such designation.

(d) On the Closing Date, Seller shall deliver possession of the Property to Buyer as required hereunder and shall deliver to Buyer or make available at each of the locations contained within the definition of the Property a set of keys to each of such locations.

Section 8.4 **Prorations.**

Real property taxes and assessments to the extent not payable by Buyer, as tenant under the Unit A Lease and/or Unit B Lease; water, sewer and utility charges; amounts payable under any Assigned Service Contracts and under any other agreements for the Property assumed by Buyer; and annual permits and/or inspection fees (calculated on the basis of the period covered), shall all be prorated as of 12:01 a.m. on the date of Closing (i.e., Buyer is entitled to the income and responsible for the expenses of the day of Closing), on the basis of a 365-day year.

Prior to Closing, Seller shall obtain final utility readings for all utilities not paid directly by Buyer, as tenant under the Unit A Lease and/or Unit B Lease. Seller shall receive credits at Closing for the amount of any utility or other deposits with respect to the Property. Buyer shall cause all utilities to be transferred into Buyer's name and account at the time of Closing.

Seller and Buyer hereby agree that if any of the aforesaid prorations and credits cannot be calculated accurately on the Closing Date, then the same shall be calculated as soon as reasonably practicable after the Closing Date or the date such amounts have been collected, and either party owing the other party a sum of money based on such subsequent proration(s) or credits shall pay said sum to the other party within thirty (30) days thereafter. Any amounts not paid within such thirty (30) day period shall bear interest from the date actually received by the payor until paid at the rate of ten percent (10%) per annum.

All title charges (including endorsements and reinsurance charges) shall be paid by Buyer at Closing. Seller shall pay all sale and transfer taxes, recording fees or taxes, documentary taxes and similar taxes and fees imposed upon the transfer of the Property by applicable law, except to the extent related to Buyer's financing. Any escrow fees shall be split equally between Seller and Buyer. The parties will execute and deliver any required transfer or other similar tax declarations to the appropriate governmental entity at Closing.

The provisions of this Section 8.4 shall survive the Closing.

Section 8.5 **Conditions Precedent to Buyer's Obligations.**

In addition to the obligations set forth elsewhere in this Agreement, and without limiting any other provisions of this Agreement, each of the following obligations shall be a condition precedent to Buyer's obligation to close or perform under this Agreement, all or any portion of which obligations may be waived by Buyer in its sole discretion:

(a) Transfer Documents. Seller shall have delivered into escrow at Closing all documents as specified in (i)Section 8.3(c) of this Agreement to be duly executed by Seller, and (ii) Section 8.3(a) of this Agreement.

(b) Defaults; Seller's Representations and Warranties. All of Seller's representations and warranties contained in Section 3.1 above shall be true and correct in all material respects as of the date of Closing, subject to the limitations contained herein. In addition, Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the date of Closing.

(c) No Material Change. There shall be no materially adverse change to the condition of the Property.

If the conditions set forth in this Section 8.5 have not been satisfied or waived by Buyer, Buyer shall have the right to terminate this Agreement by giving written notice to Seller and the Title Company, in which event the Deposit shall be refunded to Buyer and thereafter Seller and Buyer shall be released from any further liability to the other hereunder, except as provided in Section 6.1 and Section 9.3 of this Agreement.

Section 8.6 **Conditions Precedent to Seller's Obligations.**

In addition to the obligations set forth elsewhere in this Agreement, and without limiting any other provisions of this Agreement, each of the following obligations shall be a condition precedent to Seller's obligation to close or perform under this Agreement, all or any portion of which obligations may be waived by Seller in its sole discretion:

(a) Transfer Documents. Buyer shall have delivered into escrow at Closing all documents as specified in (i)Section 8.3(c) of this Agreement to be duly executed by Buyer, and (ii) Section 8.3(b) of this Agreement.

(b) Defaults; Buyer's Representations and Warranties. All of Buyer's representations and warranties contained in Section 3.4 above shall be true and correct in all material respects as of the date of Closing. In addition, Buyer shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Buyer as of the date of Closing including the deposit of the Initial Deposit and the Additional Deposit, if applicable.

If the conditions set forth in this Section 8.6 have not been satisfied or waived by Seller, Seller shall have the right to terminate this Agreement by giving written notice to Buyer and the Title Company, in which event the Deposit shall be refunded to Buyer and thereafter Seller and Buyer shall be released from any further liability to the other hereunder, except as provided in Section 6.1 and Section 9.3 of this Agreement.

ARTICLE IX
MISCELLANEOUS

Section 9.1 **Notices.**

Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile with confirmation of receipt, (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, or (e) by e-mail and such notices shall be addressed as follows:

To Buyer:	Commonwealth Alternative Care, Inc. 30 Mozzone Boulevard Taunton, MA 02780 Attention: Gary F. Santo, Jr. [***]
With a copy (which shall not constitute notice) to:	TILT Holdings Inc. 2801 E. Camelback Road, Suite 180 Phoenix, AZ 85016 Attention: Legal Department [***]
With a copy to:	Nutter McClennen & Fish LLP 155 Seaport Blvd. Boston, MA 02210 Attention: Christopher W. Papavasiliou, Esq. [***]

To Seller:	30 Mozzone Boulevard 2013 Realty Trust 252 Britton Street Raynham, MA 02767 Attention: Dan DaRosa, Trustee [***]
with a copy to:	Duffy & Sweeney, LTD. 321 South Main Street, Suite 400 Providence, RI 02903 Attention: Joshua Celeste [***]

or to such other address as either party may from time to time specify in writing to the other party. Any notice shall be effective only upon receipt or the date of written evidence that acceptance of delivery has been refused.

Section 9.2 **Entire Agreement.**

This Agreement, together with the Exhibits and schedules hereto, contains all representations, warranties and covenants made by Buyer and Seller and constitutes the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are replaced in total by this Agreement together with the Exhibits and schedules hereto.

Section 9.3 **Entry and Indemnity.**

Commencing on the Effective Date, Buyer shall have the right to make physical inspections and perform such physical and environmental testing and sampling at the Property as determined by Buyer. Buyer shall permit Seller or its representative to be present to observe any testing or other inspection or due diligence review performed on or at the Property. Buyer shall maintain, and shall assure that its contractors maintain, commercial general liability and property damage insurance in amounts and in form and substance adequate to insure against all liability of Buyer and its agents, employees or contractors, arising out of any entry or inspections of the Property pursuant to the provisions hereof, and Buyer shall provide Seller with evidence of such insurance coverage upon request by Seller. Buyer shall indemnify and hold Seller harmless from and against any costs, damages, liabilities, losses, expenses, liens or claims (including, without limitation, court costs and reasonable attorneys' fees and disbursements) arising out of or relating to any entry on the Property by Buyer, its agents, employees or contractors in the course of performing the inspections, testing or inquiries provided for in this Agreement, including, without limitation, any release of Hazardous Materials or any damage to the Property caused by Buyer or Buyer's agents, except with respect to any pre-existing conditions or to the extent caused by Seller or any Seller Related Party. The provisions of this Section 9.3 shall be in addition to any access or indemnity agreement previously executed by Buyer in connection with the Property; provided that in the event of any inconsistency between this Section 9.3 and such other agreement, the provisions of this Section 9.3 shall govern. The foregoing indemnity shall survive beyond the Closing, or, if the sale is not consummated, beyond the termination of this Agreement. Buyer's right of entry, as provided in this Section 9.3, shall continue up through the date of Closing.

Section 9.4 **Time.**

Time is of the essence in the performance of each of the parties' respective obligations contained herein.

Section 9.5 **Attorneys' Fees.**

If either party hereto fails to perform any of its obligations under this Agreement or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, whether prior to or after Closing, or if any party defaults in payment of its post-Closing financial obligations under this Agreement, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all reasonable, out-of-pocket costs and expenses incurred by the other party on account of such default and/or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

Section 9.6 **Assignment.**

Subject to the provisions of this Agreement, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Section 9.7 **Press Releases.**

If Buyer acquires the Property from Seller, each party shall have the right, subsequent to the Closing of such acquisition, to publicize the transaction (other than the parties to or the specific economics of the transaction) in whatever manner it deems appropriate; provided that any press release or other public disclosure regarding this Agreement or the transactions contemplated herein, and the wording of same, must be approved in advance by both parties. The provisions of this paragraph shall survive the Closing or any termination of this Agreement. In the event the transaction contemplated by this Agreement does not close as provided herein, upon the request of Seller, Buyer shall promptly return to Seller all Due Diligence Materials and other documents and copies obtained by Buyer in connection with the purchase of the Property hereunder. In addition, Buyer may publish a press release and make such other disclosures regarding this Agreement as required by applicable laws, including without limitation, the laws of Canada.

Section 9.8 **Counterparts.**

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Agreement may also be executed electronically, and telecopied or emailed signatures may be used in place of original signatures.

Section 9.9 **Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

Section 9.10 **Interpretation of Agreement.**

The article, section and other headings of this Agreement are for convenience of reference only and shall not be construed to affect the meaning of any provision contained herein. Where the context so requires, the use of the singular shall include the plural and vice versa and the use of the masculine shall include the feminine and the neuter. The term "**person**" shall include any individual, partnership, joint venture, corporation, trust, unincorporated association, any other entity and any government or any department or agency thereof, whether acting in an individual, fiduciary or other capacity.

Section 9.11 **Limited Liability.**

The obligations of Seller under this Agreement is intended to be binding only on the property of Seller and shall not be personally binding upon, nor shall any resort be had to, the private properties of any of Seller's affiliates, the partners, trustees, beneficiaries, shareholders, members, managers, directors, officers, employees and agents and representatives of each of them, and their respective heirs, successors, personal representatives and assigns (collectively, the "**Seller Related Parties**"). The obligations of Buyer under this Agreement is intended to be binding only on the Buyer and shall not be personally binding upon, nor shall any resort be had to, the private properties of Buyer's affiliates, Buyer's investment advisor, the partners, trustees, beneficiaries, shareholders, members, managers, directors, officers, employees and agents and representatives of each of them, and their respective heirs, successors, personal representatives and assigns (collectively the "**Buyer Related Parties**").

Section 9.12 **Amendments.**

This Agreement may be amended or modified only by a written instrument signed by Buyer and Seller.

Section 9.13 **No Recording.**

Neither this Agreement or any memorandum or short form thereof may be recorded by Buyer.

Section 9.14 **Drafts Not an Offer to Enter into a Legally Binding Contract.**

The parties hereto agree that the submission of a draft of this Agreement by one party to another is not intended by either party to be an offer to enter into a legally binding contract with respect to the purchase and sale of the Property. The parties shall be legally bound with respect to the purchase and sale of the Property pursuant to the terms of this Agreement only if and when the parties have been able to negotiate all of the terms and provisions of this Agreement in a manner acceptable to each of the parties in their respective sole discretion, and both Seller and Buyer have fully executed and delivered to each other a counterpart of this Agreement (or a copy by facsimile transmission).

Section 9.15 **No Partnership.**

The relationship of the parties hereto is solely that of Seller and Buyer with respect to the Property and no joint venture or other partnership exists between the parties hereto. Neither party has any fiduciary relationship hereunder to the other.

Section 9.16 **No Third Party Beneficiary.**

The provisions of this Agreement are not intended to benefit any third parties.

Section 9.17 **Survival.**

Except as expressly set forth to the contrary herein, no representations, warranties, covenants or agreements of Seller contained herein shall survive the Closing.

Section 9.18 **Calculation of Time Periods.**

Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday under the laws of the Commonwealth of Massachusetts, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday. The final day of any such period shall be deemed to end at 5 p.m. (Boston time).

Section 9.19 **Survival of Article IX.**

The provisions of this ARTICLE IX shall survive the Closing.

(*Signature Page Follows*)

The parties hereto have executed this Agreement as of the date set forth in the first paragraph of this Agreement.

Seller: */s/Daniel G. DaRosa*
Daniel G. DaRosa, as Trustee of 30 MOZZONE BOULEVARD 2013 REALTY TRUST, u/d/t/ dated July 26, 2017, recorded with Northern Bristol County Registry of Deeds in Book 23939, Page 1

Buyer: COMMONWEALTH ALTERNATIVE CARE, INC., a Massachusetts corporation

By: /s/ Gary Santo
Name: Gary Santo

Title: President

Agreed and Acknowledged as to Section 8.3(a)(11) of this Agreement only:

B&D CONSTRUCTION CO., INC.

By: /s/*Daniel G. DaRosa*_____
Daniel G. DaRosa, President

Exhibit A-1

Legal Description of Units

Unit A:

Unit No. 30A (the "**Unit**") in the 30 Mozzone Boulevard Condominium (the "**Condominium**") created by a Master Deed dated July 18, 2017, and duly recorded with the Bristol County North Registry of Deeds in Book 23938, Page 330 in accordance with the provisions of Massachusetts General Laws Chapter 183A (the "**Master Deed**").

Together with an undivided percentage interest of 51.65% in the beneficial interests and rights in the Condominium under the Master Deed and in the common areas and facilities, as described in, the Master Deed and as such common areas and facilities and Unit are laid out as shown on the plans filed with the Master Deed.

Unit B:

Unit No. 30B (the "**Unit**") in the 30 Mozzone Boulevard Condominium (the "**Condominium**") created by a Master Deed dated July 18, 2017, and duly recorded with the Bristol County North Registry of Deeds in Book 23938, Page 330 in accordance with the provisions of Massachusetts General Laws Chapter 183A (the "**Master Deed**").

Together with an undivided percentage interest of 48.35% in the beneficial interests and rights in the Condominium under the Master Deed and in the common areas and facilities, as described in, the Master Deed and as such common areas and facilities and Unit are laid out as shown on the plans filed with the Master Deed.

Exhibit A-2

Legal Description of the Land

The land in Taunton, Bristol County, Massachusetts shown on a plan hereinafter mentioned.

Beginning at *a* point at the northeast corner of the described parcel on the southerly sideline of Mozzone Boulevard and the northeast corner now or formerly of Thomas J. Flately; Thence

S 14 50' 40" E five hundred sixty-two and 50(100 (562.50) feet by said Flately land to land formerly of the Penn Central Co. Railroad; Thence

S 75 09' 20" W three hundred ninety-eight and 77/100 (398.77) feet to a point; Thence

By a curve to the right having a radius of eight hundred forty (840) feet for a distance of three hundred sixty-four and 961100 (364.96) feet to a point; Thence

N53 54' 52" W seven hundred two (702) feet to a point; Thence

N 26 33' 40" W six and 63/100 (6.63) feet to appoint, the last four (4) courses by land formerly of the Penn Central Co. Railroad; Thence

N 75 52' 23" E four hundred eighty-two and 28/100 (482.28) feet by land formerly of the Mozzone Terminal Corporation to the sideline of Mozzone Boulevard: Thence

By a curve to the left having a radius of sixty (60) feet a distance of ninety-five and 00/100 (95.00) feet to a point; Thence

N 75 09' 20" E six hundred fifty-three and 85/100 (653.85) feet to the point of beginning, the*last* two (2) courses by the sideline of Mozzonc Boulevard,

Said parcel contains an area of 12.38 acres, more or less, and is more fully shown on plan entitled "PLAN OF LAND IN TAUNTON, MASS., PREPARED FOR: W.H. MAZE COMPANY; SCALE: 1" = 100' ; APRIL 12, 1991, PREPARED BY: B & D ENGINEERING CONSULTANTS, A DIVISION OF L. J. DUCHARME ASSOCIATES, INC." which plan is duly recorded at Bristol County Northern District Registry of Deeds.

Subject to any rights the public may have in the Old Pole Plain Road, if any there be.

Conveying also to Grantee, its successors and assigns, an easement for the drainage of surface water, 15 feet in width, running from the extreme northwesterly corner of the above described premises in a generally northwesterly direction along land of the Penn Central Co. Railroad for a distance of about 450.00 fcct.

Conveying also to Grantee, its successors and assigns, a right of way over, through, and upon Mozzone Boulevard for all purposes for which public ways are used in the City of Taunton, in common with others lawfully entitled thereto.

Exhibit B

Form of Condominium Unit Deed

UNIT DEED

_____, having a mailing address at c/o Wheelock Street Capital, 500 Boylston Street, 16th Floor, Boston, MA 02116 ("Grantor"), for and in consideration of the sum of_____ hereby grants to _____("Grantee"), having a mailing address at _____, with QUITCLAIM COVENANTS all of Grantor's right, title and interest in and to the real property and land together with the buildings, improvements, structures and fixtures erected thereon situated in _____, _____ County, Massachusetts, as more particularly described on Exhibit A attached hereto, and all of Grantor's right, title and interest in any and all title, rights, privileges, alleys, ways, easements, appurtenances, strips, gores, advantages and all other matters thereto belonging or in any way pertaining thereto (the "Property").

This conveyance is made by Grantor and accepted by Grantee subject to all covenants, conditions, restrictions, and other matters of record.

The Grantor has not elected to be treated as a corporation for federal tax purposes.

For reference to Grantor's title, see deed recorded in the Registry inBook_____ , Page_____ .

Property Address: One Westinghouse Plaza, Unit 5, Boston (Hyde Park), MA

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the said Grantor has executed this Unit Deed as a sealedinstrument as of the ___ day of_____ .

GRANTOR:

_____,
a

By: _____
Name:
Title:

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this_____ day of_____ , 2022, before me, the undersigned Notary Public,personally appeared_____, proved to me through satisfactory evidence of identification, namely , to be the person whose name is signed on the preceding document, and acknowledged to me that he signed it voluntarily for its stated purpose as_____ as the voluntary act of .

_____
Notary Public
My commission expires:

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Exhibit C

Bill of Sale

This Bill of Sale (the "**Bill of Sale**") is made and entered into_____ , 2022, by and between **Daniel G. DaRosa, as Trustee of 30 MOZZONE BOULEVARD 2013 REALTY TRUST** , u/d/t/ dated July 26, 2017, recorded with Northern Bristol County Registry of Deeds in Book 23939, Page 1 ("**Assignor**"), and **Commonwealth Alternative Care, Inc.**, a Massachusetts corporation ("**Assignee**").

In consideration of the sum of Ten Dollars ($10) and other good and valuable consideration paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby assign, transfer, convey and deliver to Assignee, its successors and assigns, all items of Tangible Personal Property (as defined in the Agreement referred to below), if any, owned by Assignor and situated upon and used exclusively in connection with the Unit (as defined in the Agreement) (the " **Personal Property**").

Assignor warrants to Assignee that the Personal Property is free and clear of all liens. Assignor covenants that it will execute and deliver such additional instruments of transfer and will take such other action as Assignee reasonably may request in order to more effectively to transfer any of the Personal Property herein assigned, transferred, conveyed and delivered to Assignee.

Assignee acknowledges and agrees that, except as expressly set forth above, Assignor has not made, does not make and specifically disclaims, any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to (a) the nature, quality or conditions of the Personal Property, (b) the income to be derived from the Personal Property, (c) the suitability of the Personal Property for any and all activities and uses which Assignee may conduct thereon, (d) the compliance of or by the Personal Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body, (e) the quality, habitability, merchantability or fitness for a particular purpose of any of the Personal Property, or (f) any other matter with respect to the Personal Property. Assignee further acknowledges and agrees that, having been given the opportunity to inspect the Personal Property, Assignee is relying solely on its own investigation of the Personal Property and not on any information provided or to be provided by Assignor, except as specifically provided in the Agreement. Assignee further acknowledges and agrees that any information provided or to be provided with respect to the personal property was obtained from a variety of sources and that Assignor has not made any independent investigation or verification of such information. Assignee further acknowledges and agrees that the sale of the Personal Property as provided for herein is made on an "as is, where is" condition and basis "with all faults," except as specifically provided in, and subject to the limitations contained in, the Agreement.

The obligations of Assignor are intended to be binding only on the property of Assignor and shall not be personally binding upon, nor shall any resort be had to, the private properties of any Seller Related Parties (as defined in the Agreement).

The "**Agreement**", as used herein, means the Agreement of Purchase and Sale between Daniel G. DaRosa, as Trustee of 30 MOZZONE BOULEVARD 2013 REALTY TRUST, u/d/t/ dated July 26, 2017, recorded with Northern Bristol County Registry of Deeds in Book 23939, Page 1, as seller, and Commonwealth Alternative Care, Inc., a Massachusetts corporation, as buyer, as amended. In the event of a conflict between this Bill of Sale and the Agreement, the Agreement shall control.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Bill of Sale to be executed on the date and year first above written.

ASSIGNOR: _____

Daniel G. DaRosa, as Trustee of 30 MOZZONE BOULEVARD 2013 REALTY TRUST, u/d/t/ dated July 26, 2017, recorded with Northern Bristol County Registry of Deeds in Book 23939, Page 1

ASSIGNEE*:* COMMONWEALTH ALTERNATIVE CARE, INC., a Massachusetts corporation

By: _____
Name:
Title:

Exhibit D

Assignment of Service Contracts,
Warranties and Other Intangible Property

This Assignment of Service Contracts, Warranties and Other Intangible Property (this "**Assignment**") is made and entered into_____ , 2022, by and between **Daniel G. DaRosa, as Trustee of 30 MOZZONE BOULEVARD 2013 REALTY TRUST**, u/d/t/ dated July 26, 2017, recorded with Northern Bristol County Registry of Deeds in Book 23939, Page 1 ("**Assignor**"), and **Commonwealth Alternative Care, Inc.**, a Massachusetts corporation ("**Assignee**").

For good and valuable consideration paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby assign, transfer, set over and deliver unto Assignee all of Assignor's right, title, and interest in and to the following (collectively, the " **Assigned Items**"): (i) those certain service contracts and equipment leases (the "**Service Contracts**") listed on **Exhibit B**, if any, attached hereto and made a part hereof for all purposes, (ii) any warranties held by Assignor relating to the Property (to the extent assignable) (the "**Warranties**") listed on **Exhibit C**, if any, attached hereto and made a part hereof for all purposes, and (iii) all zoning, use, occupancy and operating permits, and other permits, licenses, approvals and certificates, maps, plans, specifications, and all other Intangible Personal Property (as defined in the Agreement referred to below) owned by Assignor and used exclusively in the use or operation of the Unit (as defined in the Agreement) and the Personal Property (as defined in the Agreement) related thereto (collectively, the "**Other Intangible Property**").

Except as otherwise expressly provided in Article VII of the Agreement, by accepting this Assignment and by its execution hereof, Assignee assumes the payment and performance of, and agrees to pay, perform and discharge, all the debts, duties and obligations to be paid, performed or discharged from and after the Closing Date (as defined in the Agreement) by the owner under the Service Contracts, the Warranties and/or the Other Intangible Property.

The obligations of Assignor are intended to be binding only on the property of Assignor and shall not be personally binding upon, nor shall any resort be had to, the private properties of any Seller Related Parties (as defined in the Agreement). All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

The "**Agreement**", as used herein, means the Agreement of Purchase and Sale between Daniel G. DaRosa, as Trustee of 30 MOZZONE BOULEVARD 2013 REALTY TRUST, u/d/t/ dated July 26, 2017, recorded with Northern Bristol County Registry of Deeds in Book 23939, Page 1, as seller, and Commonwealth Alternative Care, Inc., a Massachusetts corporation, as buyer, as amended. In the event of a conflict between this Assignment and the Agreement, the Agreement shall control.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed on the day and year first above written.

ASSIGNOR: _____

Daniel G. DaRosa, as Trustee of 30 MOZZONE BOULEVARD 2013 REALTY TRUST, u/d/t/ dated July 26, 2017, recorded with Northern Bristol County Registry of Deeds in Book 23939, Page 1

ASSIGNEE: COMMONWEALTH ALTERNATIVE CARE, INC., a Massachusetts corporation

By: _____
Name:
Title:

Schedule 1

Form of Escrow Agreement

ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Agreement") is made and entered into this __ day of _____, 2022 by and among**Daniel G. DaRosa, as Trustee of 30 MOZZONE BOULEVARD 2013 REALTY TRUST**, u/d/t/ dated July 26, 2017, recorded with Northern Bristol County Registry of Deeds in Book 23939, Page 1 (Seller"), and **Commonwealth Alternative Care, Inc.**, a Massachusetts corporation ("Purchaser") and **Title-Connect, LLC**, a_____ ("Escrow Agent");

WITNESSETH

Escrow Agent agrees to hold the Deposit (as defined in the Agreement of Purchase and Sale entered into by Buyer and Seller on the date hereof) in a general escrow account and the Undersigned will have no benefit of interest on these funds subject to the following conditions:

1. The Escrow Agent's sole responsibility under this Agreement is a ministerial capacity only, and shall act only as provided in this Agreement and shall not be liable to any party for loss or damage resulting therefrom.

2. If there is any dispute among the parties hereto as to whether the Escrow Agent shall disburse any funds, documents or instruments held hereunder, the Escrow Agent may either (a) hold such items until receipt of an authorization in writing signed by all persons having an interest in said dispute; or (b) file a suit in interpleader in a court of competent jurisdiction, tender such items into court, and obtain an order requiring the parties to litigate their several claims among themselves, upon which event the Escrow Agent shall *ipso facto* be released and discharged from all obligations and duties under this Agreement. Buyer and Seller hereby agree that Escrow Agent may rely on facsimile transmissions of the instructions. Except with respect to a return of the Deposit to Buyer upon written notice delivered by Buyer to Escrow Agent prior to the expiration of the Contingency Period (as defined in the Agreement), upon which, Escrow Agent shall return the Deposit immediately to Buyer pursuant to wire instructions provided by Buyer, Escrow Agent will not be required to transfer the Deposit to Buyer or Seller without joint written instruction from each Party or pursuant to the immediately preceding sentence.

3. The Escrow Agent shall be entitled to rely upon the authenticity of any signature and the genuineness and validity of any writing received by Escrow Agent relating to this Agreement. Escrow Agent is not responsible for the nature, content, validity or enforceability of any of the escrow documents except for those documents prepared by Escrow Agent.

4. Buyer and Seller shall jointly and severally indemnify and hold the Escrow Agent harmless from and against any and all claims, liability, loss, costs and expenses (including reasonable attorneys' fees and court costs) arising from the performance of the Escrow Agent hereunder, except for any such claim, action or proceeding resulting from the Escrow Agent's bad faith, negligence or willful misconduct. In the event that such costs or expenses are incurred by the Escrow Agent, the Escrow Agent shall be entitled to reimburse itself out of any funds held hereunder for its reasonable costs and expenses. In no event shall Escrow Agent's liability hereunder exceed the aggregate amount of the Deposit it is holding.

5. Except for any claim, action or proceeding resulting from the Escrow Agent's own bad faith, negligence or willful misconduct, the Escrow Agent shall not be responsible for any loss or delay occasioned by the closure or insolvency of the institution with which any funds are invested in accordance with this Agreement or the Purchase Agreement. The Escrow Agent shall not be liable for any loss or delay occasioned by the failure of said financial institution to wire funds in a timely manner.

6. The parties hereto do hereby certify that they are aware that the Federal Deposit Insurance Corporation ("FDIC") coverages apply only to a cumulative maximum amount of $250,000 for each individual deposit for all of the depositor's accounts at the same or related institution. The parties hereto further understand that certain banking instruments such as, but not limited to, repurchase agreements and letters of credit are not covered at all by FDIC insurance.

7. Further the parties hereto understand that Escrow Agent assumes no responsibility for, nor will the parties hereto hold Escrow Agent liable for, a loss occurring which arises from the fact that the amount of the above account may cause the aggregate amount of any individual depositor's accounts to exceed $250,000 and that the excess amount is not insured by the Federal Deposit Insurance Corporation or that FDIC insurance is not available on certain types of bank instruments

8. Escrow Agent may receive other benefits from the financial institution where the funds are deposited. Based upon the deposit of escrow funds in demand deposit accounts and other relationships with the financial institution, Escrow Agent is eligible to participate in a program whereby it may (i) receive favorable loan terms and earn income from the investment of loan proceeds and (ii) receive other benefits offered by the financial institution.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF the undersigned have caused this instrument to be duly executed and its seal to be affixed thereto as of the day and year first written above.

Seller:

Daniel G. DaRosa, as Trustee of 30 MOZZONE BOULEVARD 2013 REALTY TRUST, u/d/t/ dated July 26, 2017, recorded with Northern Bristol County Registry of Deeds in Book 23939, Page 1

Purchaser: COMMONWEALTH ALTERNATIVE CARE, INC., a Massachusetts corporation

By: _____
Name:
Title:

Escrow Agent: TITLE-CONNECT, LLC, a

_____

_____

By:
Name: _____
Its: _____

Schedule 2

List of Service Contracts

None

FIRST AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

This **FIRST AMENDMENT TO AGREEMENT OF PURCHASE AND SALE** (this "**Amendment**") is entered into as of March 14, 2022 by and between Commonwealth Alternative Care, Inc., a Massachusetts corporation ("**Buyer**") and Daniel G. DaRosa, as Trustee of 30 Mozzone Boulevard 2013 Realty Trust u/d/t/ dated July 26, 2017, recorded with the Northern Bristol County Registry of Deeds in Book 23939, Page 1 ("**Seller**").

BACKGROUND

A.Seller and Buyer entered into the Agreement of Purchase and Sale dated as of February 8, 2022 (the " **Agreement**") pertaining to the property known as Unit Nos. 30A and 30B of the 30 Mozzone Boulevard Condominium. Capitalized terms used herein, but not defined herein, shall have the meaning ascribed thereto in the Agreement.

B.Pursuant to the Agreement, (i) the Unit B Termination Right expires at 5:00 p.m. (Boston time) on March 15, 2022 (the " Unit B Termination Deadline"), and (ii) the Contingency Period expires at 5:00 p.m. (Boston time) on March 25, 2022.

C. Seller and Buyer wish to amend the Agreement upon the terms and conditions provided herein.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Extension of the Unit B Termination Deadline and Contingency Period. The Unit B Termination Deadline and the Contingency Period are hereby extended to 5:00 p.m. (Boston time) on May 15, 2022, for all purposes of the Agreement. In consideration of such extension, Buyer shall pay to Seller $100,000 each on April 1, 2022 and May 1, 2022 (i.e., $200,000 in the aggregate), which payments will not be applied to the Purchase Price.

2. Closing Date. The Closing Date is hereby extended to May 31, 2022.

3. Miscellaneous. This Amendment may be executed by facsimile, PDF, DocuSign (and the like) and/or email and/or in counterparts and it shall be sufficient that the signature of each party appears on one or more of such counterparts. Except as otherwise provided herein, the Agreement is ratified and confirmed and is in full force and effect. To the extent of any conflict between this Amendment and the Agreement, the terms of this Amendment shall control. All references in the Agreement to "this Agreement," "this Contract" or similar references shall mean a reference to the Agreement as amended by this Amendment.

[Remainder of page left intentionally blank; signature page follows.]

IN WITNESS WHEREOF, Seller and Buyer have executed this First Amendment, each as of the date set forth above.

SELLER:

/s/ Daniel G. Darosa
Daniel G. Darosa, as Trustee of 30 MOZZONE BOULEVARD 2013 REALTY TRUST, u/d/t/ dated July 26, 2017, recorded with Northern Bristol County Registry of Deeds in Book 23939, Page 1

BUYER:

COMMONWEALTH ALTERNATIVE CARE, INC., a Massachusetts corporation

By: */s/ Gary F. Santo, Jr.*
Name: Gary F. Santo, Jr.
Title: Director

SECOND AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

This **SECOND AMENDMENT TO AGREEMENT OF PURCHASE AND SALE** (this "**Amendment**") is entered into as of May 13, 2022 by and between Commonwealth Alternative Care, Inc., a Massachusetts corporation ("**Buyer**") and Daniel G. DaRosa, as Trustee of 30 Mozzone Boulevard 2013 Realty Trust u/d/t/ dated September 4, 2013, as evidenced by a Trust Certificate Pursuant to M.G.L. Chapter 184, Section 35 recorded with the Bristol North District Registry of Deeds in Book 21298, Page 128 ("**Seller**").

BACKGROUND

A.Seller and Buyer entered into the Agreement of Purchase and Sale dated as of February 8, 2022, as amended by that certain First Amendment to Agreement of Purchase and sale dated as of March 11, 2022 (as amended, the "**Agreement**") pertaining to the property known as Unit Nos. 30A and 30B (the "**Units**") of the 30 Mozzone Boulevard Condominium (the "**Condominium**"). Capitalized terms used herein, but not defined herein, shall have the meaning ascribed thereto in the Agreement.

B. In connection with the Closing, Seller has agreed to terminate the Condominium.

D.Seller and Buyer wish to amend the Agreement to (i) amend the description of the real property to be conveyed at Closing, and (ii) amend the form of Deed, all upon the terms and conditions provided herein.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Termination of Condominium. At or before Closing, Seller will deposit into escrow with the Certificate of Removal from Massachusetts Condominium Law in the form attached hereto as Exhibit A.

2. Property; Form of Deed. At Closing, Seller shall convey to Buyer all of Seller's right, title and interest in and to the real property and land together with the buildings, improvements, structures and fixtures erected thereon located at 30 Mozzone Boulevard, Taunton, Massachusetts, as more particularly described in Exhibit A-2 to the Agreement. Accordingly, at Closing, Seller shall convey title to the Property to Buyer by delivery of the Deed in the form attached hereto as Exhibit B.

3. Miscellaneous. This Amendment may be executed by facsimile, PDF, DocuSign (and the like) and/or email and/or in counterparts and it shall be sufficient that the signature of each party appears on one or more of such counterparts. Except as otherwise provided herein, the Agreement is ratified and confirmed and is in full force and effect. To the extent of any conflict between this Amendment and the Agreement, the terms of this Amendment shall control. All references in the Agreement to "this Agreement," "this Contract" or similar references shall mean a reference to the Agreement as amended by this Amendment.

[Remainder of page left intentionally blank; signature page follows.]

IN WITNESS WHEREOF, Seller and Buyer have executed this First Amendment, each as of the date set forth above.

SELLER:

/s/ Daniel G. DaRosa
Daniel G. DaRosa, as Trustee of 30 Mozzone Boulevard 2013 Realty Trust u/d/t/ dated September 4, 2013, as evidenced by a Trust Certificate Pursuant to M.G.L. Chapter 184, Section 35 recorded with the Bristol North District Registry of Deeds in Book 21298, Page 128

BUYER:

COMMONWEALTH ALTERNATIVE CARE, INC., a Massachusetts corporation

By: */s/ Gary F. Santo, Jr.*
Name: Gary F. Santo, Jr.
Title: Director

Exhibit A

CERTIFICATE OF REMOVAL FROM
MASSACHUSETTS CONDOMINIUM LAW
30 MOZZONE BOULEVARD CONDOMINIUM TRUST

Reference is hereby made to that certain Declaration of Trust dated July 26, 2017, and recorded with the Bristol County North Registry of Deeds in Book 23939, Page 1 (as amended, the "**Declaration**"), which Declaration established, pursuant to Massachusetts General Laws, Chapter 183A (the "**Condo Law**"), the 30 Mozzone Boulevard Condominium Trust (the "**Trust**"), the organization of unit owners of 30 Mozzone Boulevard Condominium, a condominium established pursuant to the Condo Law by Master Deed recorded with the Bristol County North Registry of Deeds in Book 23938, Page 330 and located at 30 Mozzone Boulevard, Taunton, Massachusetts, Units 1 and 2 ("**30 Mozzone**").

The undersigned, being the sole Trustee and One Hundred Percent (100%) of the Unit Owners of 30 Mozzone, pursuant to Article VII of the Declaration and Section 19 of the Condo Law, does hereby remove 30 Mozzone from the Condo Law and the Trust is hereby dissolved.

[Remainder of page intentionally left blank.]

Executed under seal this _____ day of _____, 2022.

Trustee and Unit Owner:

By:

_____

Daniel G. DaRosa, Trustee of 30 Mozzone Boulevard 2013 Realty Trust,
Trustee of 30 Mozzone Boulevard Condominium Trust

COMMONWEALTH OF MASSACHUSETTS

_____ County

On this ___ day of _____, 2022, before me, the undersigned notary public, personally appeared Daniel G. DaRosa and proved to me through satisfactory evidence of identification, being (check whichever applies): __ drivers license or other state or federal governmental document bearing a photographic image, __ oath or affirmation of a credible witness known to me who knows the above signatory, or __ my own personal knowledge of the identity of the signatory, to be the person(s) who's name is signed above, and acknowledged the foregoing to be signed by him voluntarily for its stated purpose as Trustee of 30 Mozzone Boulevard 2013 Realty Trust, Trustee of 30 Mozzone Boulevard Condominium Trust.

_____

Notary Public

My Commission Expires:_____
Print Notary Public's Name:_____
Qualified in the Commonwealth of Massachusetts

Exhibit B

QUITCLAIM DEED

Daniel G. DaRosa, as Trustee of 30 MOZZONE BOULEVARD 2013 REALTY TRUST, u/d/t/ dated July 26, 2017, recorded with Northern Bristol County Registry of Deeds (the "Registry") in Book 23939, Page 1, having a mailing address at 252 Britton Street, Raynham, MA 02767 ("Grantor"), for and in consideration of the sum of Thirteen Million Forty-Six Thousand Eight Hundred Two Dollars and 90/100 ($13,046,802.90), hereby grants to **Commonwealth Alternative Care, Inc.**, a Massachusetts corporation ("Grantee"), having a mailing address at 30 Mozzone Boulevard, Taunton, MA 02780,

with QUITCLAIM COVENANTS,

All of Grantor's right, title and interest in and to the real property and land together with the buildings, improvements, structures and fixtures erected thereon situated in Taunton, Bristol County, Massachusetts, as more particularly described on Exhibit A attached hereto, and all of Grantor's right, title and interest in any and all title, rights, privileges, alleys, ways, easements, appurtenances, strips, gores, advantages and all other matters thereto belonging or in any way pertaining thereto.

This conveyance is made by Grantor and accepted by Grantee subject to all covenants, conditions, restrictions, and other matters of record.

For reference to Grantor's title, see deed recorded with the Registry in Book 21347, Page 109.

Property Address: 30 Mozzone Boulevard, Taunton, Massachusetts

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the said Grantor has executed this Quitclaim Deed as a sealed instrument as of the ___ day of May, 2022.

GRANTOR:

Daniel G. DaRosa, as Trustee of 30 Mozzone Boulevard 2013 Realty Trust, u/d/t/ dated July 26, 2017, recorded with Northern Bristol County Registry of Deeds in Book 23939, Page 1

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this_____ day of May, 2022, before me, the undersigned Notary Public, personally appeared Daniel G. DaRosa, proved to me through satisfactory evidence of identification, namely _____, to be the person whose name is signed on the preceding document, and acknowledged to me that he signed it voluntarily for its stated purpose as Trustee of the 30 Mozzone Boulevard 2013 Realty Trust as the voluntary act of the Trust.

Notary Public
My commission expires:

EXHIBIT A

The land in Taunton, Bristol County, Massachusetts shown on a plan hereinafter mentioned.

Beginning at *a* point at the northeast corner of the described parcel on the southerly sideline of Mozzone Boulevard and the northeast corner now or formerly of Thomas J. Flately; Thence

S 14 50' 40" E five hundred sixty-two and 50(100 (562.50) feet by said Flately land to land formerly of the Penn Central Co. Railroad; Thence

S 75 09' 20" W three hundred ninety-eight and 77/100 (398.77) feet to a point; Thence

By a curve to the right having a radius of eight hundred forty (840) feet for a distance of three hundred sixty-four and 961100 (364.96) feet to a point; Thence

N53 54' 52" W seven hundred two (702) feet to a point; Thence

N 26 33' 40" W six and 63/100 (6.63) feet to appoint, the last four (4) courses by land formerly of the Penn Central Co. Railroad; Thence

N 75 52' 23" E four hundred eighty-two and 28/100 (482.28) feet by land formerly of the Mozzone Terminal Corporation to the sideline of Mozzone Boulevard: Thence

By a curve to the left having a radius of sixty (60) feet a distance of ninety-five and 00/100 (95.00) feet to a point; Thence

N 75 09' 20" E six hundred fifty-three and 85/100 (653.85) feet to the point of beginning, the*last* two (2) courses by the sideline of Mozzonc Boulevard,

Said parcel contains an area of 12.38 acres, more or less, and is more fully shown on plan entitled "PLAN OF LAND IN TAUNTON, MASS., PREPARED FOR: W.H. MAZE COMPANY; SCALE: 1" = 100' ; APRIL 12, 1991, PREPARED BY: B & D ENGINEERING CONSULTANTS, A DIVISION OF L. J. DUCHARME ASSOCIATES, INC." which plan is duly recorded at Bristol County Northern District Registry of Deeds.

Together with the benefit of the drainage rights and easements set forth in Deed from Mozzone Terminal Corporation to the City of Taunton dated August 1, 1974, recorded in Book 1664, Page 273.

Subject to any rights the public may have in the Old Pole Plain Road, if any there be.

Conveying also to Grantee, its successors and assigns, an easement for the drainage of surface water, 15 feet in width, running from the extreme northwesterly corner of the above described premises in a generally northwesterly direction along land of the Penn Central Co. Railroad for a distance of about 450.00 feet.

Conveying also to Grantee, its successors and assigns, a right of way over, through, and upon Mozzone Boulevard for all purposes for which public ways are used in the City of Taunton, in common with others lawfully entitled thereto.

Exhibit 2.4

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with [***]" to indicate where omissions have been made.

PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

COMMONWEALTH ALTERNATIVE CARE INC.,
a Massachusetts corporation

"SELLER"

AND

IIP-MA 2 LLC,
a Delaware limited liability company

"BUYER"

30 Mozzone Street,
Taunton, Massachusetts 02780

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PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

TO: Title-Connect, LLC ("Escrow Agent")
28470 W. 13 Mile, Suite 325
Farmington Hills, MI 48334
E-mail: [***]

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS ("Agreement") is made and entered into and effective as of the 8th day of April, 2022, by and between COMMONWEALTH ALTERNATIVE CARE, INC., a Massachusetts corporation (the " Seller"), and IIP-MA 2 LLC, a Delaware limited liability company ("Buyer"), each of whom shall sometimes separately be referred to herein as a 'Party" and both of whom shall sometimes collectively be referred to herein as the "Parties." This Agreement constitutes: (a) a binding purchase and sale agreement between Seller and Buyer; and (b) joint escrow instructions to Escrow Agent whose consent appears at the end of this Agreement.

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, the Parties mutually agree as follows:

ARTICLE 1
CERTAIN DEFINITIONS

In addition to those terms defined elsewhere in this Agreement, the following terms have the meanings set forth below:

"Additional Deposit" shall have the meaning given to such term in Section 2.2(b) hereof.

"Affiliate" shall mean, with respect to any particular Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For this purpose, the term "control" shall be deemed satisfied to the extent that there exists direct or indirect ownership

representing a minimum ten percent (10%) ownership interest.

"Agreement" shall mean this Purchase and Sale Agreement and Joint Escrow Instructions dated as of the 8th day of April 2022, by and between Seller and Buyer, together with all Exhibits and Schedules attached hereto.

"ALTA" shall mean American Land Title Association.

"ALTA Extended Coverage Policy" shall have the meaning given such term in Section 8.1(c) hereof.

"Asserted Liability" shall have the meaning given to such term in Section 14.2(a) hereof.

"Assignment of Permits, Entitlements and Intangible Property" shall mean the Assignment of Permits, Entitlements and Intangible Property, in the form of Exhibit F attached and incorporated herein by reference.

"Bill of Sale" shall mean the Bill of Sale, in the form of Exhibit C attached hereto and incorporated herein by reference.

"Building" shall mean the building consisting of approximately 101,740 square feet, together with all related facilities and improvements, located on the Land.

"Business Day" shall mean a Calendar Day, other than a Saturday, Sunday or a day observed as a legal holiday by the United States federal government or the Commonwealth of Massachusetts.

"Buyer" shall mean IIP-MA 2 LLC, a Delaware limited liability company.

"Buyer Indemnitees" shall have the meaning given to such term in Section 14.1(a) hereof.

"Buyer's Election Not to Terminate" shall have the meaning given to such term in Section 4.3 hereof.

"Buyer's Election to Terminate" shall have the meaning given to such term in Section 4.2 hereof.

"Calendar Day" shall mean any day of the week including a Business Day.

"Cash" shall mean legal tender of the United States of America represented by either: (a) currency; (b) a cashier's or certified check or checks currently dated, payable to Escrow Agent or order, and honored upon presentation for payment; or (c) immediately available funds wire transferred or otherwise deposited into Escrow Agent's account at Escrow Agent's direction.

"Certificate of Non-Foreign Status" shall mean that certain Certificate of Non-Foreign Status, in the form of Exhibit D attached hereto and incorporated herein by reference.

"Claims Notice" shall have the meaning given to such term in Section 14.2(a) hereof.

"Closing" shall have the meaning given to such term in Section 8.4 hereof.

"Closing Date" shall have the meaning given to such term in Section 8.4 hereof.

"Closing Deposit" shall have the meaning given to such term in Section 2.2(d) hereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent federal revenue laws.

"Condemnation Proceeding" shall have the meaning given to such term in Section 8.3(a) hereof.

"Contracts" shall mean all written or oral: (a) insurance, management, leasing, security, janitorial, cleaning, pest control, waste disposal, landscaping, advertising, service, maintenance, operating, repair, collective bargaining, employment, employee benefit, severance, franchise, licensing, supply, purchase, consulting, professional service, advertising, promotion, public relations and other contracts and commitments in any way relating to the Property or any part thereof, together with all supplements, amendments and modifications thereto; and (b) equipment leases and all rights and options of Seller thereunder, together with all supplements, amendments and modifications thereto.

"Cure Notice" shall have the meaning given to such term in Section 4.1(b) hereof.

"Deposit" shall mean the Initial Deposit and the Additional Deposit, as applicable, together with all interest accrued thereon, if any, while in Escrow Agent’s control.

"Disapproved Title Exceptions" shall have the meaning given to such term in Section 4.1(b) hereof.

"Disapproved Title Exceptions Notice" shall have the meaning given to such term in Section 4.1(b) hereof.

"Eastern Time" shall mean Eastern Standard Time (or Eastern Daylight Savings Time, whichever shall be in effect at the time in question in Taunton, Massachusetts).

"Effective Date" shall mean, provided that this Agreement has been executed and delivered by both Buyer and Seller, the later of (a) the date this Agreement is executed and delivered by Buyer or (b) the date this Agreement is executed and delivered by Seller, as such dates appear after each Party's signature herein below.

"Environmental Laws" shall mean all present and future federal, state or local laws, ordinances, codes, statutes, regulations, administrative rules, policies and orders, and other authorities, which relate to the environment and/or which classify, regulate, impose liability, obligations, restrictions on ownership, occupancy, transferability or use of the Real Property, and/or list or define hazardous substances, materials, wastes, contaminants, pollutants and/or the Hazardous Materials including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, *et seq.*, as now or hereafter amended; the Resources Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.*, as now or hereafter amended; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, *et seq.*, as now or

hereafter amended; the Clean Water Act, 33 U.S.C. Section 1251, *et seq*., as now or hereafter amended; the Clean Air Act, 42 U.S.C. Section 7901, *et seq.*, as now or hereafter amended; the Toxic Substance Control Act, 15 U.S.C. Sections 2601 through 2629, as now or hereafter amended; the Public Health Service Act, 42 U.S.C. Sections 300f through 300j, as now or hereafter amended; the Safe Drinking Water Act, 42 U.S.C. Sections 300f through 300j, as now or hereafter amended; the Occupational Safety and Health Act, 29 U.S.C. Section 651, *et seq*., as now or hereafter amended; the Oil Pollution Act, 33 U.S.C. Section 2701, *et seq.*, as now or hereafter amended; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. Section 11001, *et seq.*, as now or hereafter amended; the National Environmental Policy Act, 42 U.S.C. Section 4321, *et seq*., as now or hereafter amended; the Federal Insecticide, Fungicide and Rodenticide Act, 15 U.S.C. Section 136, *et seq.*, as now or hereafter amended; the Medical Waste Tracking Act, 42 U.S.C. Section 6992, as now or hereafter amended; the Atomic Energy Act of 1985, 42 U.S.C. Section 3011, *et seq.,* as now or hereafter amended; and any similar federal, state or local laws and ordinances and the regulations now or hereafter adopted, published and/or promulgated pursuant thereto and other state and federal laws relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, disposal or transportation of any Hazardous Materials.

"Escrow" shall have the meaning given to such term in Article 3 hereof.

"Escrow Agent" shall have the meaning given to such term in the preamble of this Agreement.

"Excluded Property" means the property described on Schedule 3.0 attached hereto and incorporated herein by reference.

"Existing Lease" shall mean collectively, (i) that certain Lease, dated October 21, 2016 between Owner, as landlord and Seller, as tenant (the "Unit A Lease"), and (ii) that certain Lease dated June ___, 2018 [*sic*] between Owner, as landlord, and Seller, as tenant (the "Unit B Lease").

"Existing PSA" shall mean that certain Agreement of Purchase and Sale dated February 8, 2022 entered into by and between Seller and Owner pursuant to which Seller has the right to acquire the Property.

"General Provisions" shall have the meaning given to such term in Article 3 hereof.

"Guarantor" shall mean TILT Holdings Inc., a corporation amalgamated under the laws of the Province of British Columbia, Canada.

"Guaranty" shall mean the Guaranty in the form attached as Exhibit D to the Lease.

"Hazardous Materials" shall mean all hazardous wastes, toxic substances, pollutants, contaminants, radioactive materials, flammable explosives, other such materials, including, without limitation, substances defined as "hazardous substances," "hazardous wastes," "hazardous materials," "toxic substances," "toxic pollutants," "petroleum substances," or "infectious waste" in any applicable laws or regulations including, without limitation, the Environmental Laws, and any material present on the Real Property that has been shown to have significant adverse effects on human health including, without limitation, radon, pesticides, asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, petroleum products (including any products or by-products therefrom), lead-based paints and any material containing or constituting any of the foregoing, and any such other substances, materials and wastes which are or become regulated by reason of actual or threatened risk of toxicity causing injury or illness, under any Environmental Laws or other applicable federal, state or local law, statute, ordinance or regulation, or which are classified as hazardous or toxic under current or future federal, state or local laws or regulations.

"Improvements" shall mean all buildings, structures, fixtures, trade fixtures, systems, facilities, machinery, equipment and conduits that provide fire protection, security, heat, exhaust, ventilation, air conditioning, electrical power, light, plumbing, refrigeration, gas, sewer and water thereto (including all replacements or additions thereto) and other improvements now or hereafter located on the Land, including, but not limited to the Building, together with all water control systems, utility lines and related fixtures and improvements, drainage facilities, landscaping improvements, fencing, roadways and walkways, and all privileges, rights, easements, hereditaments and appurtenances thereto belonging, but specifically excluding the Excluded Property.

"Indemnitees" shall have the meaning given to such term in Section 14.2(a) hereof.

"Indemnitor" shall have the meaning given to such term in Section 14.2(a) hereof.

"Independent Consideration" shall have the meaning given to such term in Section 2.2(c) hereof.

"Initial Deposit" shall have the meaning given to such term in Section 2.2(a) hereof.

"Intangible Property" shall have the meaning given to such term in Section 2.1(c) hereof.

"Investigation Period" shall have the meaning given to such term in Section 4.1 hereof.

"Joiner" shall have the meaning given to such term in Section 15.16 hereof.

"Land" shall mean that certain parcel of real property located in the County of Bristol, Commonwealth of Massachusetts, the legal description of which is set forth on Exhibit A attached hereto and incorporated herein by reference.

"Lease" shall mean the Lease, in the form of Exhibit H attached hereto and incorporated herein by reference.

"Losses" shall have the meaning given to such term in Section 14.1 hereof.

"Material Loss" shall mean any damage, loss or destruction to any portion of the Real Property, the loss of which is equal to or greater than Two Hundred Thousand Dollars ($200,000.00) (measured by the cost of repair or replacement).

"Monetary Obligations" shall mean any and all liens, liabilities and encumbrances placed, or caused to be placed, of record against the Real Property evidencing a monetary obligation which can be removed by the payment of money, including, without limitation, delinquent real property taxes and assessments, deeds of trust, mortgages, mechanic's liens, attachment liens, execution liens, tax liens and judgment liens. Notwithstanding the foregoing, the term "Monetary Obligations" shall not include and shall specifically exclude the liens, liabilities and encumbrances relating to the Permitted Title Exceptions and any matters caused by any act or omission of Buyer, or its agents or representatives.

"New Title Exceptions" shall have the meaning given to such term in Section 4.1(c) hereof.

"Non-Material Loss" shall mean damage, loss or destruction to any portion of the Real Property, the loss of which is less than Two Hundred Thousand Dollars ($200,000.00) (measured by the cost of repair or replacement).

"Notice" shall have the meaning given to such term in Section 15.2 hereof.

"Notice of Loss" shall have the meaning given to such term in Section 14.2(c) hereof.

"OFAC" shall have the meaning given to such term in Section 9.17 hereof.

"Owner" shall mean Daniel G. DaRosa, as Trustee of 30 MOZZONE BOULEVARD 2013 REALTY TRUST, u/d/t/ dated July 26, 2017, recorded with the Registry in Book 23939, Page 1.

"Party" or "Parties" shall have the meaning given to such terms in the Preamble of this Agreement.

"Permits and Entitlements" shall have the meaning given to such term in Section 2.1(e) hereof.

"Permitted Title Exceptions" shall have the meaning given to such term in Section 4.1(b) hereof.

"Person" shall mean any individual, corporation, partnership, limited liability company or other entity.

"Personal Property" shall have the meaning given to such term in Section 2.1(b) hereof.

"Preliminary Title Report" shall have the meaning given to such term in Section 4.1(b) hereof.

"Property" shall have the meaning given to such term in Section 2.1 hereof.

"Purchase Price" shall have the meaning given to such term in Section 2.2 hereof.

"Real Property" shall have the meaning given to such term in Section 2.1(a) hereof.

"Registry" shall have the meaning given to such term in Section 12.1(a) hereof.

"Reimbursement Cap" shall have the meaning given to such term in Section 5.1(g) hereof.

"Seller" shall mean Commonwealth Alternative Care Inc., a Massachusetts corporation.

"Seller Indemnitees" shall have the meaning given to such term in Section 14.1(b) hereof.

"Seller's Deed" shall mean the Quitclaim Deed, in the form of Exhibit B attached hereto and incorporated herein by reference, subject to any changes required by Title Insurer.

"Seller's Deliveries" shall have the meaning given to such term in Section 4.1(a) hereof.

"Survey" shall have the meaning given to such term in Section 4.1(b) hereof.

"Tenant" shall mean Seller.

"Third Party Reports" shall mean the zoning report and property condition assessment ordered by Seller on Buyer's behalf.

"Title Insurer" shall mean Stewart Title Guaranty Company or another title company acceptable to Buyer.

"Title Objection Deadline" shall have the meaning given to such term in Section 4.1(b) hereof.

"Transaction Documents" shall mean Seller's Deed, the Bill of Sale, the Certificate of Non-Foreign Status, the Assignment of Permits, Entitlements and Intangible Property and all other instruments or agreements to be executed and delivered pursuant to this Agreement or any of the foregoing.

"Utilities" shall have the meaning given to such term in Section 9.16 hereof.

ARTICLE 2
PURCHASE, PURCHASE PRICE AND PAYMENT

Section 2.1 Purchase and Sale of Property. Subject to the terms and conditions set forth in this Agreement, on the Closing, Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase from Seller, all of the following property (collectively, the "Property"):

(a) Real Property. The Land and the Improvements, together with all of Seller's right, title and interest in, to and under: (i) all easements, rights-of-way, development rights, entitlements, air rights and appurtenances relating or appertaining to the Land and/or the Improvements; (ii) all water wells, streams, creeks, ponds, lakes, detention basins and other bodies of water in, on or under the Land, whether such rights are riparian, appropriative, prospective or otherwise, and all other water rights applicable to the Land and/or the Improvements; (iii) all sewer, septic and waste disposal rights and interests applicable or appurtenant to or used in connection with the Land and/or the Improvements; (iv) all minerals, oil, gas and other hydrocarbons located in, on or under the Land, together with all rights to surface or subsurface entry; and (v) all streets, roads, alleys or other public ways adjoining or serving the Land, including any land lying in the bed of any street, road, alley or other public way, open or proposed, and any strips, gaps, gores, culverts and rights of way adjoining or serving the Land, free and clear of any and all liens, liabilities, encumbrances, exceptions and claims, other than the Permitted Title Exceptions (collectively, the "Real Property").

(b) Personal Property. All equipment, facilities, machinery, tools, appliances, fixtures, furnishings, furniture, paintings, sculptures, art, inventories, supplies, computer equipment and systems, telephone equipment and systems, satellite dishes and related equipment and systems, security equipment and systems, fire prevention equipment and systems, and all other items of tangible personal property owned by Seller and located on or about the Real Property or used in conjunction therewith, free and clear of any and all liens, liabilities, encumbrances, exceptions and claims, but excepting therefrom the Excluded Property (collectively, the "Personal Property").

(c) Intangible Property. All of Seller's right, title and interest in and to all intangible personal property not otherwise described in this Section 2.1 and relating to the Property or the business of owning, operating, maintaining and/or managing the Real Property as a real estate asset (but specifically excluding any rights to any intangible personal property relating to Seller's business operations), including, without limitation: (i) all warranties, guarantees and bonds from third parties, including, without limitation, contractors, subcontractors, materialmen, suppliers, manufacturers, vendors and distributors; (ii) all deposits, reimbursement rights, refund rights, receivables and other similar rights from any governmental or quasi-governmental agency; and (iii) all liens and security interests in favor of Seller, together with any instruments or documents evidencing same, free and clear of any and all liens, liabilities, encumbrances, exceptions and claims, but excepting therefrom the Excluded Property (collectively, the "Intangible Property").

(d) Intentionally Omitted.

(e) Permits and Entitlements. To the extent assignable at no or nominal cost to Seller, all of Seller's right, title and interest in, to and under: (i) all permits, licenses, certificates of occupancy, approvals, authorizations and orders obtained from any governmental authority and relating to the Real Property or the business of owning, maintaining and/or managing the Real Property, including, without limitation, all land use entitlements, development rights, density allocations, certificates of occupancy, sewer hook-up rights and all other rights or approvals relating to or authorizing the ownership, operation, management and/or development of the Real Property (including but not limited all such rights or approvals necessary and appropriate for the Permitted Use (as defined in the Lease)); (ii) all preliminary and final drawings, renderings, blueprints, plans and specifications (including "as-built" plans and specifications), and tenant improvement plans and specifications for the Improvements (including "as-built" tenant improvement plans and specifications); (iii) all maps and surveys for any portion of the Real Property; (iv) all items constituting the Seller's Deliveries; and (v) any and all other items of the same or similar nature pertaining to the Real Property, and all changes, additions, substitutions and replacements for any of the foregoing, free and clear of any and all liens, liabilities, encumbrances, exceptions and claims, but excepting therefrom the Excluded Property (collectively, the "Permits and Entitlements").

Section 2.2 Purchase Price. The purchase price for the Property ("Purchase Price") shall be the sum of Forty Million Dollars ($40,000,000.00). The Purchase Price shall be payable by Buyer to Seller in accordance with the following terms and conditions:

(a) Initial Deposit. Within three (3) Business Days following the Effective Date, Buyer shall deposit into Escrow the sum of One Hundred Thousand Dollars ($100,000.00), in the form of Cash, which amount shall serve as an earnest money deposit ("Initial Deposit"). Buyer may direct Escrow Agent to invest the Initial Deposit in one or more interest bearing accounts with a federally insured state or national bank designated by Buyer and approved by Escrow Agent. Subject to the applicable termination and default provisions contained in this Agreement: (i) the Initial Deposit shall remain in Escrow prior to the Closing; (ii) upon the Closing, the Initial Deposit shall be applied as a credit towards the payment of the Purchase Price; and (iii) all interest that accrues on the Initial Deposit while in Escrow Agent's control shall belong to Buyer. Buyer shall complete, execute and deliver to Escrow Agent a W-9 Form, stating Buyer's taxpayer identification number at the time of delivery of the Initial Deposit. All references in this Agreement to the "Initial Deposit" shall mean the Initial Deposit and any and all interest that accrues thereon while in Escrow Agent's control.

(b) Additional Deposit. In the event Buyer timely delivers to Seller Buyer's Election Not to Terminate this Agreement pursuant to Section 4.3 hereof, then within two (2) Business Days following the expiration of the Investigation Period, Buyer shall deposit into Escrow the sum of One Hundred Thousand Dollars ($100,000.00), in the form of Cash, which amount shall serve as an additional earnest money deposit ("Additional Deposit"). Buyer may direct Escrow Agent to invest the Additional Deposit in one or more interest bearing accounts with a federally insured state or national bank designated by Buyer and approved by Escrow Agent. Subject to the applicable termination and default provisions contained in this Agreement: (i) the Additional Deposit shall remain in Escrow prior to the Closing; (ii) upon the Closing, the Additional Deposit shall be applied as a credit towards the payment of the Purchase Price; and (iii) all interest that accrues on the Additional Deposit while in Escrow Agent's control shall belong to Buyer. All references in this Agreement to the "Additional Deposit" shall mean the Additional Deposit and any and all interest that accrues thereon while in Escrow Agent's control.

(c) Independent Consideration. Concurrently with Buyer's delivery of the Initial Deposit, Buyer shall deposit into Escrow the additional sum of One Hundred Dollars ($100.00) as independent consideration for Seller's execution of this Agreement (the "Independent Consideration"). Such Independent Consideration shall be non-refundable to Buyer under all circumstances, and upon the Closing, the Independent Consideration, together with all interest that accrues on the Independent Consideration while in Escrow Agent's control, shall be applied as a credit towards the payment of the Purchase Price.

(d) Closing Deposit. The Purchase Price less the Deposit ("Closing Deposit"), shall be paid by Buyer to Escrow Agent, in the form of Cash, pursuant to Section 7.1 hereof, and distributed by Escrow Agent to Seller on the Closing in accordance with the provisions of Section 12.1(c) hereof.

ARTICLE 3
ESCROW

Within three (3) Business Days following the Effective Date, Seller and Buyer shall open an escrow ("Escrow") with Escrow Agent by Buyer depositing with Escrow Agent the Initial Deposit. By each Party's signature to this Agreement and by Escrow Agent's signature to the Consent of Escrow Agent, the Parties and Escrow Agent shall be deemed to have agreed to the Escrow Agents' General Provisions, which are attached hereto as Exhibit G ("General Provisions"). The date of delivery of the Initial Deposit shall constitute the opening of Escrow and upon such delivery, this Agreement shall constitute joint escrow instructions to Escrow Agent, which joint escrow instructions shall supersede all prior escrow instructions related to the Escrow, if any. Seller and Buyer hereby agree to promptly execute and deliver to Escrow Agent any additional or supplementary escrow instructions as may be necessary or convenient to consummate the transactions contemplated by this Agreement; provided, however, that neither the General Provisions, nor any such additional or supplemental escrow instructions shall supersede this Agreement, and in all cases this Agreement shall control, unless the General Provisions or such additional or supplemental escrow instructions expressly provide otherwise.

ARTICLE 4
INVESTIGATION PERIOD; VOLUNTARY TERMINATION; TITLE

Section 4.1 Investigation Period. During the time period commencing upon the Effective Date of this Agreement, and terminating at 11:00 p.m. Eastern Time on the date that is thirty-five (35) Calendar Days after the Effective Date (the "Investigation Period"), Buyer shall have the right to conduct and complete an investigation of all matters pertaining to the Property and Buyer's purchase thereof including, without limitation, the matters described in this Section 4.1.

(a) Seller's Deliveries. Within five (5) Calendar Days following the Effective Date of this Agreement, Seller, at Seller's expense, shall cause to be delivered to Buyer, to the extent within its possession or reasonable control, complete copies of all documents, agreements and other information relating to the Property, Seller, Tenant and Guarantor listed on Schedule 1.0 attached hereto and incorporated herein by reference (collectively, the "Seller's Deliveries"). Seller will promptly deliver to Buyer true, correct and complete copies of any supplements and/or updates of Seller's Deliveries to the extent such items are received by Seller prior to Closing. During the Investigation Period, Buyer shall have the right to conduct and complete an investigation of all matters pertaining to Seller's Deliveries and all other matters pertaining to the Property and Buyer's acquisition thereof. In this regard, Buyer shall have the right to contact the Seller's management, governmental agencies and officials and other parties and make reasonable inquiries concerning Seller's Deliveries and any and all other matters pertaining to the Property. Seller agrees to reasonably cooperate with Buyer in connection with Buyer's investigation of Seller's Deliveries and all other matters pertaining to the Property, subject to the provisions in the Existing PSA to which Seller, as the buyer thereunder, is subject.

(b) Preliminary Title Report/Survey. On or before (i) the expiration of five (5) Business Days following the Effective Date, Seller shall order a preliminary title report covering the Real Property, together with copies of all documents referred to as exceptions therein ("Preliminary Title Report"), from Title Insurer; and (ii) the date that is ten (10) Business Days prior to the Title Objection Deadline (as defined below), Seller shall deliver to Buyer a current ALTA Survey of the Real Property which was prepared by a surveyor licensed under the laws of the state where the Real Property is located, which ALTA survey shall be certified to Buyer and Title Insurer and prepared in accordance with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys with Table A items 2, 3, 4, 6(a), 6(b), 7(a), 7(b)(1), 7(c), 8, 9, 13, 15, 16, 17, 18 and 19, inclusive ("Survey"). Not later than 8:00 p.m. Eastern Time on the date that is the earlier of (i) ten (10) Business Days after receipt of the Preliminary Title Report and Survey or (ii) ten (10) Business Days prior to the last day of the Investigation Period (the "Title Objection Deadline"), Buyer shall have the right to notify Seller in writing ("Disapproved Title Exceptions Notice") of Buyer's disapproval of any matters set forth in the Preliminary Title Report and the Survey ("Disapproved Title Exceptions"). In the event Buyer timely delivers to Seller a Disapproved Title Exceptions Notice, Seller shall have the right, but not the obligation (except with respect to Disapproved Title Exceptions that constitute Monetary Obligations, as set forth below), to agree to cure one or more of the Disapproved Title Exceptions by giving Buyer written notice ("Cure Notice") of such election not later than 8:00 p.m. Eastern Time on the date that is two (2) Business Days prior to the last day of the Investigation Period, provided such Cure Notice may also indicate that Seller does not intend to cure one or more of the Disapproved Title Exceptions. Following the timely receipt of a Disapproved Title Exceptions Notice from Buyer, if Seller fails to timely deliver a Cure Notice to Buyer, then Seller shall be deemed to have elected not to cure any of the Disapproved Title Exceptions. A Disapproved Title Exception shall be deemed to have been cured if Seller causes such item to be removed from the record title of the Real Property and not listed as a title exception on the ALTA Extended Coverage Policy prior to the Closing or otherwise cures such Disapproved Title Exception as determined by Buyer in Buyer's sole and absolute discretion.

In the event Seller timely elects (or is deemed to have timely elected) not to cure the Disapproved Title Exceptions, then prior to the expiration of the Investigation Period, Buyer may elect: (i) to terminate this Agreement and the Escrow pursuant to the provisions of Section 4.2 hereof; or (ii) to not terminate this Agreement and the Escrow pursuant to Section 4.3 hereof, in which case those Disapproved Title Exceptions which are not cured and which are not Monetary Obligations which Seller is obligated to cure on or before the Closing pursuant to Section 5.1(e) hereof, shall be deemed to constitute Permitted Title Exceptions.

Following the timely receipt of a Disapproved Title Exceptions Notice from Buyer, if Seller elects to cure one or more of the Disapproved Title Exceptions, then Seller shall have until the last Business Day immediately preceding the Closing Date to cure the applicable Disapproved Title Exceptions. In the event Seller: (A) timely elects to cure the Disapproved Title Exceptions; and (B) fails to timely cure any Disapproved Title Exceptions that Seller has elected to cure on or before the Closing Date, then Seller shall not be in default under this Agreement and, in such a case, at any time on or before the Closing Date, Buyer may elect to either: (1) continue this Agreement in effect without modification and purchase and acquire the Property in accordance with the terms and conditions of this Agreement, subject to such Disapproved Title Exceptions (which will be deemed to constitute "Permitted Title Exceptions"); or (2) terminate this Agreement and the Escrow pursuant to the provisions of Section 8.5(a) hereof, unless Seller fails to exercise commercially reasonable efforts to cure such Disapproved Title Exceptions or one or more of such Disapproved Title Exceptions are the result of a default by Seller under this Agreement, in which case Buyer may terminate this Agreement and the Escrow pursuant to the provisions of Section 8.6(a) hereof. Notwithstanding any provision in the Agreement to the contrary, pursuant to Section 5.1(e) hereof, Seller shall be obligated to cure all Monetary Obligations on or before the Closing.

Fee title to the Real Property shall be conveyed by Seller to Buyer subject only to the following exceptions to title (collectively, the "Permitted Title Exceptions"):

(i) Non-delinquent real and personal property taxes and assessments;

(ii) The lien of supplemental taxes, if any;

(iii) Any lien voluntarily imposed by Buyer;

(iv) The possessory rights of Tenant under the Lease;

(v)Any matters set forth in the Preliminary Title Report and the Survey that are approved by Buyer in accordance with the procedures and within the time periods set forth in Section 4.1(b) hereof; and

(vi) All New Title Exceptions approved by Buyer pursuant to Section 4.1(c) hereof.

(c) New Title Exceptions. In the event that prior to the Closing, any new title exceptions are discovered by or revealed to Seller, which new title exceptions were not otherwise set forth or referred to in the Preliminary Title Report and were not caused by Buyer ("New Title Exceptions"), Seller shall deliver written notice to Buyer disclosing the existence of such New Title Exceptions, together with copies of all underlying documents, and unless such New Title Exception is the result of a default by Seller hereunder (in which case the provisions of Section 8.6 shall govern), each of Buyer and Seller shall have the rights and obligations in Section 4.1(b), *mutatis mutandis*, with respect thereto; provided, however, Buyer shall have a period of two (2) Business Days following receipt of such New Title Exceptions in which to provide a Disapproved Title Exceptions Notice, and thereafter the provisions of Section 4.1(b) shall govern and control, except that any termination shall be governed by Section 8.5 (in lieu of Section 4.2) and the Closing shall be extended as necessary to allow for the response and election periods under Section 4.1(b).

(d)In the event Seller does not timely cure one or more of those New Title Exceptions which are deemed to constitute Disapproved Title Exceptions, then Buyer may elect, at any time on or before the Closing Date, to either: (A) continue this Agreement in effect without modification and purchase and acquire the Property in accordance with the terms and conditions of this Agreement, subject to such New Title Exceptions (which will be deemed to constitute "Permitted Title Exceptions"); or (B) terminate this Agreement and the Escrow pursuant to the provisions of Section 8.5(a) hereof, unless such failure is the result of a default by Seller under this Agreement, in which case the provisions of Section 8.6(a) shall govern. Notwithstanding any provision in this Agreement to the contrary, in no event shall the term "Permitted Title Exceptions" include any Monetary Obligations, and Seller hereby agrees to and shall remove (or, as applicable, use commercially reasonable efforts to cause Owner to remove) all Monetary Obligations on or before the Closing.

(e) Physical Inspection. Subject to the limitations set forth in this Section 4.1(d) and the restrictions in the Existing PSA to which Seller, as the buyer thereunder, is subject, under the Existing PSA, during the Investigation Period, Buyer shall have the right, at Buyer's expense, to make such non-invasive inspections (including tests, surveys and other studies) of the Real Property and all matters relating thereto, including, but not limited to, soils and geologic conditions, location of property lines, utility availability and use restrictions, environmental conditions, the manner or quality of the construction of the Improvements, the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Real Property, the effect of applicable planning, zoning and subdivision statutes, ordinances, regulations, restrictions and permits, the character and amount of any fees or charges that must be paid to further develop, improve and/or occupy the Real Property and all other matters relating to the Real Property. During the Investigation Period, Buyer and its agents, contractors and subcontractors shall have the right to enter upon the Real Property, at reasonable times during ordinary business hours and at least 72 hours prior written notice, to make inspections and tests as Buyer deems reasonably necessary and which may be accomplished without causing any material damage to the Real Property, provided Seller shall have the right to have its own personnel and consultants present during any such inspections and tests and any such inspections shall not interfere with Seller's business operations at the Property. Buyer shall return and restore the Real Property to substantially its original physical condition immediately prior to such inspections or tests. Without Seller's prior consent, not to be unreasonably withheld and otherwise subject to the provisions of the

Existing PSA, Buyer shall not conduct any invasive testing at the Real Property, provided that Seller shall reasonably cooperate with Buyer to obtain, at Buyer's sole cost and expense, reliance letters in favor of Buyer from the consultants that conducted any phase I and phase II environmental reports obtained by Seller with respect to the Property.

Buyer shall indemnify and hold Seller harmless from and against any costs, damages, liabilities, losses, expenses, liens or claims (including, without limitation, court costs and reasonable attorneys' fees and disbursements) arising out of or relating to any entry on the Property by Buyer, its agents, employees or contractors in the course of performing the inspections, testings or inquiries provided for in this Agreement, including, without limitation, any release of Hazardous Materials or any damage to the Property caused by Buyer or Buyer's agents, except with respect to any pre-existing conditions or to the extent caused by Seller or any Seller Related Party. The foregoing indemnity shall survive beyond the Closing, or, if the sale is not consummated, beyond the termination of this Agreement.

(f) Investigation of Permits and Entitlements, Contracts, Intangible Property, Personal Property and Other Property. During the Investigation Period, Buyer shall have the right, at Buyer's expense, to conduct and complete an investigation of all matters pertaining to the Permits and Entitlements, Contracts, Intangible Property, Personal Property and all other items of Property and Buyer's acquisition thereof. In this regard, at all times prior to the Closing, Buyer shall have the right to contact governmental officials and other parties and make reasonable inquiries concerning the Permits and Entitlements, Contracts, Intangible Property, Personal Property and all other items of Property, and Buyer shall have no liability whatsoever arising from its investigation. Seller agrees to reasonably cooperate with Buyer in connection with its investigation of the Permits and Entitlements, Contracts, Intangible Property, Personal Property and all other matters pertaining thereto.

(g) Investigation of Tenant and Guarantor. During the Investigation Period, Buyer shall have the right, at Buyer's expense, to conduct and complete an investigation of Tenant and Guarantor, including but not limited to discussions with Tenant's and Guarantor's management, and diligence relating to Tenant's and Guarantor's financial information, business, prospects, compliance with applicable laws and regulations and any other matters that Buyer, in its sole discretion, deems appropriate.

In the event Buyer disapproves or finds unacceptable, in Buyer's sole and absolute discretion, any matters reviewed by Buyer during the Investigation Period or for any other reason or no reason, Buyer may elect to terminate this Agreement and the Escrow pursuant to the provisions of Section 4.2 hereof.

Section 4.2 Election to Terminate. In the event Buyer desires to terminate this Agreement and the Escrow for any reason or for no reason whatsoever, Buyer may elect to terminate this Agreement and the Escrow at any time: (a) by giving Seller written notice of Buyer's election to terminate this Agreement and the Escrow ("Buyer's Election to Terminate"), not later than 11:00 p.m. Eastern Time on the date of expiration of the Investigation Period; and/or (b) by failing to timely deliver to Seller Buyer's Election Not to Terminate pursuant to Section 4.3 hereof, which failure shall be deemed to constitute Buyer's delivery of Buyer's Election to Terminate this Agreement and the Escrow pursuant to this Section 4.2.

Upon any election (including any deemed election) by Buyer to terminate this Agreement and the Escrow pursuant to this Section 4.2, this Agreement shall automatically terminate (other than those provisions which expressly provide that they survive any termination of this Agreement). Within two (2) Business Days after Buyer delivers Buyer's Election to Terminate to Seller pursuant to this Section 4.2 (or within two (2) Business Days after Buyer is deemed to have elected to terminate this Agreement and the Escrow pursuant to this Section 4.2, as applicable), and without the need of any further authorization or consent from Seller, Escrow Agent shall cause to be paid to Buyer the Initial Deposit, together with all interest accrued thereon. Seller and Buyer shall execute such cancellation instructions as may be necessary to effectuate the cancellation of the Escrow, as may be required by Escrow Agent. Any escrow cancellation, title costs (including cancellation costs) or other cancellation costs in connection therewith shall be borne by Seller. All costs incurred by Seller in connection with the Third Party Reports shall be reimbursed or paid by Buyer within five (5) Business Days following Buyer's receipt of the applicable invoices and confirmation of payment by Seller, with respect to any amounts to be reimbursed directly to Seller.

Section 4.3 Election Not to Terminate. In the event Buyer desires not to terminate this Agreement and the Escrow, on or before 11:00 p.m. Eastern Time on the date of expiration of the Investigation Period, Buyer shall deliver written notice to Seller of Buyer's election not to terminate this Agreement and the Escrow ("Buyer's Election Not to Terminate"). In the event Buyer fails to timely deliver to Seller Buyer's Election Not to Terminate in accordance with the provisions of this Section 4.3, such failure shall be deemed to constitute Buyer's delivery of Buyer's Election to Terminate this Agreement and the Escrow in accordance with the terms and conditions of Section 4.2 hereof.

Section 4.4 Confidentiality; Public Announcements.

(a) Buyer's Obligations. Buyer shall treat all of Seller's Deliveries as confidential and proprietary information of Seller. Buyer shall hold such information in confidence and shall not disclose such information or materials to any third-parties other than Title Insurer, Escrow Agent, Tenant, Guarantor and Buyer's attorneys, employees, agents, consultants, contractors, subcontractors, accountants, investors and lenders as deemed reasonably necessary or appropriate by Buyer in Buyer's reasonable discretion. The covenants of Buyer set forth in this Section 4.4 shall not apply to any confidential information that: (a) is, or subsequently becomes, part of the public domain other than as a result of a breach of this Agreement by Buyer; (b) was communicated to Buyer from other sources at the time of disclosure by Seller to Buyer and such prior knowledge can be reasonably demonstrated by Buyer; and/or (c) is required by law to be disclosed, including applicable securities laws. Nothing contained herein shall preclude Buyer from disclosing all or any portion of such confidential information or materials: (1) pursuant to or in connection with a judicial order, governmental inquiry, subpoena, or other legal process; (2) as necessary or appropriate in connection with, or in order to prevent, an audit; (3) in order to initiate, defend or otherwise pursue legal proceedings between the Parties in connection with this Agreement; and/or (4) in order to initiate, defend or otherwise pursue legal proceedings between Buyer and Owner in connection with the Existing PSA. The covenants and agreements of Buyer set forth in this Section 4.4(a) hereof shall terminate and no longer be of any force or effect as of the Closing.

(b) Public Announcements. Neither Seller, nor any of Seller's Affiliates, successors or assigns, shall make any public announcements regarding the existence of this Agreement, the terms of this Agreement and/or the transactions contemplated herein without the prior written approval of Buyer, which approval may be granted or withheld in the sole and absolute discretion of Buyer. Seller further agrees that (1) Buyer may file this Agreement and other documents evidencing the transactions contemplated herein, including a description of the material terms thereof, with the Securities and Exchange Commission, without the prior approval of Seller, to the extent deemed necessary or advisable in Buyer's reasonable discretion; and (2) Buyer may issue one or more press releases regarding this Agreement and/or the transactions contemplated herein, to the extent deemed advisable in Buyer's reasonable discretion; provided, however, such press releases shall be reasonably approved by Seller prior to publication (such approval (i) not to be unreasonably conditioned, withheld or delayed, (ii) to be provided timely enough such that Seller satisfies its disclosure obligations under securities laws and regulations, and (iii) shall permit Buyer to disclose the information required by securities laws and regulations). Buyer further agrees that (1) Seller may file this Agreement and other documents evidencing the transactions contemplated herein, including a description of the material terms thereof, with the Securities Exchange Commission and such other Canadian and British Columbian governmental authorities having jurisdiction over Seller, without the prior approval of Buyer, to the extent deemed necessary or advisable in Seller's reasonable discretion; and (2) Seller may issue one or more press releases regarding this Agreement and/or the transactions contemplated herein, to the extent deemed advisable in Seller's reasonable discretion; provided, however, such press releases shall be reasonably approved by Buyer prior to publication (such approval (i) not to be unreasonably conditioned, withheld or delayed, (ii) to be provided timely enough such that Seller satisfies its disclosure obligations under securities laws and regulations, and (iii) shall permit Seller to disclose the information required by securities laws and regulations). The covenants and agreements of Seller set forth in this Section 4.4(b) hereof shall survive the Closing indefinitely.

ARTICLE 5
PRE-CLOSING OBLIGATIONS OF SELLER AND BUYER

Section 5.1 **Seller's Pre-Closing Obligations.** Seller hereby covenants and agrees as follows:

(a) Operations. During the time period commencing upon the Effective Date and terminating upon the Closing or the earlier termination of this Agreement, subject to the provisions of Section 8.3 hereof and the Existing Lease, Seller shall operate and manage the Real Property substantially in accordance with its customary practices as of the Effective Date.

(b) Maintenance. During the time period commencing upon the Effective Date and terminating upon the Closing or the earlier termination of this Agreement, subject to the provisions of Section 8.3 hereof and the Existing Lease, Seller shall maintain the Real Property in substantially its present condition as of the Effective Date, subject to normal wear and tear, and Seller shall not diminish the quality or quantity of maintenance and upkeep services heretofore provided to the Real Property.

(c) Notices/Violations. During the time period from the Effective Date to the Closing or earlier termination of this Agreement, Seller shall promptly deliver to Buyer any and all written notices and/or other written communications delivered by Seller to or received by Seller from: (i) any party under the Existing PSA; and/or (ii) any governmental authority which, in each case, could reasonably be expected to have an adverse effect on the Property, the transactions contemplated under this Agreement or the Existing PSA or the business of owning, developing, operating, maintaining or managing the Property. During the time period from the Effective Date to the Closing or earlier termination of this Agreement, Seller shall deliver to Buyer any and all notices and/or other written communications delivered or received by Seller regarding: (A) the occurrence of any inspections of the Property by any governmental authority; (B) any actual or alleged default by a party to any Contract or the Existing PSA; and/or (C) any notices of violations of laws, ordinances, orders, directives, regulations or requirements issued by, filed by or served by any governmental agency against or affecting Owner, Seller, Tenant, any Guarantor or any part or aspect of the Property.

(d) Contracts. Seller agrees that, except for any Contracts that constitute Permitted Title Exceptions, Buyer shall not be obligated to assume any Contracts at Closing. Prior to the Closing, Seller shall be responsible for terminating all Contracts, except for any Contracts that constitute Permitted Title Exceptions, that would be binding upon Buyer or the Property following the Closing, and Seller shall be liable for any risks, costs, and penalties related to such termination. For the avoidance of doubt, Seller shall not be obligated to terminate any Contracts that will not be binding upon Buyer or the Property at Closing and that will continue to be administered by Tenant under Tenant's name following the Closing (which Contracts shall remain Tenant's sole obligation following the Closing).

(e) Monetary Obligations. Seller shall pay and satisfy in full, or cause Owner to pay and satisfy in full, any and all Monetary Obligations on or before the Closing Date; provided that Seller may use the Purchase Price funds to discharge the Monetary Obligations.

(f) New Liens, Liabilities or Encumbrances. Seller shall not cause, grant or permit any new liens, liabilities, encumbrances or exceptions to title to the Property or amend any existing title exceptions without the prior written consent of Buyer in each instance, which consent may be granted or denied in the sole and absolute discretion of Buyer; provided that Buyer agrees that Seller may terminate at Closing the 30 Mozzone Boulevard Condominium evidenced by the Master Deed dated July 18, 2017 and duly recorded with the Registry in Book 23938, Page 330 and the Declaration of Trust dated as of July 26, 2017 and recorded with the Registry in Book 23939, Page 1.

(g) Existing Lease; Existing PSA. During the time period from the Effective Date to the Closing or earlier termination of this Agreement, (i) Seller shall administer and timely perform all of its obligations under the Existing Lease and the Existing PSA, and (ii) Seller shall not, terminate the Existing PSA or, to the extent it impairs any of Buyer's rights hereunder, waive any of its rights under the Existing PSA or amend or modify the Existing PSA without the prior consent of Buyer in each instance; provided, however, Seller may amend the Existing PSA in order to accommodate the transaction contemplated by this Agreement, provided that Seller promptly provides a copy of any such amendment to Buyer. Notwithstanding the foregoing, Seller may exercise any and all of its remedies available under the Existing Lease and the Existing PSA in the event of a default thereunder by Owner, provided Seller shall promptly notify Buyer in writing of any such exercise of Seller's rights under the Existing Lease or the Existing PSA and thereafter keep Buyer reasonably apprised of the status of the Existing Lease and/or the Existing PSA, as applicable, and Seller's exercise of any rights thereunder. Notwithstanding any provision to the contrary, Seller shall have the right to terminate the Existing PSA during the Contingency Period (as defined in the Existing PSA) and as otherwise permitted under the Existing PSA, and upon any such termination, this Agreement shall automatically terminate pursuant to the provisions of Section 8.5(c), and Seller shall also reimburse and pay to Buyer an amount equal to all costs, fees and expenses (including legal fees and costs) paid or incurred by Buyer in connection with this Agreement and in connection with its investigation of the Property up to a maximum amount of Thirty-Five Thousand Dollars ($35,000.00) in the aggregate (the "Reimbursement Cap").

(h) Termination of Negotiations. Seller shall terminate all negotiations with any other Person other than Buyer for the sale or disposition of the Property.

Section 5.2 **Entity Maintenance.** For a minimum of thirteen (13) months following the Closing, Seller shall not dissolve or liquidate and shall remain an active entity in good standing in the Commonwealth of Massachusetts.

Section 5.3 **Assignment of Contract Rights**. Upon Buyer's written request at or after the Closing, to the extent assignable, and to the extent Seller can do so without waiving any of its rights or remedies, Seller shall assign to Buyer all of Seller's right, title and interest in and to any claims, warranties and other rights and remedies of Seller pursuant to the Existing PSA as it relates to the Property and shall reasonably cooperate with Buyer, at no cost or liability to Seller, to enforce any such contract rights and remedies against Owner or any other rights afforded to Seller at law or in equity pursuant to and in accordance with the terms and conditions of the Existing PSA and applicable laws. Notwithstanding the foregoing assignment, Seller may also retain the right to enforce any such claims, warranties and other rights and remedies of Seller pursuant to the Existing PSA, provided that Seller notify Buyer in advance of any such enforcement action that Seller intends to take against Owner and shall reasonably cooperate with Buyer at Buyer's request in connection with any such enforcement action taken by Seller against Owner to the extent that Buyer has or may incur any cost, liability or damages as a result of the matters to be addressed in such enforcement action. The covenants and agreements set forth in this Section 5.3 shall survive the Closing.

ARTICLE 6
SELLER'S DELIVERIES

Section 6.1 **Seller's Deliveries to Escrow Agent at Closing.** On or before 5:00 p.m. Eastern Time on the last Business Day prior to the Closing Date, Seller shall deliver to Escrow Agent or Title Insurer, as applicable, the items described in this Section 6.1.

(a) Seller's Deed. One (1) original of Seller's Deed, duly executed and acknowledged by Seller. Pursuant to Section 12.1(a) hereof, all documentary transfer tax information shall be affixed to Seller's Deed after recordation.

(b) Bill of Sale. One (1) original of the Bill of Sale, duly executed by Seller.

(c) Certificate of Non-Foreign Status. One (1) original of the Certificate of Non-Foreign Status, duly executed and acknowledged by Seller.

(d) Assignment of Permits, Entitlements and Intangible Property. Two (2) counterpart originals of Assignment of Permits, Entitlements and Intangible Property, duly executed by Seller.

(e) REA Notice. A copy of a letter from Seller to each party to any reciprocal easement and/or other easement or restrictive agreement which effect the Real Property stating that the Real Property has been sold and that all notices under the such agreement relating to the Real Property should now be addressed to Buyer, if any such agreements require such notice.

(f) Seller's Charges. In addition to the Purchase Price and other funds deposited by Buyer with Escrow Agent, in the event that the Purchase Price is not sufficient to discharge the same, such funds as may be required to: (a) discharge all Monetary Obligations; and (b) pay any amounts required to be paid by Seller in accordance with the provisions of Article 11 hereof, in the form of Cash or as a credit against the Purchase Price.

(g) Seller's Affidavits; Certificates and Evidence of Authority. (a) Any and all affidavits, indemnifications, lien releases and/or waivers and any other written documentation required by the Title Insurer as a condition to the issuance of the ALTA Extended Coverage Policy; and (b) to the extent required by the Title Insurer, Escrow Agent and/or Buyer, as applicable, evidence that Seller and those acting for Seller have due authority to consummate the transaction contemplated by this Agreement, as modified through the Closing including, without limitation, certified copies of the corporate or other resolutions authorizing the transaction contemplated by this Agreement.

(h) Seller's Closing Statement. Seller's Closing Statement, duly executed by Seller.

(i) Additional Documents. Such additional documents, instructions or other items as may be necessary or appropriate to comply with the provisions of this Agreement and to effect the transactions contemplated hereby.

Section 6.2 Seller's Deliveries to Buyer at Closing. On or before the Closing, Seller shall deliver to Buyer the items described in this Section 6.2.

(a) Permits and Entitlements and Intangible Property. Copies of all of the Permits and Entitlements and Intangible Property in Seller's possession or control.

ARTICLE 7
BUYER'S DELIVERIES

On or before 12:00 p.m. Eastern Time on the Closing Date, Buyer shall deliver to Escrow Agent or Title Insurer, as applicable, the items described in this Article 7.

Section 7.1 Closing Deposit. The Closing Deposit for the Property pursuant to Section 2.2(d) hereof.

Section 7.2 Assignment of Permits, Entitlements and Intangible Property. Two (2) counterpart originals of the Assignment of Permits, Entitlements and Intangible Property, duly executed by Buyer.

Section 7.3 Buyer's Charges. In addition to the Purchase Price and other funds deposited by Buyer with Escrow Agent, funds sufficient to pay all amounts required to be paid by Buyer in accordance with the provisions of Article 11 hereof, in the form of Cash.

Section 7.4 Buyer's Closing Statement. Buyer's Closing Statement, duly executed by Buyer.

Section 7.5 Additional Documents. Such additional documents, instructions or other items as may be necessary or appropriate to comply with the provisions of this Agreement and to effect the transactions contemplated hereby.

ARTICLE 8
CONDITIONS TO CLOSING; CLOSING; DEFAULT; REMEDIES

Section 8.1 Conditions to Obligations of Buyer. The Closing of the transaction contemplated pursuant to this Agreement and Buyer's obligation to purchase the Property are subject to satisfaction, prior to the Closing Date, of all of the conditions set forth below. Seller hereby acknowledges and agrees that each of the conditions set forth in this Section 8.1 are for the benefit of Buyer and may only be waived by Buyer in its sole and absolute discretion.

(a) Delivery of Items. Seller shall have timely delivered to Escrow Agent or Title Insurer, as applicable, all of the items to be delivered by Seller pursuant to Section 6.1 hereof. Seller shall have timely delivered to Buyer all of the items to be delivered by Seller pursuant to Section 6.2 hereof.

(b) Performance of Obligations. Seller shall have timely performed and satisfied all of the obligations under this Agreement to be performed by Seller prior to the Closing, including, without limitation, all of Seller's obligations under Section 5.1 hereof.

(c) Title Commitment. Title Insurer is committed to issue an American Land Title Association Owner's Policy of Title Insurance (ALTA Form 6-17-06), or its state equivalent, with liability in the amount of the Purchase Price, insuring that fee title to the Real Property is vested in Buyer, subject only to: (i) the exclusions listed in the "Exclusions from Coverage" of the ALTA Extended Coverage Title Policy; and (ii) the Permitted Title Exceptions, together with such endorsements as may be reasonably requested by Buyer and that are typically available to purchasers of properties of this type in Massachusetts (collectively, the "ALTA Extended Coverage Policy").

(d) Representations and Warranties. All of Seller's representations and warranties set forth in this Agreement shall be true and correct in all material respects (except any representations and warranties that are qualified as to materiality, which shall be true and correct in all respects) on the Closing Date as though made at the time of the Closing. Without limiting the foregoing, on or before the Closing Date, Seller shall have delivered to Buyer a written certificate, duly executed by Seller, certifying that all of the representations and warranties of Seller set forth in this Agreement are true and correct as of the Closing, or otherwise notifying Buyer of any facts that make such representations and warranties no longer true and correct; provided, that if any such representations and warranties that are no longer true and correct are material, then Buyer shall have the right to terminate this Agreement by written notice to Seller pursuant to Section 9.23 hereof.

(e) Litigation. No suit, action, claim or other proceeding shall have been instituted or threatened against Owner, Seller, Tenant or Guarantor which results, or reasonably might be expected to result, in the transactions contemplated by the Existing PSA or this Agreement being enjoined or declared unlawful, in any lien attaching to or against the Property and/or in any liabilities or obligations being imposed upon Buyer or the Property, other than the Permitted Title Exceptions.

(f) Bankruptcy. No suit, action, claim or other proceeding shall have been instituted or threatened against Owner, Seller, Tenant or Guarantor under the U.S. Bankruptcy Code or any state law for relief of debtors or which results, or which reasonably might be expected to result, in the transactions contemplated by the Existing PSA or this Agreement being enjoined or declared unlawful, in any lien attaching to or against the Property or in any new liabilities or obligations being imposed upon Buyer or the Property.

(g) Damage or Destruction. Subject to Section 8.3 hereof, there shall have been no Material Loss.

(h) Condemnation Proceeding. Subject to Section 8.3 hereof, no Condemnation Proceeding shall have been instituted or be threatened against all or any portion of the Real Property.

(i) Termination of Contracts. Except for any Contracts that constitute Permitted Title Exceptions, all of the Contracts that would be binding on Buyer or the Property following the Closing shall have been terminated effective as of a date not later than the Closing Date, and Seller shall have paid all amounts due under such Contracts up to and through the effective date of termination, including, without limitation, any termination fees or similar payments, and neither Buyer nor the Property shall be bound thereby or have any liability or obligations thereunder.

(j) Change in Conditions. There shall have been no adverse change with respect to the ownership, operation or occupancy or the financial or physical condition of the Property or any part thereof (subject to Section 8.3 hereof).

(k) No Moratorium. No moratorium, statute or regulation of any governmental agency or order or ruling of any court shall have been enacted, adopted or issued after the expiration of the Investigation Period that would adversely affect the current use of the Real Property (excluding federal law solely to the extent applicable to the sale, use or cultivation of cannabis in accordance with Massachusetts law).

(l) Tenant / Guarantor Condition. From the Effective Date through the Closing Date, there shall not have occurred a change, event, state of facts or development that has had or would reasonably be expected to have, individually or in the aggregate, a significant adverse effect on the business, financial condition, prospects, assets or results of operations of Tenant or Guarantor.

(m) Lease / Guaranty Condition. Buyer shall have received the following: (i) the Lease, duly executed by Tenant thereunder; and (ii) the Guaranty, duly executed by Guarantor.

(n) No Defaults; Concurrent Closing Under Existing PSA. Neither Seller nor Owner shall be in default of any of their respective obligations under the Existing PSA to the extent the same results in a default by Seller hereunder. The closing of the transaction contemplated in the Existing PSA shall have occurred or shall occur concurrently with the Closing hereunder. Upon any termination of the Existing PSA, Seller shall notify Buyer in writing of such termination and this Agreement shall automatically terminate, in which case the termination provisions set forth in Section 8.5 shall apply, unless such termination was due to a default by Seller under this Agreement, in which case the provisions set forth in Section 8.6 shall apply.

(o) Termination of Existing Lease. Buyer shall have received the following: (i) written evidence of the termination of the Existing Lease as of a date no later than the Closing Date; and (ii) to the extent applicable, written evidence of the termination of any recorded memorandum of the Existing Lease in form sufficient to record and remove the same from title to the Property.

Buyer may waive any of the conditions set forth in thisSection 8.1 by delivery of written notice to Seller on or before the Closing. Without limiting the foregoing, Escrow Agent shall assume that each of the conditions set forth in Section 8.1(b) shall have been satisfied as of the Closing Date, unless Buyer shall have given written notice to the contrary to Escrow Agent on or before the Closing Date.

Section 8.2 Conditions to Obligations of Seller. The Closing of the transactions contemplated pursuant to this Agreement and the obligation of Seller to sell, convey, assign, transfer and deliver the Property to Buyer are subject to satisfaction, prior to the Closing Date, of all of the conditions set forth below. Buyer hereby acknowledges and agrees that each of the conditions set forth in this Section 8.2 are for the benefit of Seller and may only be waived by Seller in its sole but reasonable discretion.

(a) Delivery of Items. Buyer shall have timely delivered to Escrow Agent or Title Insurer, as applicable, all of the items to be delivered by Buyer pursuant to Article 7 hereof.

(b) Performance of Obligations. Buyer shall have performed all of the obligations of Buyer under this Agreement to be performed by Buyer prior to the Closing.

(c) Existing PSA. Owner shall not have defaulted in any material respect under the Existing PSA.

(d) Lease Condition. Seller shall have received the Lease, duly executed by the Buyer.

Seller may waive any of the conditions precedent set forth in thisSection 8.2 by delivery of written notice thereof to Buyer. Escrow Agent shall assume that each of the conditions set forth in this Section 8.2 shall have been satisfied as of the Closing Date, unless Seller shall have given written notice to the contrary to Escrow Agent on or before the Closing Date.

Section 8.3 Casualty; Condemnation Proceeding.

(a) Material Loss. In the event that, prior to the Closing, the Real Property shall suffer a Material Loss or Seller shall receive notice of the commencement or the threat of commencement of any eminent domain or condemnation proceeding which permanently and materially impairs the current use of the Real Property ("Condemnation Proceeding"), Seller shall immediately notify Buyer of such Material Loss or Condemnation Proceeding and, in such a case: (i) Buyer shall have the right to terminate this Agreement and the Escrow by written notice to Seller within five (5) days after the occurrence of such Material Loss or Condemnation Proceeding, in which case, this Agreement shall be deemed terminated pursuant to Section 8.5(c) below; or (ii) accept the Property in its then-existing condition and purchase and acquire the Property in accordance with the terms and conditions of this Agreement, subject to the terms and conditions described in this Section 8.3 (Buyer shall be deemed to elect to proceed pursuant to clause (ii) if Buyer does not timely terminate this Agreement pursuant to clause (i)). Notwithstanding the foregoing, in the event of a Material Loss or Condemnation Proceeding, Seller shall have the right to terminate the Existing PSA pursuant to its terms, in which case, this Agreement shall be deemed terminated pursuant to Section 8.5(c) below. If Seller does not terminate the Existing PSA and Buyer exercises its right to purchase and acquire the Property in its present condition, then Seller and Buyer shall proceed to close and all available insurance proceeds and condemnation proceeds shall be allocated and disbursed pursuant to the provisions of the Lease.

(b) Non-Material Loss. In the event that, prior to the Closing, the Real Property shall suffer a Non-Material Loss, Seller shall immediately notify Buyer of such Non-Material Loss and, in such a case, Buyer shall be obligated to purchase the Property (in its then-existing condition) in accordance with the terms and conditions of this Agreement, subject to the terms and conditions of this Section 8.3(b). In such a case, Seller shall pay and assign to Buyer on the Closing any and all casualty insurance proceeds previously paid or payable to Seller (including pursuant to the Existing PSA), and all insurance proceeds and condemnation proceeds shall be allocated and disbursed pursuant to the provisions of the Lease.

Section 8.4 Closing. The closing of the transaction contemplated by this Agreement ("Closing") shall take place at the offices of Escrow Agent or at such other location as may be mutually agreed upon by Seller and Buyer, upon the closing date under the Existing PSA (as the same may be extended pursuant to this Agreement or by mutual written agreement of the parties, the "Closing Date"), provided that Seller shall provide Buyer with at least five (5) Business Days prior written notice of the scheduled closing date under the Existing PSA, and in no event shall the Closing occur earlier than the expiration of the Investigation Period or later than December 31, 2022.

Section 8.5 Failure of Conditions to Closing; No Default by Seller or Buyer.

(a) Failure of Buyer's Closing Conditions. In the event one or more of Buyer's conditions to the Closing set forth in Section 8.1 hereof are not satisfied by Seller or otherwise waived by Buyer on or before the Closing Date, and the failure of such conditions to be satisfied is not a result of a default by Seller or Buyer in the performance of their respective obligations under this Agreement, then if Seller has extended the Closing Date under the Existing PSA for a corresponding period, Buyer shall have the right to extend the Closing Date for such period of time as reasonably necessary for Seller to satisfy such condition, not to exceed sixty (60) Calendar Days in the aggregate, by giving written notice to Seller. If Buyer does not make such election to extend, or if Buyer makes such election but such condition is not satisfied within such extended period, then Buyer shall have the right to terminate this Agreement and the Escrow by giving written notice of termination to Buyer. Upon any election by Buyer to terminate this Agreement and the Escrow pursuant to this Section 8.5(a), the provisions of Section 8.5(c) hereof shall govern.

(b) Failure of Seller's Closing Conditions. In the event one or more of Seller's conditions to the Closing set forth in Section 8.2 hereof are not satisfied by Buyer or otherwise waived by Seller on or before the Closing Date, and the failure of such conditions to be satisfied is not a result of a default by Seller or Buyer in the performance of their respective obligations under this Agreement, then Seller shall have the right to extend the Closing Date for such period of time as reasonably necessary for Buyer to satisfy such condition, not to exceed sixty (60) Calendar Days in the aggregate, by giving written notice to Buyer. If Seller does not make such election to extend, or if Seller makes such election but such condition is not satisfied within such extended period, then Seller shall have the right to terminate this Agreement and the Escrow by giving written notice of termination to Buyer. Upon any election by Seller to terminate this Agreement and the Escrow pursuant to this Section 8.5(b), the provisions of Section 8.5(c) shall govern.

(c) Termination Provisions. In the event either party elects to terminate this Agreement and the Escrow for the reasons and in accordance with the provisions set forth in this Section 8.5, then: (i) this Agreement shall automatically terminate (other than those provisions which expressly provide that they survive any termination of this Agreement); (ii) Escrow Agent shall immediately cause the Deposit to be paid to Buyer without the need of any further written authorization or consent from Seller; and (iii) Seller and Buyer shall execute such escrow cancellation instructions as may be necessary to effectuate the cancellation of the Escrow as may be required by Escrow Agent. Any Escrow cancellation, title cancellation and other cancellation charges shall be borne equally by Seller and Buyer.

Section 8.6 Failure of Conditions to Closing; Default by Seller or Buyer. In the event either Seller or Buyer defaults in the performance of any of their respective obligations to be performed prior to the Closing, other than in the case of Buyer's termination pursuant to Sections 4.2 or 8.5(a) hereof, and other than in the case of Seller's termination pursuant to Section 8.5(b) hereof, then the non-breaching party may elect the applicable remedies set forth in this Section 8.6, which remedies shall constitute the sole and exclusive remedies of the non-breaching party with respect to a default by the other party under this Agreement.

(a) Remedies of Buyer. In the event Buyer is the non-breaching party, as its sole and exclusive remedy, Buyer may elect to: (i) terminate this Agreement and the Escrow by giving Seller written notice describing Seller's default and setting forth Buyer's election to immediately terminate this Agreement and the Escrow; or (ii) pursue the equitable remedy of specific performance of this Agreement to the extent available. In the event Buyer elects to terminate this Agreement and the Escrow pursuant to Section 8.6(a)(i) hereof, then Escrow Agent shall immediately cause the Deposit to be paid to Buyer without the need of any further authorization or consent from Seller pursuant to the provisions of Section 8.6(d) hereof. Furthermore, in the event Buyer elects to terminate this Agreement and the Escrow pursuant to Section 8.6(a)(i) hereof, Seller shall also reimburse and pay to Buyer an amount equal to all costs, fees and expenses (including legal fees and costs), paid or incurred by Buyer in connection with this Agreement and in connection with its investigation of the Property, up to the Reimbursement Cap.

(b) Remedies of Seller. In the event Seller is the non-breaching party, as Seller's sole and exclusive remedy, Seller may elect to terminate this Agreement and the Escrow by giving Buyer written notice describing Buyer's default and setting forth Seller's election to immediately terminate this Agreement and the Escrow. In the event Seller elects to terminate this Agreement and the Escrow pursuant to this Section 8.6(b) after expiration of the Investigation Period, the sole and exclusive remedy of Seller for such breach shall be to receive the amount specified as liquidated damages pursuant to Section 8.6(c) hereof. Notwithstanding any provision to the contrary set forth in this Agreement, under no circumstance shall Seller be entitled to pursue the equitable remedy of specific performance in the event that Buyer fails to complete the purchase of the Property in accordance with the terms and conditions of this Agreement.

(c) SELLER'S LIQUIDATED DAMAGES. IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT AFTER EXPIRATION OF THE INVESTIGATION PERIOD (OTHER THAN AS A RESULT OF BUYER'S ELECTION TO TERMINATE PURSUANT TO SECTIONS 4.2, 8.5(a) OR 8.6(a) HEREOF, AND OTHER THAN IN THE CASE OF SELLER'S TERMINATION PURSUANT TO SECTION 8.5(b) HEREOF), BY REASON OF THE DEFAULT OF BUYER, SELLER SHALL BE RELEASED FROM ITS OBLIGATION TO SELL THE PROPERTY TO BUYER. IN SUCH A CASE, SELLER AND BUYER AGREE THAT IT WOULD BE DIFFICULT OR IMPOSSIBLE TO DETERMINE THE AMOUNT OF DAMAGES OF SELLER AS A RESULT OF ANY SUCH BREACH BY BUYER, AND, ACCORDINGLY, AS SELLER'S SOLE AND EXCLUSIVE REMEDY AT LAW OR IN EQUITY (OTHER THAN AN ACTION TO ENFORCE THE PROVISIONS OF THIS AGREEMENT), SELLER SHALL BE ENTITLED TO RECEIVE AND RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES IN THE EVENT OF A DEFAULT BY BUYER, AND THE PAYMENT OF SUCH LIQUIDATED DAMAGES TO SELLER SHALL CONSTITUTE THE EXCLUSIVE REMEDY OF SELLER ON ACCOUNT OF THE DEFAULT BY BUYER.

"GFSJ" SELLER'S INITIALS

"BW" BUYER'S INITIALS

(d) Termination Provisions. In the event either Party elects to terminate this Agreement and the Escrow for the reasons and in accordance with the provisions set forth in this Section 8.6, then: (i) this Agreement will automatically terminate (other than those provisions which expressly provide that they survive any termination of this Agreement) without any further acts of either Seller or Buyer; (ii) Seller and Buyer shall execute such escrow cancellation instructions as may be necessary to effectuate the cancellation of the Escrow as may be required by Escrow Agent; and (iii) Escrow Agent shall immediately cause the Deposit and the Independent

Consideration to be distributed and paid in accordance with the provisions of this Agreement. The breaching party hereunder shall pay any and all escrow and title cancellation costs incurred in connection herewith.

(e) Survival. The provisions of this Article 8 shall survive the Closing or any termination of this Agreement.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES OF SELLER

In addition to the representations, warranties and covenants of Seller contained elsewhere in this Agreement, Seller hereby makes the following representations and warranties, each of which is material and being relied upon by Buyer and shall be true as of the date hereof and as of the Closing:

Section 9.1 Organization, Power and Authority. Seller is a corporation duly organized and validly existing under the laws of the Commonwealth of Massachusetts. Seller has all requisite power and authority to acquire the Property pursuant to the Existing PSA, to execute and deliver this Agreement and the Transaction Documents to which Seller is a party, and to perform its obligations hereunder and thereunder and effect the transactions contemplated hereby and thereby. All requisite corporate or other action has been taken to authorize and approve the execution, delivery and performance by Seller of this Agreement and the Transaction Documents to which Seller is a party.

Section 9.2 No Conflicts. The execution, delivery and performance by Seller of this Agreement and the Transaction Documents to which Seller is a party, and the consummation of the transactions contemplated hereby and thereby, will not: (a) violate any provision of the organizational documents of Seller; (b) violate, conflict with or result in a breach of or default under any term or provision of any contract or agreement to which Seller is a party or by or to which Seller or any of its assets or properties are or may be bound or subject; or (c) violate any order, judgment, injunction, award or decree of any court or arbitration body, or any governmental, administrative or regulatory authority, or any other body, by or to which Seller or the Property are or may be bound or subject.

Section 9.3 Non-Foreign Status. Seller is not a "foreign person" as such term is defined in Section 1445 of the Code.

Section 9.4 Litigation and Condemnation. Seller has not received written notice of and, to the best of Seller's knowledge and belief, there are no: (a) pending or threatened claims, actions, suits, arbitrations, proceedings (including condemnation proceedings) or investigations by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against or affecting the Property or the transactions contemplated by the Existing PSA or this Agreement; and (b) orders, judgments or decrees of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against or affecting the Property or the transactions contemplated by the Existing PSA or this Agreement. Seller discloses the existing litigation described on Schedule 9.4 attached hereto.

Section 9.5 Liabilities. To the best of Seller's knowledge, upon the Closing, neither Buyer nor the Property will be subject to any liabilities or obligations, whether secured, unsecured, accrued, absolute, contingent or otherwise, that relate to the ownership of the Property prior to the Closing, other than the Permitted Title Exceptions.

Section 9.6 Fees. To the best of Seller's knowledge, there are no impact, mitigation or similar fees owing or payable in connection with the construction, development, installation and/or operation of the Real Property.

Section 9.7 Mechanic's Liens. There are no fees, dues or other charges which are due, owing or unpaid in connection with the construction of or any repairs to the Real Property. There are no pending or threatened claims which may or could ripen with the passage of time into a mechanic's lien upon the Real Property as the result of any contract, agreement or work performed on the Real Property.

Section 9.8 Contracts. To the best of Seller's knowledge, there are no Contracts with any person or entity relating to the Property which must be assumed by Buyer (or which will be deemed assumed by the Buyer upon the Buyer becoming the owner of the Property), other than the Permitted Title Exceptions.

Section 9.9 Taxes and Assessments. To the best of Seller's knowledge, there are no pending or threatened improvements, liens, or special assessments made or to be made against the Property by any governmental authority.

Section 9.10 Construction and Condition of Improvements. To the best of Seller's knowledge, all of the Improvements have been constructed and installed in accordance with applicable codes, laws, ordinances, rules, regulations, permits and approvals and have been completed in a professional and workmanlike manner and are in good operating condition and repair. To the best of Seller's knowledge, all of the heating, ventilation and air conditioning systems, plumbing, fire protection, security and other mechanical and electrical systems of the Improvements have been constructed and installed in accordance with applicable codes, laws, ordinances, rules, regulations, permits and approvals, have been completed in a professional and workmanlike manner and are in good operating condition and repair. To the best of Seller's knowledge, there are no latent defects in any of the Improvements, and the structural components, foundations, roofs, walls and fixtures are in good operating condition and repair, and the roofs, foundations and structural components are free from leaks, and the Improvements are free from termite and other infestation. To the best of Seller's knowledge, there are no defects or inadequacies in the Real Property that might adversely affect the insurability of the same or that might cause an increase in the insurance premiums therefor.

Section 9.11 Financial Statements; Books and Records. Each of the financial statements of Tenant and Guarantor provided to Buyer pursuant to Section 4.1(a) hereof: (i) presents fairly, completely and accurately the results of operations for the respective periods covered thereby; and (ii) is prepared in accordance with generally accepted accounting principles.

Section 9.12 Compliance with Laws. Seller and, to the best of Seller's knowledge, Owner have complied, and are currently in compliance with, all federal (except solely with respect to any federal law that directly conflicts with state and local cannabis laws, regulations and ordinances), state and local laws, regulations and ordinances applicable to the development, ownership, operation, maintenance and management of the Real Property, and/or otherwise applicable to Seller or Owner, including, without limitation, all laws, regulations and ordinances relating to zoning, planning, land use and building restrictions, construction, Environmental Laws, subdivision, fire, health and safety, disability, and alcoholic beverage sales. Tenant is in compliance with all state and local licensing requirements and regulations relating to the cultivation, processing, storing and distributing of cannabis, cannabis-infused products and materials derived from or used in the cultivation, processing, storing and distribution of cannabis. To Seller's knowledge, the Real Property is in compliance with all applicable laws, ordinances, rules and regulations (including without limitation those relating to zoning and the requirements of Title III of the Americans with Disabilities Act of 1990 (42 U.S.C. 12181, et seq., the Provisions Governing Public Accommodations and Services Operated by Private Entities), and all regulations promulgated thereunder, and all amendments, revisions or modifications thereto), and Seller has no notice or knowledge of a violation of any such laws, rules or regulations. Seller has no notice or knowledge that any government agency or any employee or official considers the construction of the Real Property or its operation or use to have failed to comply with any law, ordinance, regulation or order or that any investigation has been commenced or is contemplated respecting any such possible failure of compliance. To Seller's knowledge, there are no unsatisfied requirements for repairs, restorations or improvements from any person, entity or authority,

including, but not limited to, any tenant, lender, insurance carrier or governmental authority. To Seller's knowledge, all driveway entrances and exits to the Real Property are permanent and no special access or other permits are required to maintain the same. To Seller's knowledge, all existing streets and other improvements, including water lines, sewer lines, sidewalks, curbing and streets at the Real Property either enter the Real Property through adjoining public streets, or, if they enter through adjoining private lands, do so in accordance with valid, irrevocable easements running to the benefit of the owner of the Real Property. Seller has not received from any insurance company or Board of Fire Underwriters any notice, which remains uncured, of any defect or inadequacy in connection with the Real Property or its operation.

Section 9.13 **Environmental Matters.** To the best of Seller's knowledge, and except as may otherwise be disclosed in the reports listed onSchedule 2.0 attached hereto and incorporated herein by reference: (i) the Improvements are free from Hazardous Materials; (ii) the soil, surface water and ground water of, under, on or around the Real Property are free from Hazardous Materials; (iii) the Real Property has never been used for or in connection with the manufacture, refinement, treatment, storage, generation, transport or hauling of any Hazardous Material (A) in excess of levels permitted by or (B) in violation of applicable Environmental Laws, nor has the Real Property been used for or in connection with the disposal of any Hazardous Materials; and (iv) the Real Property is now and at all times has been in compliance with all Environmental Laws. Seller hereby discloses to Buyer that Seller is currently in the process of obtaining a Phase 2 environmental site assessment, but that the results of such assessment are not yet available to Seller.

Section 9.14 **Permits and Entitlements.** To the best of Seller's knowledge, Seller has obtained (or will have obtained on or before Closing) all governmental permits, licenses, approvals and authorizations (including, but not limited to, the Permits and Entitlements) required for the ownership, operation, maintenance and management of the Property, and all such permits, licenses, approvals and authorizations (including, but not limited to, the Permits and Entitlements) are in full force and effect and, to the extent the same are material and are not part of the Excluded Property, are transferable to Buyer. Tenant has obtained all state and local governmental permits, licenses, approvals and authorizations necessary to cultivate and process cannabis plant parts and resins into products and store the same for transport, and all such permits, licenses, approvals and authorizations are in full force and effect.

Section 9.15 **Dependent Properties.** The continued maintenance, occupancy and operation of the Real Property is not now, and on the Closing Date will not be, dependent to any extent on improvements or facilities located at any other property, and the continued maintenance, occupancy and operation of any other property is not dependent to any extent on improvements or facilities located on the Real Property (including, but not limited to, the Improvements or the Personal Property).

Section 9.16 **Utilities.** The Real Property has full access rights and is connected to water, sanitary sewer, storm water, gas, electricity, oil, telephone, cable and other utilities required for the ownership, operation and occupancy of the Real Property (collectively, the "Utilities"). To the best of Seller's knowledge and belief, all such Utilities: (i) are installed, connected and are currently in use by Seller on the Real Property; (ii) were constructed and installed in accordance with all applicable codes, laws, ordinances, rules, regulations, permits and approvals; (iii) have been completed in a professional and workmanlike manner and are in good operating condition and repair; and (iv) are sufficient in size and capacity (and pressure, where applicable) to service and accommodate the reasonably expected needs and operations of the Real Property (including but not limited to the Permitted Use as defined in the Lease). To the best of Seller's knowledge and belief, none of the Utilities and/or any of the lines, pipes, conduits, valves, pumps, heads, hoses, tubes, or related equipment or facilities, are located outside the boundaries of the Real Property and/or encroach onto any adjoining real property, or, to the extent that such Utilities and/or any of the lines, pipes, conduits, valves, pumps, heads, hoses, tubes, or related equipment or facilities, are located outside the boundaries of the Real Property and/or encroach onto any adjoining real property, the same do so in accordance with legal, valid and enforceable permanent non-terminable easements, which will inure to the benefit of Buyer, its successors and assigns, as the owner of the Real Property.

Section 9.17 **Prohibited Persons and Transactions.** Neither Seller, nor any of its affiliates, nor any of their respective members or partners, and none of their respective officers or directors is, nor prior to Closing, or the earlier termination of this Agreement, will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under the regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated Blocked Persons List) or under any U.S. statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism), or other governmental action and is not, and prior to Closing or the earlier termination of this Agreement will not, engage in any dealings or transactions with or be otherwise associated with such persons or entities.

Section 9.18 **Integrity of Documents.** To the best of Seller's knowledge, (i) Seller has furnished to Buyer complete copies of all items constituting Seller's Deliveries in Seller's possession and control and (ii) the information contained in Seller's Deliveries does not include any material misrepresentations or omissions of facts (provided, that the representation in this clause (ii) shall not apply to any of Seller's Deliveries relating to the Property that were delivered to Seller by Owner pursuant to the Existing PSA).

Section 9.19 **Options to Purchase; Occupancy Rights.** Seller has not previously granted any option to purchase the Property or any right of first refusal or similar rights with respect to the Property, and to the best of Seller's knowledge, no such options to purchase or rights of first refusal with respect to the Property are in existence. Seller has not entered into, and has no knowledge, of any lease or similar occupancy agreement with respect to the Real Property that will be binding upon Buyer or the Real Property as of the Closing, except for the Lease to be executed by Tenant and delivered by Seller pursuant to this Agreement.

Section 9.20 **Compliance with Recorded Documents**. Seller has not received written notice that the Property is in violation of any easement, covenant, condition, restriction, or similar provision in any instrument of record or other unrecorded agreement affecting the Property, nor, to the best of Seller's knowledge, does any such violation exist.

Section 9.21 **Existing PSA**. The Existing PSA is in full force and effect and to the best of Seller's knowledge, there are no defaults and no event has occurred which with the giving of notice or the passage of time or both would result in a default thereunder.

Section 9.22 **Survival.** The representations and warranties of Seller set forth inSections 9.1, 9.2 and 9.17 hereof, as well as the right and ability of Buyer to enforce the same and/or to seek damages for its breach, shall survive the Closing. The representations and warranties of Seller set forth in Sections 9.3 through 9.16, inclusive, and Sections 9.18 through 9.21, inclusive, as well as the right and ability of Buyer to enforce the same and/or to seek damages for their breach, shall survive the Closing for a period of twelve (12) months. All claims, whether known or unknown, for breach by Seller of a representation or warranty as set forth in Sections 9.3 through 9.16, inclusive, hereof, and Sections 9.18 through 9.21, inclusive, must be asserted in writing by Buyer and delivered to Seller on or before the expiration of such twelve (12) month period or otherwise such claims shall be invalid and of no force or effect and Seller shall have no liability with respect thereto.

Section 9.23 **Seller's Representations and Warranties; Reimbursement for Due Diligence Costs.** The continued accuracy in all material respects of the aforesaid representations and warranties is a condition precedent to Buyer's obligation to close. If any of said representations and warranties are not correct in all respects at the time the same is made or as of Closing and Seller had no knowledge of such inaccuracy when the representation or warranty was made (or when deemed remade at Closing) or if such warranty or representation is a material warranty or representation and becomes inaccurate on or prior to Closing other than by reason of Seller's default hereunder, Buyer may, upon being notified in writing by Seller of such occurrence on or prior to Closing, either: (a) terminate this Agreement and Escrow pursuant to the provisions of Section 8.5(a) hereof; or (b) waive such matter and proceed to Closing. If any of said representations and warranties are not correct in all respects at the time the same is made or

as of Closing, and Seller had knowledge of such inaccuracy when the representation or warranty was made, or, by its default hereunder caused the representation or warranty to be inaccurate when deemed remade at Closing, Buyer may either: (i) terminate this Agreement pursuant to the provisions of Section 8.6(a) and recover from Seller Buyer's costs as set forth in Section 8.6(a); or (ii) waive such matter and proceed to Closing.

Section 9.24 As-Is Transaction. BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER IS SELLING AND BUYER IS PURCHASING THE PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS, SUBJECT TO THE REPRESENTATIONS, WARRANTIES AND COVENANTS SET FORTH HEREIN AND IN THE TRANSACTION DOCUMENTS. EXCEPT AS SET FORTH HEREIN OR IN ANY TRANSACTION DOCUMENT EXECUTED AND DELIVERED BY SELLER AT CLOSING, BUYER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER, OR ANY PARTY AFFILIATED WITH SELLER, OR THEIR AGENTS OR BROKERS, OR ANY OTHER PERSON ACTING OR PURPORTING TO ACT ON BEHALF OF SELLER, AS TO ANY MATTERS CONCERNING THE PROPERTY.

ARTICLE 10
REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF BUYER

Buyer hereby makes the following representations and warranties, each of which representation and warranty is: (a) material and being relied upon by Seller; and (b) true, complete and not misleading in all material respects as of the date hereof and as of the Closing.

Section 10.1 Organization, Power and Authority. Buyer is a limited liability company duly organized and validly existing under the laws of the State of Delaware and qualified to conduct business in the Commonwealth of Massachusetts. Subject only to obtaining certain internal approvals on or before the expiration of the Investigation Period, (a) Buyer has all requisite power and authority to execute and deliver this Agreement and the Transaction Documents to which Buyer is a party, and to perform its obligations hereunder and thereunder and to effect the transactions contemplated hereby and thereby and (b) all requisite limited liability, corporate or other action has been taken to authorize and approve the execution, delivery and performance by Buyer of this Agreement and the Transaction Documents to which Buyer is a party.

Section 10.2 No Conflicts. The execution, delivery and performance by Buyer of this Agreement and the Transaction Documents to which Buyer is a party, and the consummation of the transactions contemplated hereby and thereby, will not: (a) violate any provision of Buyer's organization documents; (b) violate, conflict with or result in a breach of or default under any term or provision of any contract or agreement to which Buyer is a party or by or to which Buyer or any of its assets or properties are or may be bound or subject; or (c) violate any order, judgment, injunction, award or decree of any court or arbitration body, or any governmental, administrative or regulatory authority, or any other body, by or to which Buyer is or may be bound or subject.

Section 10.3 Prohibited Persons and Transactions. Neither Buyer, nor any of its affiliates, nor any of their respective members or partners, and none of their respective officers or directors is, nor prior to Closing, or the earlier termination of this Agreement, will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under the regulations of OFAC of the Department of the Treasury (including those named on OFAC's Specially Designated Blocked Persons List) or under any U.S. statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism), or other governmental action and is not, and prior to Closing or the earlier termination of this Agreement will not, engage in any dealings or transactions with or be otherwise associated with such persons or entities.

Section 10.4 Survival. The representations, warranties, covenants and agreements contained in this Agreement by Buyer are true, correct and complete and shall be deemed remade by Buyer as of the Closing, with the same force and effect as if made at that time. All representations, warranties, covenants and agreements of Buyer contained in this Article 10, as well as the right and the ability of Seller to enforce them and/or seek damages for their breach, shall survive the Closing for a period of twelve (12) months. All claims, whether known or unknown, for breach by Buyer of a representation or warranty as set forth in this Article 10 must be asserted in writing by Seller and delivered to Buyer on or before the expiration of such twelve (12) month period or otherwise such claims shall be invalid and of no force or effect and Buyer shall have no liability with respect thereto.

ARTICLE 11
COSTS, EXPENSES AND PRORATIONS

Section 11.1 Costs and Expenses.

(a) Seller. Seller shall pay: (i) the purchase price under the Existing PSA, (ii) all recording costs and all documentary transfer taxes, deed stamps and similar costs, fees and expenses payable in connection with the recordation of Seller's Deed; (iii) the cost for the ALTA Extended Coverage Policy (but excluding the cost of any endorsements thereto requested by Buyer); (iv) one-half (1/2) of the cost of the Survey; (v) one-half (1/2) of Escrow Agent's fees and costs for the Escrow; and (vi) Seller's attorneys' fees.

(b) Buyer. Buyer shall pay: (i) the cost for any endorsements to the ALTA Extended Coverage Policy requested by Buyer; (ii) one-half (1/2) of the cost of the Survey; (iii) the cost of the Third Party Reports; (iv) one-half (1/2) of Escrow Agent's fees and costs for the Escrow; and (v) Buyer's attorneys' fees.

Section 11.2 Prorations, Costs and Expenses. Seller acknowledges and agrees that Seller is responsible for all expenses arising out of the Property prior to Closing and that the Tenant under the Lease, will be responsible for paying all expenses arising out of the Property subsequent to Closing. Accordingly, the Parties agree that there will be no prorations at Closing.

ARTICLE 12
ACTIONS TO BE TAKEN AT THE CLOSING

Section 12.1 Actions by Title Insurer or Escrow Agent. In connection with the Closing, Escrow Agent or Title Insurer, as applicable, shall take the following actions:

(a) Recording. Title Insurer shall cause the Seller's Deed (with documentary transfer tax information to be affixed after recording) to be recorded in the Official Records of Bristol County, Massachusetts (the "**Registry**"), and obtain a conformed copy thereof for distribution to Seller and Buyer:

(b) Title Policy. Title Insurer shall issue the ALTA Extended Coverage Title Policy to Buyer.

(c) Distribution of Funds. Escrow Agent shall disburse all funds deposited with Escrow Agent by Buyer in payment of the Purchase Price as follows: (i) first, deduct, pay and satisfy all items chargeable to the account of Seller pursuant to Section 11.1 hereof; (ii) second, deduct, pay and satisfy all Monetary Obligations against the Real Property; (iii) third, if, as a result of the prorations and credits pursuant to Article 11 hereof, amounts are to be charged to the account of Seller, deduct the net amount of such charges; and (iv) fourth, disburse the remaining balance of the Purchase Price to Seller promptly upon the Closing. All disbursements by Escrow Agent shall be by wire transfer of immediately available funds to the designated account of the receiving party or shall be by certified or cashier's check of Escrow Agent, as may be directed by the receiving party.

(d) Distribution of Documents to Seller. Title Insurer shall disburse to Seller: (i) counterpart copies of each of the non-recordable Transaction Documents; (ii) a conformed copy of each of the recordable Transaction Documents, including, without limitation, Seller's Deed; and (iii) any other documents deposited into Escrow by Seller.

(e) Distribution of Documents to Buyer. Title Insurer shall disburse to Buyer: (i) counterpart copies of each of the non-recordable Transaction Documents; (ii) a conformed copy of each of the recordable Transaction Documents; and (iii) a copy of all other documents deposited into Escrow by Buyer.

ARTICLE 13
BROKERS

Seller and Buyer hereby represent and warrant to each other that the warranting party has not entered into nor will such warranting party enter into any agreement, arrangement or understanding with any other person or entity which will result in the obligation of the other party to pay any finder's fee, commission or similar payment in connection with the transactions contemplated by this Agreement. Seller and Buyer hereby agree to and shall indemnify, defend and hold harmless the other from and against any and all claims, costs, damages and/or liabilities arising from the breach of the foregoing representation by either Seller or Buyer, as the case may be.

ARTICLE 14
INDEMNIFICATION

Section 14.1 Indemnification.

(a) Indemnification by Seller. Seller hereby agrees to and shall reimburse, indemnify, defend (at Buyer's option and with counsel reasonably acceptable to Buyer) and hold harmless Buyer and its affiliates and each of their respective officers, directors, shareholders, members, partners, agents, employees, successors and assigns (collectively, the "Buyer Indemnitees"), from and against any and all claims, liabilities, causes of action, actual losses, costs, damages, attorneys' fees, judgments and/or expenses actually incurred ("Losses"), arising out of, or relating to, the following matters: (i) the breach by Seller of any of the representations, warranties and/or covenants made by Seller in or under this Agreement or any of the Transaction Documents that Buyer first obtains knowledge of after the Closing; (ii) the breach or default in the performance by Seller of any of the covenants or obligations to be performed by Seller under this Agreement or the Transaction Documents that Buyer first obtains knowledge of after the Closing; and (iii) any claims, liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise, arising out of or relating to, Seller's previous occupancy, management and/or operation of the Property; provided, however, that if such Losses are insured against under any available insurance policy (including any title insurance policy) benefitting Buyer, then Buyer shall use good faith efforts (without any obligation to incur any costs) to recover such Losses under such policy. The provisions of this Section shall survive the Closing or termination of this Agreement.

(b) Indemnification by Buyer. Buyer hereby agrees to and shall reimburse, indemnify, defend (at Seller's option and with counsel reasonably acceptable to Seller) and hold harmless Seller and its affiliates and each of their respective officers, directors, shareholders, members, partners, agents, employees, successors and assigns (collectively, the "Seller Indemnitees"), from and against any and all Losses arising out of, or relating to, the following matters: (i) the breach by Buyer of any of the representations, warranties and/or covenants made by Buyer in or under this Agreement or any of the Transaction Documents that Seller first obtains knowledge of after the Closing; and (ii) the breach or default in the performance by Buyer of any of the covenants or obligations to be performed by Buyer under this Agreement or the Transaction Documents that Seller first obtains knowledge of after the Closing.

Section 14.2 Notice and Opportunity to Defend.

(a) Notice of Asserted Liability. Following the receipt by one or more of the Buyer Indemnitees or Seller Indemnitees, as applicable (hereinafter, the "Indemnitees") of written notice of any claims, liabilities, causes of action or any other circumstances that would give rise to a claim for reimbursement or indemnification pursuant to Section 14.1 of this Agreement ("Asserted Liability"), Indemnitees shall give written notice thereof ("Claims Notice") to the applicable indemnifying party hereunder (hereinafter, the "Indemnitor"). The Claims Notice will include copies of any written documents relevant to the Asserted Liability and any related Losses.

Following the receipt of a Claims Notice, and without in any way limiting or reducing the obligations of Indemnitor pursuant toSection 14.1 hereof, Indemnitor shall defend and satisfy such Asserted Liability. All costs, fees and expenses incurred in connection with the defense and satisfaction of such Asserted Liability shall be borne by and be the sole responsibility of the Indemnitor.

(b) Opportunity to Defend. Without in any way limiting or reducing the obligations of the Indemnitor pursuant to Section 14.1 or Section 14.2(a) hereof, Indemnitees may elect to defend (by their own counsel), compromise and/or satisfy any Asserted Liability. Without in any way limiting or reducing the obligations of Seller pursuant to Section 14.1 or Section 14.2(a) hereof, if Indemnitees elect to defend (by their own counsel), compromise and/or satisfy such Asserted Liability, Indemnitees shall notify Indemnitor of Indemnitees' intent to do so, and Indemnitor shall cooperate in the defense, compromise and satisfaction of such Asserted Liability. All costs, fees and expenses incurred in connection with the defense, compromise and satisfaction of any such Asserted Liability shall be borne by and shall be the responsibility of Indemnitor, except to the extent Indemnitee elects to provide its own separate defense, provided such election was not the result of Indemnitor's default hereunder. Furthermore, and without limiting the obligations of Indemnitor pursuant to Section 14.1 or Section 14.2(a) hereof, Indemnitor shall reimburse Indemnitees for all Losses incurred by Indemnitees in connection with any such Asserted Liability.

(c) Timing for Payment. In the event Indemnitees incur any Losses which were not otherwise paid or satisfied by Indemnitor pursuant to this Agreement, Indemnitees shall deliver written notice to Indemnitor advising Indemnitor that Indemnitees have incurred such Losses ("Notice of Loss"). The Notice of Loss shall include an itemization of all of the Losses that Indemnitor is required to pay pursuant to and in accordance with the terms and provisions of this Agreement. Within thirty (30) Calendar Days after the date of receipt by Indemnitor of the Notice of Loss, Indemnitor shall pay to Indemnitees the aggregate amount of the Losses described in such Notice of Loss. In the event Indemnitor fails to timely pay to Indemnitees the aggregate amount of such Losses, any and all unpaid amounts shall bear interest at the greater of: (a) twelve percent (12%) per annum; or (b) the maximum rate of interest allowable under applicable law, which interest, in either case, shall be deemed to accrue effective as of the date such payment was originally due.

ARTICLE 15
MISCELLANEOUS

Section 15.1 Assignment. No assignment of this Agreement or Buyer's rights or obligations hereunder shall be made by Buyer without first having obtained Seller's written approval of any such assignment, which approval may be granted or withheld in the sole and absolute discretion of Seller. Notwithstanding the foregoing, Buyer may assign this Agreement to a wholly owned subsidiary of IIP Operating Partnership, LP without the prior written consent of Seller. Buyer shall notify Seller of any such permitted assignment no later than three (3) Business Days prior to the Closing Date. Notwithstanding anything to the contrary contained herein, any permitted assignment by

Buyer shall not relieve Buyer of any of its obligations and liabilities hereunder including obligations and liabilities which survive the Closing or termination of this Agreement, nor shall any such assignment alter, impair or relieve such assignee from the waivers, acknowledgments and agreements of Buyer set forth herein, all of which shall be binding upon any assignee of Buyer.

Section 15.2 **Notices.** Except as otherwise stated in this Agreement, any notice, consent, demand, invoice, statement or other communication required or permitted to be given under this Agreement shall be in writing and shall be given by (a) personal delivery, (b) overnight delivery with a reputable international overnight delivery service, such as FedEx, or (c) email transmission, so long as such transmission is either confirmed by the recipient or followed within one (1) Business Day by delivery utilizing one of the methods described in (a) or (b). Any such notice, consent, demand, invoice, statement or other communication shall be deemed delivered (x) upon receipt, if given in accordance with subsection (a); (y) one (1) Business Day after deposit with a reputable international overnight delivery service, if given if given in accordance with subsection (b); or (z) upon transmission, if given in accordance with subsection (c). Any notice, consent, demand, invoice, statement or other communication required or permitted to be given under this Agreement shall be addressed to the Parties at the following addresses:

(i) Seller's Address. If to Seller, at the following address:

Commonwealth Alternative Care, Inc.
30 Mozzone Boulevard
Taunton, MA 02780
Attention: Gary F. Santo, Jr.
E-Mail: [***]

With a copy to:

TILT Holdings Inc.
2801 E. Camelback Road, Suite 180
Phoenix, AZ 85016
Attention: Legal Department
E-Mail: [***]

And:

Nutter McClennen & Fish LLP
155 Seaport Blvd.
Boston, MA 02210
Attention: Christopher W. Papavasiliou, Esq.
E-Mail: [***]

(ii) Buyer's Address. If to Buyer, at the following address:

IIP-MA 2 LLC
11440 West Bernardo Court, Suite 100
San Diego, California 92127
Attn: Brian Wolfe, General Counsel
Telephone: [***]
Email: [***]

Either Party may, by notice to the other given pursuant to this Section 15.2, specify additional or different addresses for notice purposes. The Parties agree that the attorney for a Party listed above shall have the authority to deliver notices on such Party's behalf.

Section 15.3 **Entire Agreement.** This Agreement, including the Exhibits and Schedules referred to herein, are intended by the Parties to be the final, complete and exclusive expression of their agreement with respect to the terms that are included in this Agreement, and may not be contradicted or supplemented by evidence of any other prior or contemporaneous agreement. This Agreement supersedes all previous representations, arrangements, agreements and understandings by and among the Parties with respect to the subject matter covered by this Agreement including, without limitation, all prior letters of intent executed between Buyer and Seller, and any such representations, arrangements, agreements and understandings are hereby canceled and terminated in all respects.

Section 15.4 **Amendment.** No provision of this Agreement may be modified, amended, or supplemented except by an agreement in writing signed by Buyer and Seller.

Section 15.5 **Severability.** Any provision of this Agreement that shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and all other provisions of this Agreement shall remain in full force and effect and shall be interpreted as if the invalid, void or illegal provision did not exist.

Section 15.6 **Remedies.** No waiver of any term, covenant or condition of this Agreement shall be binding unless executed in writing by the party entitled to the benefit of such term, covenant or condition. The waiver of any breach or default of any term, covenant or condition contained in this Agreement shall not be deemed to be a waiver of any preceding or subsequent breach or default of such term, covenant or condition or any other term, covenant or condition of this Agreement. Except as expressly provided in this Agreement, the rights and remedies under this Agreement are in addition to and not exclusive of any other rights, remedies, powers and privileges under this Agreement or available at law, in equity or otherwise. No failure to exercise or delay in exercising any right, remedy, power or privilege shall operate as a waiver thereof, and no single or partial exercise of any right, remedy, power or privilege shall preclude the exercise of any other right, remedy, power or privilege.

Section 15.7 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document.

Section 15.8 **Attorneys' Fees.** Except as otherwise expressly set forth in this Agreement, each Party shall pay its own costs and expenses incurred in connection with this Agreement and such Party's performance under this Agreement, provided, that if either Party commences an action, proceeding, demand, claim, action, cause of action or suit against the other Party arising out of or in connection with this Agreement, then the substantially prevailing Party shall be reimbursed by the other Party for all

reasonable costs and expenses, including reasonable attorneys' fees and expenses, incurred by the substantially prevailing Party in such action, proceeding, demand, claim, action, cause of action or suit, and in any appeal in connection therewith (regardless of whether the applicable action, proceeding, demand, claim, action, cause of action, suit or appeal is voluntarily withdrawn or dismissed).

Section 15.9 Governing Law; Jurisdiction and Venue. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, without regard to Massachusetts' conflict of law principles. The proper venue for any claims, causes of action or other proceedings concerning this Agreement shall be in the state courts located in the County of Bristol, Commonwealth of Massachusetts or federal courts located in Boston, Massachusetts.

Section 15.10 Waiver of Jury Trial. To the extent permitted by applicable laws, the Parties waive trial by jury in any action, proceeding or counterclaim brought by the other Party hereto related to matters arising out of or in any way connected with this Agreement.

Section 15.11 No Third Party Beneficiary. This Agreement is for the sole benefit of the Parties and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns, and nothing in this Agreement shall give or be construed to give any other person or entity any legal or equitable rights.

Section 15.12 Successors and Assigns. Each of the covenants, conditions and agreements contained in this Agreement shall inure to the benefit of and shall apply to and be binding upon the Parties hereto and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns. Nothing in this Section 15.12 shall in any way alter the provisions of this Agreement restricting assignment.

Section 15.13 Time of the Essence. Time is of the essence with respect to the performance of every provision in this Agreement.

Section 15.14 Survivability. Except as otherwise provided in this Agreement to the contrary, the covenants and obligations of the Parties to this Agreement shall survive the Closing indefinitely.

Section 15.15 Business Days. If the Closing Date or any other date described in this Agreement by which one Party hereto must give notice to the other Party hereto or perform or fulfill an obligation hereunder is a Calendar Day that is not a Business Day, then the Closing Date or such other date shall be automatically extended to the next succeeding Business Day.

Section 15.16 Joint Liability. If more than one person or entity executes this Agreement as Seller, then (a) each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Agreement to be kept, observed or performed by Seller, and such terms, covenants, conditions, provisions and agreements shall be binding with the same force and effect upon each and all of the persons executing this Agreement as Seller, and (b) the term "Seller" as used in this Agreement shall mean and include each of them, jointly and severally. Furthermore, all of the covenants, agreements, obligations, liabilities, indemnification undertakings, certifications, representations and warranties of Seller in this Agreement and in the Transaction Documents shall be deemed to be joint and several covenants, agreements, obligations, liabilities, indemnification undertakings, certifications, representations and warranties of Seller and Guarantor (the "Joiner"), and may be enforced against either of them, concurrently and successively, in such order as Buyer may determine.

Section 15.17 Construction. Buyer and Seller have each participated in the drafting and negotiation of this Agreement, and the language in all parts of this Agreement shall be in all cases construed as a whole according to its fair meaning and not strictly for or against either Buyer or Seller.

Section 15.18 Independent Obligations. Notwithstanding anything to the contrary contained in this Agreement, Seller's obligations under this Agreement are independent and shall not be conditioned upon performance by Buyer.

Section 15.19 Facsimile, Electronic and PDF Signatures. A facsimile, electronic signature or portable document format (PDF) signature on this Agreement shall be equivalent to, and have the same force and effect as, an original signature.

Section 15.20 Covenant and Condition. Each provision of this Agreement performable by Seller shall be deemed both a covenant and a condition.

Section 15.21 Reasonable Consent. Whenever consent or approval of either Party is required pursuant to this Agreement, that party shall not unreasonably withhold, condition or delay such consent or approval, except as may be expressly set forth to the contrary in this Agreement.

Section 15.22 1031 Exchange. Seller acknowledges that Buyer may be purchasing the Property as part of a tax deferred exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended. In order to effect such tax deferred exchange, Buyer may assign its rights in, and delegate duties under, this Agreement, as well as transfer the Property, to any exchange accommodator which Buyer shall determine. As an accommodation to Buyer, Seller agrees to reasonably cooperate with Buyer in connection with such exchange, including execution of documents therefor, provided that (a) Seller shall have no obligation to take title to any property in connection with such exchange, (b) Seller shall not be obligated to pay any additional costs as a result of such exchange, (c) the Closing shall not be contingent or otherwise subject to the consummation of such exchange, and (d) all representations, warranties and covenants of Buyer shall not be affected or limited by Buyer's use of an exchange accommodator and shall survive Buyer's exchange and continue to inure directly from Buyer for the benefit of Seller.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth opposite each Party's name below.

SELLER: COMMONWEALTH ALTERNATIVE CARE INC.,
a Massachusetts corporation

By: */s/ Gary F. Santo, Jr.*
Name: Gary F. Santo, Jr.
Title: Director

BUYER: IIP-MA 2 LLC,
a Delaware limited liability company

By: */s/ Brian Wolfe*
Name: Brian Wolfe

Title: Vice President, General Counsel and Secretary

CONSENT OF ESCROW AGENT

The undersigned Escrow Agent hereby agrees to: (i) accept the foregoing Agreement; (ii) establish the Escrow and be Escrow Agent under said Agreement; (iii) to make all filings required under Section 6045 of the Internal Revenue Code of 1986, as amended; and (iv) be bound by said Agreement in the performance of its duties as Escrow Agent; provided, however, the undersigned shall have no obligations, liability or responsibility under (a) this Consent or otherwise, unless and until said Agreement, fully signed by the parties, has been delivered to the undersigned, or (b) any amendment to said Agreement unless and until the same is accepted by the undersigned in writing.

Dated: April 8 2022

TITLE CONNECT, LLC

By: */s/ Jeffrey Gunsberg*
Name: Jeffrey Gunsberg
Title: Vice President

JOINERS' SEPARATE UNDERTAKING

Pursuant to Section 15.16 of the foregoing Agreement, for value received, the undersigned, TILT Holdings Inc., a corporation amalgamated under the laws of the Province of British Columbia, Canada, hereby acknowledges and agrees that the covenants, agreements, obligations, liabilities, indemnification undertakings, certifications, representations and warranties of Seller in the foregoing Agreement and in the Transaction Documents (as defined in the foregoing Agreement) shall be joint and several covenants, agreements, obligations, liabilities, indemnification undertakings, certifications, representations and warranties of Seller and of the undersigned, and may be enforced against Seller and/or the undersigned, concurrently or successively, in such order as Buyer may determine.

The undersigned shall continue to be liable pursuant to this undertaking and the provisions hereof shall remain in full force and effect notwithstanding any modifications or amendment of the foregoing Agreement or the Transaction Documents or any other act, omission or conditions which might in any manner or to any extent vary the risk to the undersigned or might otherwise operate as a discharge or release of a guarantor or surety under any applicable law. The undersigned hereby fully and completely waives, releases and relinquishes (i) diligence and demand of payment, presentment, protest, dishonor and notice of dishonor; (ii) any and all other defenses and rights arising under applicable law, to the extent waivable; (iii) any and all benefits of any right of discharge under any and all statues or laws relating to a guarantor or surety, and (iv) any defense based upon the impairment, modification, change, release, discharge or limitation of the liability of Seller in bankruptcy, or resulting from or pursuant to, the application of the bankruptcy or insolvency laws of or any decision of any court of the United States or any state thereof. For the avoidance of doubt, the terms and conditions of this Joiner's Separate Undertaking shall survive the Closing.

TILT HOLDINGS INC.,
a corporation amalgamated under the laws of the Province of British Columbia, Canada

By: */s/ Gary F. Santo, Jr."*
Name: Gary F. Santo, Jr.
Title: Chief Executive Officer

EXHIBIT A

LEGAL DESCRIPTION OF LAND

The land in Taunton, Bristol County, Massachusetts, situated at 30 Mozzone Boulevard, and being shown as a Lot containing 12.38+ acres on a plan entitled, "Plan of Land in Taunton, Mass." dated April 12, 1991, prepared by W. H. Maze Company, and recorded with the Bristol North District Registry of Deeds in Plan Book 311, Page 27

EXHIBIT B

SELLER'S DEED

RECORDING REQUESTED BY
AND
WHEN RECORDED MAIL AND
SEND TAX BILLS TO:

IIP-MA 2 LLC
11440 West Bernardo Court
Suite 100
San Diego, CA 92127
Attn: General Counsel

PERMANENT PARCEL NUMBER:
_____

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

QUITCLAIM DEED

COMMONWEALTH OF MASSACHUSETTS

BRISTOL COUNTY

This QUITCLAIM DEED is made and entered into as of the ___ day of _____, 2022, by [_____] ("Grantor"), to for the benefit of IIP-MA 2 LLC, a Delaware limited liability company, having an address of 11440 West Bernardo Court, Suite 100, San Diego, California 92127 ("Grantee").

WITNESSETH, that the Grantor, for and in consideration of the sum of [_____] Dollars ($_____) paid to it by Grantee, the receipt and sufficiency of which are hereby acknowledged, does by these presents grant unto the Grantee, with Quitclaim Covenants, the following described real estate, situated in the County of Middlesex and the Commonwealth of Massachusetts, (the "Property") more particularly described as follows:

See Exhibit A attached hereto and hereby made a part hereof.

Being the premises known as 30 Mozzone Street, Taunton, MA 02780.

Being a portion of the premises conveyed to the Grantor by quitclaim deed from [_____] dated [_____] and recorded with the Bristol County Registry of Deeds in Book [_____], Page [_____].

Subject however, to any real estate taxes or assessments for the year 2022 and all subsequent years, applicable zoning, laws and governmental regulations and the conditions, restrictions, reservations, covenants, easements, rights of way, and other agreements of record affecting title to the Property.

TO HAVE AND TO HOLD the same, together with all rights and appurtenances to the same belonging, unto the Grantee, and to its successors and assigns forever.

This conveyance is not a sale of all or substantially all of the assets of Grantor in the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the Grantor has executed this Quitclaim Deed as of the day and year first above written.

GRANTOR:

_____

By EXHIBIT – DO NOT SIGN
Title _____

COMMONWEALTH OF MASSACHUSETTS

_____ County _____, 2022

On this date, _____, 2022, before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, which was (personal knowledge) (driver's license) to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily as _____ for its stated purpose.

_____
Notary Public
Printed Name: _____
My Commission Expires:_____

EXHIBIT A
TO QUITCLAIM DEED

LEGAL DESCRIPTION OF REAL PROPERTY

EXHIBIT C

BILL OF SALE

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, _____, a _____ ("Grantor"), hereby sells, conveys, transfers and releases to _____, a _____ ("Grantee"), the personal property more particularly described in Exhibit 1 attached hereto and incorporated herein by this reference, and all other tangible and intangible personal property located on or used in connection with the ownership, management and/or operation of the real property more particularly described in Exhibit 2 attached hereto and incorporated herein by this reference.

This Bill of Sale is being entered into pursuant to and in accordance with that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated effective _____, 2022, as amended and assigned, by and between Grantor, as "Seller," and Grantee, as "Buyer" ("Purchase Agreement"). Capitalized terms used herein without definition shall have the meaning given to such terms in the Purchase Agreement.

EXECUTED and to be made effective as of the date of the Closing, as said term is defined in the Purchase Agreement.

GRANTOR:

_____

By EXHIBIT – DO NOT SIGN

Title _____

Exhibit 1
To Bill of Sale

Personal Property

All fixtures, trade fixtures, vehicles, machinery, appliances, tools, signs, equipment, systems, telephone equipment and systems, computer equipment and systems, satellite dishes and related equipment and systems, security equipment and systems, inventories, supplies and all other items of tangible and intangible personal property located on or used in connection with the ownership, management and/or operation of the real property described in Exhibit 2 to this Bill of Sale, but specifically excluding the Excluded Property.

Exhibit 2
To Bill of Sale

Legal Description of Real Property

[See attached.]

EXHIBIT D

CERTIFICATE OF NON-FOREIGN STATUS

The undersigned, being duly sworn, hereby deposes, certifies and states on oath as follows:

1. That the undersigned, _____ ("Transferor"), is duly authorized to execute this Certificate and Affidavit;

2. That Transferor's principal place of business is _____;

3.That Transferor is not a "foreign corporation," "foreign partnership," "foreign trust," or "foreign estate," as such terms are defined in the United States Internal Revenue Code of 1986, as amended (the "Code"), and Regulations promulgated thereunder, and is not otherwise a "foreign person," as defined in Section 1445 of the Code;

4. That Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii) of the Treasury Regulations;

5. That Transferor's United States taxpayer identification number is:_____;

6.That the undersigned is making this Certificate and Affidavit pursuant to the provisions of Section 1445 of the Code in connection with the sale of the real property described on Exhibit 1 attached hereto and incorporated herein by reference, by Transferor to _____ ("Transferee"), which sale constitutes the disposition by Transferor of a United States real property interest, for the purposes of establishing that Transferee is not required to withhold tax pursuant to Section 1445 of the Code in connection with such disposition; and

7.That the undersigned acknowledges that this Certificate and Affidavit may be disclosed to the Internal Revenue Service and other applicable governmental agencies by Transferee, that this Certificate and Affidavit is made under penalty of perjury, and that any false statement made herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, I declare that I have examined the foregoing Certificate and Affidavit and I hereby certify that it is true, correct and complete.

TRANSFEROR:

By EXHIBIT – DO NOT SIGN

Title

Exhibit 1
To Certificate of Non-Foreign Status

Legal Description of Real Property

[INSERT]

EXHIBIT E

[INTENTIONALLY OMITTED]

EXHIBIT F

ASSIGNMENT OF PERMITS, ENTITLEMENTS AND INTANGIBLE PROPERTY

THIS ASSIGNMENT OF PERMITS, ENTITLEMENTS AND INTANGIBLE PROPERTY (the "Assignment") is made and dated for reference purposes as of _____, 2022 and is entered into by _____ ("Assignor") in favor of _____ ("Assignee").

RECITALS

A.Assignor and Assignee are parties to that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated _____, 2022, as amended and assigned ("Purchase Agreement"). Unless otherwise expressly defined herein, capitalized terms used herein without definition shall have the same meaning given to such terms in the Purchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Assignment by Assignor. Effective as of the Closing, Assignor hereby transfers and assigns to Assignee the Intangible Property and the Permits and Entitlements, excluding the Excluded Property.

2. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of the respective Parties hereto.

3. Attorneys' Fees. In the event of any legal action between Assignor and Assignee arising out of or in connection with this Assignment, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees and costs incurred in such action and any appeal therefrom.

4. Governing Law; Jurisdiction and Venue. This Assignment shall be governed by the laws of the Commonwealth of Massachusetts. The proper venue for any claims, causes of action or other proceedings concerning this Assignment shall be in the state and federal courts located in the County of Bristol, Commonwealth of Massachusetts.

5. Counterparts. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument.

6. Cooperation. Assignor hereby agrees to and shall execute and deliver to Assignee any and all documents, agreements and instruments necessary to consummate the transactions contemplated by this Assignment.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed as of the day and year first above written.

ASSIGNOR:

_____

By EXHIBIT – DO NOT SIGN

Title _____

ASSIGNEE:

_____

By EXHIBIT – DO NOT SIGN

Title _____

EXHIBIT G

GENERAL PROVISIONS OF ESCROW

THESE GENERAL PROVISIONS OF ESCROW ("General Provisions"), are deemed entered into pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated April 8, 2022, by and between Commonwealth Alternative Care Inc., as the "Seller," and IIP-MA 2 LLC, as the "Buyer," as the same may be amended from time to time ("Purchase Agreement"). Capitalized terms used herein without definition shall have the meanings given to such terms in the Purchase Agreement.

THE PARTIES UNDERSTAND AND ACKNOWLEDGE:

1. Deposit of Funds and Disbursements. Unless directed in writing by Seller or Buyer, as applicable, to establish a separate, interest-bearing account together with all necessary taxpayer reporting information, all funds received by Escrow Agent shall be deposited in general escrow accounts in a federally insured financial institution ("Depositories"). All disbursements shall be made by Escrow Agent's check or by wire transfer unless otherwise instructed in writing by the party to receive such disbursement. The Good Funds Law requires that Escrow Agent have confirmation of receipt of funds prior to disbursement.

2. Disclosure of Possible Benefits to Escrow Agent. As a result of Escrow Agent maintaining its general escrow accounts with the Depositories, Escrow Agent may receive certain financial benefits such as an array of bank services, accommodations, loans or other business transactions from the Depositories ("Collateral Benefits"). Notwithstanding the foregoing, the term Collateral Benefits shall not include any interest that accrues or is earned on the Deposit and in no event and under no circumstance shall Escrow Agent be entitled to receive and retain any interest that accrues or is earned on the Deposit. All Collateral Benefits shall accrue to the sole benefit of Escrow Agent and Escrow Agent shall have no obligation to account to the parties to this Escrow for the value of any such Collateral Benefits.

3. Miscellaneous Fees. Escrow Agent may incur certain additional costs on behalf of the parties for services performed by third party providers. The fees charged by Escrow Agent for such services shall not include a mark up or premium over the direct cost of such services.

4. Prorations and Adjustments. All prorations and/or adjustments shall be made in accordance with the Purchase Agreement.

5. Contingency Periods. Escrow Agent shall not be responsible for monitoring contingency time periods between the Parties.

6. Reports. As an accommodation, Escrow Agent may agree to transmit orders for inspection, termite, disclosure and other reports if requested, in writing or orally, by the parties or their agents. Escrow Agent shall deliver copies of any such reports as directed. Escrow Agent is not responsible for reviewing such reports or advising the parties of the content of the same.

7. Recordation of Documents. Escrow Agent is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this Escrow and, to the extent that Escrow Agent is also the Title Company, to issue the ALTA Extended Coverage Policy at Closing, subject to and in accordance with the Purchase Agreement or pursuant to separate written instructions to Escrow Agent executed by Seller.

8. Conflicting Instructions and Disputes. No notice, demand or change of instructions shall be of any effect in this Escrow unless given in writing by Seller and Buyer. In the event a demand for the Deposit and/or any other amounts in this Escrow is made which is not concurred with by Seller and Buyer (regardless of who made demand therefor), Escrow Agent may elect to file a suit in interpleader and obtain an order from the court allowing Escrow Agent to deposit all funds and documents in court and have no further liability with respect thereto. If an action is brought involving this Escrow and/or Escrow Agent, Seller and Buyer agree to indemnify and hold Escrow Agent harmless against liabilities, damages and costs incurred by Escrow Agent (including reasonable attorney's fees and costs) except to the extent that such liabilities, damages and costs were caused by the negligence, gross negligence or willful misconduct of Escrow Agent.

9. Amendments to General Provisions. Any amendment to these General Provisions must be mutually agreed to by Seller and Buyer and accepted by Escrow Agent. The Purchase Agreement and these General Provisions shall constitute the entire escrow agreement between the Escrow Agent and the parties hereto with respect to the subject matter of the Escrow.

10. Copies of Documents; Authorization to Release. Escrow Agent is authorized to rely upon copies of documents, which include facsimile, electronic, NCR, or photocopies as if they were an originally executed document. If requested by Escrow Agent, the originals of such documents shall be delivered to Escrow Agent. Documents to be recorded MUST contain original signatures. Escrow Agent may furnish copies of any and all documents to the lender(s), real estate broker(s), attorney(s) and/or accountant(s) involved in this transaction upon their request.

11. Execution in Counterpart. These General Provisions and any amendments may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute the same instruction.

12. Tax Reporting, Withholding and Disclosure . The Parties are advised to seek independent advice concerning the tax consequences of this transaction, including but not limited to, their withholding, reporting and disclosure obligations. Escrow Agent does not provide tax or legal advice and the parties agree to hold Escrow Agent harmless from any loss or damage that the parties may incur as a result of their failure to comply with federal and/or state tax laws. EXCEPT AS OTHERWISE REQUIRED UNDER APPLICABLE LAW, WITHHOLDING OBLIGATIONS ARE THE EXCLUSIVE OBLIGATIONS OF THE PARTIES AND ESCROW AGENT IS NOT RESPONSIBLE TO PERFORM THESE OBLIGATIONS UNLESS ESCROW AGENT AGREES IN WRITING.

13. Taxpayer Identification Number Reporting. Federal law requires Escrow Agent to report Seller's social security number and/or tax identification number, forwarding address, and the gross sales price to the Internal Revenue Service. Escrow cannot be closed nor any documents recorded until the information is provided and Seller certifies the accuracy of such information to Escrow Agent.

14. Purchase Agreement. In the event of any conflict between the terms and conditions of the Purchase Agreement and the terms and conditions of these General Provisions, the terms and conditions of the Purchase Agreement shall govern.

15. Notices. All notices relating to these General Provisions shall be given in compliance with the Notice provisions set forth in the Purchase Agreement.

EXHIBIT H

FORM OF LEASE

[See Attached]

[***]

SCHEDULE 1.0

LIST OF SELLER'S DELIVERIES

PROPERTY DILIGENCE

1) **Property Acquisition –** Copy of agreement for Property acquisition and ancillary documents regarding purchase of Property (including purchase option agreement)
2) **FF&E** – Detailed breakdown of FF&E now owned or expected to be acquired to support operations, including costs
3) **Use Approvals** - Evidence of approvals, zoning and permitting for the Property, including evidence of support from the local jurisdiction as necessary
4) **Title Policy / Survey –** Most recent issued policy of title insurance, together with copies of all listed exceptions, and current draft policy of title insurance as well as most recent survey
5) **Property Reports –** Environmental reports, property condition reports, zoning reports, ADA reports, geotechnical reports and similar reports relating to the condition of the Property, including those generated by third parties
6) **Taxes** – Current Property tax bills and assessor's statements of current assessed value
7) **Contracts / Leases** – Copies of existing service contracts, leases, subleases and licenses affecting the property, including notices of any uncured defaults
8) **Notices** – Copies of all written notices of violations of laws, regulations, permits, CC&Rs or agreements relating to the Property

TENANT DILIGENCE

1) General Company Information

a. Entity structure chart, including all subs, affiliates, parent companies and ultimate beneficial owners
b. Organizational documents for Tenant / Guarantor
c. Schedule of banks with which Tenant / Guarantor has accounts
d. List of currently held dispensary, processing, and cultivation licenses and a list of licenses to be acquired / locations where a license is being applied for

2) Financial Information

a. Most recent, detailed financial statements for Guarantor, including income statements, statements of cash flows and balance sheets
b. Copies of most recent equity financing documents and capitalization table
c. All loan/credit agreements, security documents, letters of credit, indemnity letters and guarantees to which Tenant / Guarantor (or any of the entities in 1.a.) is a party (including intercompany loans)
d. Current financial projections, business plans and internal budgets
e. All documents pursuant to which Tenant / Guarantor is a guarantor or is otherwise contingently liable for the obligations of another entity
f. Most recent investor presentations or other materials provided to investors

3) Management Information

a. Schedule of officers (and their titles), directors and advisors
b. Biographies on officers and directors, including reasonable detail regarding management's and the Board's experience in the cannabis industry

INSURANCE / LEGAL [FOR PROPERTY, GUARANTOR and TENANT]

a. Schedule of insurance policies, including broker, limits, retentions and coverage bases
b. Any notice of cancellation, termination or non-renewal or denial of liability under any policy
c. Loss information for the past 5 years under any insurance policy
d. All pending or threatened litigation and other claims (judicial, administrative and arbitration) by or against Tenant or Seller or to which the Tenant or Seller is a party
e. All judgments or decrees to which the company or any of its properties is subject

f. All notices and correspondence received from any governmental agency alleging any violation of law, rule or regulation, including those relating to any applicable state or local cannabis law, rule or regulation
g. Any litigation concluded during the past 3 years with a description of the disposition

SCHEDULE 2.0

ENVIRONMENTAL DISCLOSURE STATEMENT

[***]

SCHEDULE 3.0

EXCLUDED PROPERTY

1. Cannabis
2. Cannabis products or derivatives of or from cannabis, including, but not limited to, cannabis infused oil, extracts, edibles, topicals, ingestibles, inhalables, and salves.
3. Cannabis licenses, business licenses, business tax receipts, or any similar licenses allowing Tenant to operate the Property for the Permitted Use (as defined in the Lease).
4. Specialty lighting, fertigation, benching, racking, extraction, chillers and processing systems and equipment (as opposed to base building systems) relating to Tenant's cannabis operations.
5. All copyrights, trademarks and all other intellectual property owned by Seller.

SCHEDULE 9.4

LITIGATION DISCLOSURE

[***]

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

WHITE HAVEN RE, LLC,
a Pennsylvania limited liability company

"SELLER"

AND

IIP-PA 9 LLC,
a Delaware limited liability company

"BUYER"

411 Susquehanna Street,
White Haven, PA 18661

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PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

TO: Settlement Corp ("Escrow Agent")
5301 Wisconsin Avenue, N.W. #710
Washington, D.C. 20015
Attn: Todd Deckelbaum
TEL: [***]
E-mail: [***]

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS ("Agreement") is made and entered into and effective as of the 19th day of April, 2022, by and between WHITE HAVEN RE, LLC, a Pennsylvania limited liability company (the "Seller"), and IIP-PA 9 LLC , a Delaware limited liability company ("Buyer"), each of whom shall sometimes separately be referred to herein as a "Party" and both of whom shall sometimes collectively be referred to herein as the "Parties." This Agreement constitutes: (a) a binding purchase and sale agreement between Seller and Buyer; and (b) joint escrow instructions to Escrow Agent whose consent appears at the end of this Agreement.

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, the Parties mutually agree as follows:

ARTICLE 1
CERTAIN DEFINITIONS

In addition to those terms defined elsewhere in this Agreement, the following terms have the meanings set forth below:

"Additional Deposit" shall have the meaning given to such term in Section 2.2(b) hereof.

"Affiliate" shall mean, with respect to any particular Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For this purpose, the term "control" shall be deemed satisfied to the extent that there exists direct or indirect ownership representing a minimum ten percent (10%) ownership interest.

"Agreement" shall mean this Purchase and Sale Agreement and Joint Escrow Instructions dated as of the 19th day of April 2022, by and between Seller and Buyer, together with all Exhibits and Schedules attached hereto.

"ALTA" shall mean American Land Title Association.

"ALTA Extended Coverage Policy" shall have the meaning given such term in Section 8.1(c) hereof.

"Asserted Liability" shall have the meaning given to such term in Section 14.2(a) hereof.

"Assignment of Permits, Entitlements and Intangible Property" shall mean the Assignment of Permits, Entitlements and Intangible Property, in the form of Exhibit F attached and incorporated herein by reference.

"Bill of Sale" shall mean the Bill of Sale, in the form of Exhibit C attached hereto and incorporated herein by reference.

"Building" shall mean the building consisting of approximately 58,264 square feet, together with all related facilities and improvements, located on the Land.

"Business Day" shall mean a Calendar Day, other than a Saturday, Sunday or a day observed as a legal holiday by the United States federal government or the Commonwealth of Pennsylvania.

"Buyer" shall mean IIP-PA 9 LLC, a Delaware limited liability company.

"Buyer Indemnitees" shall have the meaning given to such term in Section 14.1(a) hereof.

"Buyer's Election Not to Terminate" shall have the meaning given to such term in Section 4.3 hereof.

"Buyer's Election to Terminate" shall have the meaning given to such term in Section 4.2 hereof.

"Calendar Day" shall mean any day of the week including a Business Day.

"Cash" shall mean legal tender of the United States of America represented by either: (a) currency; (b) a cashier's or certified check or checks currently dated, payable to Escrow Agent or order, and honored upon presentation for payment; or (c) immediately available funds wire transferred or otherwise deposited into Escrow Agent's account at Escrow Agent's direction.

"Certificate of Non-Foreign Status" shall mean that certain Certificate of Non-Foreign Status, in the form of Exhibit D attached hereto and incorporated herein by reference.

"Claims Notice" shall have the meaning given to such term in Section 14.2(a) hereof.

"Closing" shall have the meaning given to such term in Section 8.4 hereof.

"Closing Date" shall have the meaning given to such term in Section 8.4 hereof.

"Closing Deposit" shall have the meaning given to such term in Section 2.2(d) hereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent federal revenue laws.

"Condemnation Proceeding" shall have the meaning given to such term in Section 8.3(a) hereof.

"Contracts" shall mean all written or oral: (a) insurance, management, leasing, security, janitorial, cleaning, pest control, waste disposal, landscaping, advertising, service, maintenance, operating, repair, collective bargaining, employment, employee benefit, severance, franchise, licensing, supply, purchase, consulting, professional service, advertising, promotion, public relations and other contracts and commitments in any way relating to the Property or any part thereof, together with all supplements, amendments and modifications thereto; and (b) equipment leases and all rights and options of Seller thereunder, together with all supplements, amendments and modifications thereto.

"Cure Notice" shall have the meaning given to such term in Section 4.1(b) hereof.

"Deposit" shall mean the Initial Deposit and the Additional Deposit, as applicable, together with all interest accrued thereon, if any, while in Escrow Agent’s control.

"Disapproved Title Exceptions" shall have the meaning given to such term in Section 4.1(b) hereof.

"Disapproved Title Exceptions Notice" shall have the meaning given to such term in Section 4.1(b) hereof.

"Eastern Time" shall mean Eastern Standard Time (or Eastern Daylight Savings Time, whichever shall be in effect at the time in question in White Haven, Pennsylvania).

"Effective Date" shall mean, provided that this Agreement has been executed and delivered by both Buyer and Seller, the later of (a) the date this Agreement is executed and delivered by Buyer or (b) the date this Agreement is executed and delivered by Seller, as such dates appear after each Party's signature herein below.

"Environmental Laws" shall mean all present and future federal, state or local laws, ordinances, codes, statutes, regulations, administrative rules, policies and orders, and other authorities, which relate to the environment and/or which classify, regulate, impose liability, obligations, restrictions on ownership, occupancy, transferability or use of the Real Property, and/or list or define hazardous substances, materials, wastes, contaminants, pollutants and/or the Hazardous Materials including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, *et seq.*, as now or hereafter amended; the Resources Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.*, as now or hereafter amended; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, *et seq.*, as now or hereafter amended; the Clean Water Act, 33 U.S.C. Section 1251, *et seq.*, as now or hereafter amended; the Clean Air Act, 42 U.S.C. Section 7901, *et seq.*, as now or hereafter amended; the Toxic Substance Control Act, 15 U.S.C. Sections 2601 through 2629, as now or hereafter amended; the Public Health Service Act, 42 U.S.C. Sections 300f through 300j, as now or hereafter amended; the Safe Drinking Water Act, 42 U.S.C. Sections 300f through 300j, as now or hereafter amended; the Occupational Safety and

Health Act, 29 U.S.C. Section 651, *et seq.*, as now or hereafter amended; the Oil Pollution Act, 33 U.S.C. Section 2701, *et seq.*, as now or hereafter amended; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. Section 11001, *et seq.*, as now or hereafter amended; the National Environmental Policy Act, 42 U.S.C. Section 4321, *et seq.*, as now or hereafter amended; the Federal Insecticide, Fungicide and Rodenticide Act, 15 U.S.C. Section 136, *et seq.*, as now or hereafter amended; the Medical Waste Tracking Act, 42 U.S.C. Section 6992, as now or hereafter amended; the Atomic Energy Act of 1985, 42 U.S.C. Section 3011, *et seq.,* as now or hereafter amended; and any similar federal, state or local laws and ordinances and the regulations now or hereafter adopted, published and/or promulgated pursuant thereto and other state and federal laws relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, disposal or transportation of any Hazardous Materials.

"Escrow" shall have the meaning given to such term in Article 3 hereof.

"Escrow Agent" shall have the meaning given to such term in the preamble of this Agreement.

"Excluded Property" means the property described on Schedule 3.0 attached hereto and incorporated herein by reference.

"General Provisions" shall have the meaning given to such term in Article 3 hereof.

"Guarantor" shall mean TILT Holdings Inc., a corporation amalgamated under the laws of the Province of British Columbia, Canada.

"Guaranty" shall mean the Guaranty in the form attached as Exhibit D to the Lease.

"Hazardous Materials" shall mean all hazardous wastes, toxic substances, pollutants, contaminants, radioactive materials, flammable explosives, other such materials, including, without limitation, substances defined as "hazardous substances," "hazardous wastes," "hazardous materials," "toxic substances," "toxic pollutants," "petroleum substances," or "infectious waste" in any applicable laws or regulations including, without limitation, the Environmental Laws, and any material present on the Real Property that has been shown to have significant adverse effects on human health including, without limitation, radon, pesticides, asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, petroleum products (including any products or by-products therefrom), lead-based paints and any material containing or constituting any of the foregoing, and any such other substances, materials and wastes which are or become regulated by reason of actual or threatened risk of toxicity causing injury or illness, under any Environmental Laws or other applicable federal, state or local law, statute, ordinance or regulation, or which are classified as hazardous or toxic under current or future federal, state or local laws or regulations.

"Improvements" shall mean all buildings, structures, fixtures, trade fixtures, systems, facilities, machinery, equipment and conduits that provide fire protection, security, heat, exhaust, ventilation, air conditioning, electrical power, light, plumbing, refrigeration, gas, sewer and water thereto (including all replacements or additions thereto) and other improvements now or hereafter located on the Land, including, but not limited to the Building, together with all water control systems, utility lines and related fixtures and improvements, drainage facilities, landscaping improvements, fencing, roadways and walkways, and all privileges, rights, easements, hereditaments and appurtenances thereto belonging, but specifically excluding the Excluded Property.

"Indemnitees" shall have the meaning given to such term in Section 14.2(a) hereof.

"Indemnitor" shall have the meaning given to such term in Section 14.2(a) hereof.

"Independent Consideration" shall have the meaning given to such term in Section 2.2(c) hereof.

"Initial Deposit" shall have the meaning given to such term in Section 2.2(a) hereof.

"Intangible Property" shall have the meaning given to such term in Section 2.1(c) hereof.

"Investigation Period" shall have the meaning given to such term in Section 4.1 hereof.

"Joiner" shall have the meaning given to such term in Section 15.16 hereof.

"Land" shall mean that certain parcel of real property located in the County of Luzerne, Commonwealth of Pennsylvania, the legal description of which is set forth on Exhibit A attached hereto and incorporated herein by reference.

"Lease" shall mean the Lease, in the form of Exhibit H attached hereto and incorporated herein by reference.

"Losses" shall have the meaning given to such term in Section 14.1 hereof.

"Material Loss" shall mean any damage, loss or destruction to any portion of the Real Property, the loss of which is equal to or greater than Two Hundred Thousand Dollars ($200,000.00) (measured by the cost of repair or replacement).

"Monetary Obligations" shall mean any and all liens, liabilities and encumbrances placed, or caused to be placed, of record against the Real Property evidencing a monetary obligation which can be removed by the payment of money, including, without limitation, delinquent real property taxes and assessments, deeds of trust, mortgages, mechanic's liens, attachment liens, execution liens, tax liens and judgment liens. Notwithstanding the foregoing, the term "Monetary Obligations" shall not include and shall specifically exclude the liens, liabilities and encumbrances relating to the Permitted Title Exceptions and any matters caused by any act or omission of Buyer, or its agents or representatives.

"New Title Exceptions" shall have the meaning given to such term in Section 4.1(c) hereof.

"Non-Material Loss" shall mean damage, loss or destruction to any portion of the Real Property, the loss of which is less than Two Hundred Thousand Dollars ($200,000.00) (measured by the cost of repair or replacement).

"Notice" shall have the meaning given to such term in Section 15.2 hereof.

"Notice of Loss" shall have the meaning given to such term in Section 14.2(c) hereof.

"OFAC" shall have the meaning given to such term in Section 9.17 hereof.

"Party" or "Parties" shall have the meaning given to such terms in the Preamble of this Agreement.

"Permits and Entitlements" shall have the meaning given to such term in Section 2.1(e) hereof.

"Permitted Title Exceptions" shall have the meaning given to such term in Section 4.1(b) hereof.

"Person" shall mean any individual, corporation, partnership, limited liability company or other entity.

"Personal Property" shall have the meaning given to such term in Section 2.1(b) hereof.

"Preliminary Title Report" shall have the meaning given to such term in Section 4.1(b) hereof.

"Property" shall have the meaning given to such term in Section 2.1 hereof.

"Purchase Price" shall have the meaning given to such term in Section 2.2 hereof.

"Real Property" shall have the meaning given to such term in Section 2.1(a) hereof.

"Registry" shall have the meaning given to such term in Section 12.1(a) hereof.

"Reimbursement Cap" shall mean Thirty-Five Thousand Dollars ($35,000).

"Seller" shall mean White Haven RE, LLC, a Pennsylvania limited liability company.

"Seller Indemnitees" shall have the meaning given to such term in Section 14.1(b) hereof.

"Seller's Deed" shall mean the Deed, in the form of Exhibit B attached hereto and incorporated herein by reference, subject to any changes required by Title Insurer.

"Seller's Deliveries" shall have the meaning given to such term in Section 4.1(a) hereof.

"Survey" shall have the meaning given to such term in Section 4.1(b) hereof.

"Tenant" shall mean Standard Farms LLC, a Pennsylvania limited liability company.

"Third Party Reports" shall mean the phase I environmental assessment, zoning report and property condition assessment ordered by Seller on Buyer's behalf.

"Title Insurer" shall mean Stewart Title Guaranty Company or another title company acceptable to Buyer.

"Title Objection Deadline" shall have the meaning given to such term in Section 4.1(b) hereof.

"Transaction Documents" shall mean Seller's Deed, the Bill of Sale, the Certificate of Non-Foreign Status, the Assignment of Permits, Entitlements and Intangible Property and all other instruments or agreements to be executed and delivered pursuant to this Agreement or any of the foregoing.

"Utilities" shall have the meaning given to such term in Section 9.16 hereof.

ARTICLE 2
PURCHASE, PURCHASE PRICE AND PAYMENT

Section 2.1 Purchase and Sale of Property. Subject to the terms and conditions set forth in this Agreement, on the Closing, Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase from Seller, all of the following property (collectively, the "Property"):

(a) Real Property. The Land and the Improvements, together with all of Seller's right, title and interest in, to and under: (i) all easements, rights-of-way, development rights, entitlements, air rights and appurtenances relating or appertaining to the Land and/or the Improvements; (ii) all water wells, streams, creeks, ponds, lakes, detention basins and other bodies of water in, on or under the Land, whether such rights are riparian, appropriative, prospective or otherwise, and all other water rights applicable to the Land and/or the Improvements; (iii) all sewer, septic and waste disposal rights and interests applicable or appurtenant to or used in connection with the Land and/or the Improvements; (iv) all minerals, oil, gas and other hydrocarbons located in, on or under the Land, together with all rights to surface or subsurface entry; and (v) all streets, roads, alleys or other public ways adjoining or serving the Land, including any land lying in the bed of any street, road, alley or other public way, open or proposed, and any strips, gaps, gores, culverts and rights of way adjoining or serving the Land, free and clear of any and all liens, liabilities, encumbrances, exceptions and claims, other than the Permitted Title Exceptions (collectively, the "Real Property").

(b) Personal Property. All equipment, facilities, machinery, tools, appliances, fixtures, furnishings, furniture, paintings, sculptures, art, inventories, supplies, computer equipment and systems, telephone equipment and systems, satellite dishes and related equipment and systems, security equipment and systems, fire prevention equipment and systems, and all other items of tangible personal property owned by Seller and located on or about the Real Property or used in conjunction therewith, free and clear of any and all liens, liabilities, encumbrances, exceptions and claims, but excepting therefrom the Excluded Property (collectively, the "Personal Property").

(c) Intangible Property. All of Seller's right, title and interest in and to all intangible personal property not otherwise described in this Section 2.1 and relating to the Property or the business of owning, operating, maintaining and/or managing the Real Property as a real estate asset (but specifically excluding any rights to any intangible personal property relating to Seller's business operations), including, without limitation: (i) all warranties, guarantees and bonds from third parties, including, without limitation, contractors, subcontractors, materialmen, suppliers, manufacturers, vendors and distributors; (ii) all deposits, reimbursement rights, refund rights, receivables and other similar rights from any governmental or quasi-governmental agency; and (iii) all liens and security interests in favor of Seller, together with any instruments or documents evidencing same, free and clear of any and all liens, liabilities, encumbrances, exceptions and claims, but excepting therefrom the Excluded Property (collectively, the "Intangible Property").

(d) Intentionally Omitted.

(e) Permits and Entitlements. To the extent assignable at no or nominal cost to Seller, all of Seller's right, title and interest in, to and under: (i) all permits, licenses, certificates of occupancy, approvals, authorizations and orders obtained from any governmental authority and relating to the Real Property or the business of owning,

maintaining and/or managing the Real Property, including, without limitation, all land use entitlements, development rights, density allocations, certificates of occupancy, sewer hook-up rights and all other rights or approvals relating to or authorizing the ownership, operation, management and/or development of the Real Property (including but not limited all such rights or approvals necessary and appropriate for the Permitted Use (as defined in the Lease)); (ii) all preliminary and final drawings, renderings, blueprints, plans and specifications (including "as-built" plans and specifications), and tenant improvement plans and specifications for the Improvements (including "as-built" tenant improvement plans and specifications); (iii) all maps and surveys for any portion of the Real Property; (iv) all items constituting the Seller's Deliveries; and (v) any and all other items of the same or similar nature pertaining to the Real Property, and all changes, additions, substitutions and replacements for any of the foregoing, free and clear of any and all liens, liabilities, encumbrances, exceptions and claims, but excepting therefrom the Excluded Property (collectively, the "Permits and Entitlements").

Section 2.2 Purchase Price. The purchase price for the Property ("Purchase Price") shall be the sum of Fifteen Million Dollars ($15,000,000.00). The Purchase Price shall be payable by Buyer to Seller in accordance with the following terms and conditions:

(a) Initial Deposit. Within three (3) Business Days following the Effective Date, Buyer shall deposit into Escrow the sum of One Hundred Thousand Dollars ($100,000.00), in the form of Cash, which amount shall serve as an earnest money deposit ("Initial Deposit"). Buyer may direct Escrow Agent to invest the Initial Deposit in one or more interest bearing accounts with a federally insured state or national bank designated by Buyer and approved by Escrow Agent. Subject to the applicable termination and default provisions contained in this Agreement: (i) the Initial Deposit shall remain in Escrow prior to the Closing; (ii) upon the Closing, the Initial Deposit shall be applied as a credit towards the payment of the Purchase Price; and (iii) all interest that accrues on the Initial Deposit while in Escrow Agent's control shall belong to Buyer. Buyer shall complete, execute and deliver to Escrow Agent a W-9 Form, stating Buyer's taxpayer identification number at the time of delivery of the Initial Deposit. All references in this Agreement to the "Initial Deposit" shall mean the Initial Deposit and any and all interest that accrues thereon while in Escrow Agent's control.

(b) Additional Deposit. In the event Buyer timely delivers to Seller Buyer's Election Not to Terminate this Agreement pursuant to Section 4.3 hereof, then within two (2) Business Days following the expiration of the Investigation Period, Buyer shall deposit into Escrow the sum of One Hundred Thousand Dollars ($100,000.00), in the form of Cash, which amount shall serve as an additional earnest money deposit ("Additional Deposit"). Buyer may direct Escrow Agent to invest the Additional Deposit in one or more interest bearing accounts with a federally insured state or national bank designated by Buyer and approved by Escrow Agent. Subject to the applicable termination and default provisions contained in this Agreement: (i) the Additional Deposit shall remain in Escrow prior to the Closing; (ii) upon the Closing, the Additional Deposit shall be applied as a credit towards the payment of the Purchase Price; and (iii) all interest that accrues on the Additional Deposit while in Escrow Agent's control shall belong to Buyer. All references in this Agreement to the "Additional Deposit" shall mean the Additional Deposit and any and all interest that accrues thereon while in Escrow Agent's control.

(c) Independent Consideration. Concurrently with Buyer's delivery of the Initial Deposit, Buyer shall deposit into Escrow the additional sum of One Hundred Dollars ($100.00) as independent consideration for Seller's execution of this Agreement (the "Independent Consideration"). Such Independent Consideration shall be non-refundable to Buyer under all circumstances, and upon the Closing, the Independent Consideration, together with all interest that accrues on the Independent Consideration while in Escrow Agent's control, shall be applied as a credit towards the payment of the Purchase Price.

(d) Closing Deposit. The Purchase Price less the Deposit ("Closing Deposit"), shall be paid by Buyer to Escrow Agent, in the form of Cash, pursuant to Section 7.1 hereof, and distributed by Escrow Agent to Seller on the Closing in accordance with the provisions of Section 12.1(c) hereof.

ARTICLE 3
ESCROW

Within three (3) Business Days following the Effective Date, Seller and Buyer shall open an escrow ("Escrow") with Escrow Agent by Buyer depositing with Escrow Agent the Initial Deposit. By each Party's signature to this Agreement and by Escrow Agent's signature to the Consent of Escrow Agent, the Parties and Escrow Agent shall be deemed to have agreed to the Escrow Agents' General Provisions, which are attached hereto as Exhibit G ("General Provisions"). The date of delivery of the Initial Deposit shall constitute the opening of Escrow and upon such delivery, this Agreement shall constitute joint escrow instructions to Escrow Agent, which joint escrow instructions shall supersede all prior escrow instructions related to the Escrow, if any. Seller and Buyer hereby agree to promptly execute and deliver to Escrow Agent any additional or supplementary escrow instructions as may be necessary or convenient to consummate the transactions contemplated by this Agreement; provided, however, that neither the General Provisions, nor any such additional or supplemental escrow instructions shall supersede this Agreement, and in all cases this Agreement shall control, unless the General Provisions or such additional or supplemental escrow instructions expressly provide otherwise.

ARTICLE 4
INVESTIGATION PERIOD; VOLUNTARY TERMINATION; TITLE

Section 4.1 Investigation Period. During the time period commencing upon the Effective Date of this Agreement, and terminating at 11:00 p.m. Eastern Time on the date that is thirty-five (35) Calendar Days after the Effective Date (the "Investigation Period"), Buyer shall have the right to conduct and complete an investigation of all matters pertaining to the Property and Buyer's purchase thereof including, without limitation, the matters described in this Section 4.1.

(a) Seller's Deliveries. Within five (5) Calendar Days following the Effective Date of this Agreement, Seller, at Seller's expense, shall cause to be delivered to Buyer, to the extent within its possession or reasonable control, complete copies of all documents, agreements and other information relating to the Property, Seller, Tenant and Guarantor listed on Schedule 1.0 attached hereto and incorporated herein by reference (collectively, the "Seller's Deliveries"). Seller will promptly deliver to Buyer true, correct and complete copies of any supplements and/or updates of Seller's Deliveries to the extent such items are received by Seller prior to Closing. During the Investigation Period, Buyer shall have the right to conduct and complete an investigation of all matters pertaining to Seller's Deliveries and all other matters pertaining to the Property and Buyer's acquisition thereof. In this regard, Buyer shall have the right to contact the Seller's management, governmental agencies and officials and other parties and make reasonable inquiries concerning Seller's Deliveries and any and all other matters pertaining to the Property. Seller agrees to reasonably cooperate with Buyer in connection with Buyer's investigation of Seller's Deliveries and all other matters pertaining to the Property.

(b) Preliminary Title Report/Survey. On or before (i) the expiration of five (5) Business Days following the Effective Date, Seller shall order a preliminary title report covering the Real Property, together with copies of all documents referred to as exceptions therein ("Preliminary Title Report"), from Title Insurer; and (ii) the date that is ten (10) Business Days prior to the Title Objection Deadline (as defined below), Seller shall deliver to Buyer a current ALTA Survey of the Real Property which was prepared by a surveyor licensed under the laws of the state where the Real Property is located, which ALTA survey shall be certified to Buyer and Title Insurer and prepared in accordance with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys with Table A items 2, 3, 4, 6(a), 6(b), 7(a), 7(b)(1), 7(c), 8, 9, 13, 15, 16, 17, 18 and 19, inclusive ("Survey"). Not later than 8:00 p.m. Eastern Time on the date that is the earlier of (i) ten (10) Business Days after receipt of the Preliminary Title Report and Survey or (ii) ten (10) Business Days prior to the last day of the Investigation Period (the "Title Objection Deadline"), Buyer shall have the right to notify Seller in writing ("Disapproved Title Exceptions Notice") of Buyer's disapproval of any matters set forth in the Preliminary Title Report and the Survey ("Disapproved Title Exceptions"). In the event Buyer timely delivers to Seller a Disapproved Title Exceptions Notice, Seller shall have the right, but not the obligation (except with respect to

Disapproved Title Exceptions that constitute Monetary Obligations, as set forth below), to agree to cure one or more of the Disapproved Title Exceptions by giving Buyer written notice ("Cure Notice") of such election not later than 8:00 p.m. Eastern Time on the date that is two (2) Business Days prior to the last day of the Investigation Period, provided such Cure Notice may also indicate that Seller does not intend to cure one or more of the Disapproved Title Exceptions. Following the timely receipt of a Disapproved Title Exceptions Notice from Buyer, if Seller fails to timely deliver a Cure Notice to Buyer, then Seller shall be deemed to have elected not to cure any of the Disapproved Title Exceptions. A Disapproved Title Exception shall be deemed to have been cured if Seller causes such item to be removed from the record title of the Real Property and not listed as a title exception on the ALTA Extended Coverage Policy prior to the Closing or otherwise cures such Disapproved Title Exception as determined by Buyer in Buyer's sole and absolute discretion.

In the event Seller timely elects (or is deemed to have timely elected) not to cure the Disapproved Title Exceptions, then prior to the expiration of the Investigation Period, Buyer may elect: (i) to terminate this Agreement and the Escrow pursuant to the provisions of Section 4.2 hereof; or (ii) to not terminate this Agreement and the Escrow pursuant to Section 4.3 hereof, in which case those Disapproved Title Exceptions which are not cured and which are not Monetary Obligations which Seller is obligated to cure on or before the Closing pursuant to Section 5.1(e) hereof, shall be deemed to constitute Permitted Title Exceptions.

Following the timely receipt of a Disapproved Title Exceptions Notice from Buyer, if Seller elects to cure one or more of the Disapproved Title Exceptions, then Seller shall have until the last Business Day immediately preceding the Closing Date to cure the applicable Disapproved Title Exceptions. In the event Seller: (A) timely elects to cure the Disapproved Title Exceptions; and (B) fails to timely cure any Disapproved Title Exceptions that Seller has elected to cure on or before the Closing Date, then Seller shall not be in default under this Agreement and, in such a case, at any time on or before the Closing Date, Buyer may elect to either: (1) continue this Agreement in effect without modification and purchase and acquire the Property in accordance with the terms and conditions of this Agreement, subject to such Disapproved Title Exceptions (which will be deemed to constitute "Permitted Title Exceptions"); or (2) terminate this Agreement and the Escrow pursuant to the provisions of Section 8.5(a) hereof, unless Seller fails to exercise commercially reasonable efforts to cure such Disapproved Title Exceptions or one or more of such Disapproved Title Exceptions are the result of a default by Seller under this Agreement, in which case Buyer may terminate this Agreement and the Escrow pursuant to the provisions of Section 8.6(a) hereof. Notwithstanding any provision in the Agreement to the contrary, pursuant to Section 5.1(e) hereof, Seller shall be obligated to cure all Monetary Obligations on or before the Closing.

Fee title to the Real Property shall be conveyed by Seller to Buyer subject only to the following exceptions to title (collectively, the "Permitted Title Exceptions"):

(i) Non-delinquent real and personal property taxes and assessments;

(ii) The lien of supplemental taxes, if any;

(iii) Any lien voluntarily imposed by Buyer;

(iv) The possessory rights of Tenant under the Lease;

(v) Any matters set forth in the Preliminary Title Report and the Survey that are approved by Buyer in accordance with the procedures and within the time periods set forth in Section 4.1(b) hereof; and

(vi) All New Title Exceptions approved by Buyer pursuant to Section 4.1(c) hereof.

(c) New Title Exceptions. In the event that prior to the Closing, any new title exceptions are discovered by or revealed to Seller, which new title exceptions were not otherwise set forth or referred to in the Preliminary Title Report and were not caused by Buyer ("New Title Exceptions"), Seller shall deliver written notice to Buyer disclosing the existence of such New Title Exceptions, together with copies of all underlying documents, and unless such New Title Exception is the result of a default by Seller hereunder (in which case the provisions of Section 8.6 shall govern), each of Buyer and Seller shall have the rights and obligations in Section 4.1(b), *mutatis mutandis*, with respect thereto; provided, however, Buyer shall have a period of two (2) Business Days following receipt of such New Title Exceptions in which to provide a Disapproved Title Exceptions Notice, and thereafter the provisions of Section 4.1(b) shall govern and control, except that any termination shall be governed by Section 8.5 (in lieu of Section 4.2) and the Closing shall be extended as necessary to allow for the response and election periods under Section 4.1(b).

(d) In the event Seller does not timely cure one or more of those New Title Exceptions which are deemed to constitute Disapproved Title Exceptions, then Buyer may elect, at any time on or before the Closing Date, to either: (A) continue this Agreement in effect without modification and purchase and acquire the Property in accordance with the terms and conditions of this Agreement, subject to such New Title Exceptions (which will be deemed to constitute "Permitted Title Exceptions"); or (B) terminate this Agreement and the Escrow pursuant to the provisions of Section 8.5(a) hereof, unless such failure is the result of a default by Seller under this Agreement, in which case the provisions of Section 8.6(a) shall govern. Notwithstanding any provision in this Agreement to the contrary, in no event shall the term "Permitted Title Exceptions" include any Monetary Obligations, and Seller hereby agrees to and shall remove all Monetary Obligations on or before the Closing.

(e) Physical Inspection. Subject to the limitations set forth in this Section 4.1(d), during the Investigation Period, Buyer shall have the right, at Buyer's expense, to make such non-invasive inspections (including tests, surveys and other studies) of the Real Property and all matters relating thereto, including, but not limited to, soils and geologic conditions, location of property lines, utility availability and use restrictions, environmental conditions, the manner or quality of the construction of the Improvements, the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Real Property, the effect of applicable planning, zoning and subdivision statutes, ordinances, regulations, restrictions and permits, the character and amount of any fees or charges that must be paid to further develop, improve and/or occupy the Real Property and all other matters relating to the Real Property. During the Investigation Period, Buyer and its agents, contractors and subcontractors shall have the right to enter upon the Real Property, at reasonable times during ordinary business hours and at least 72 hours prior written notice, to make inspections and tests as Buyer deems reasonably necessary and which may be accomplished without causing any material damage to the Real Property, provided Seller shall have the right to have its own personnel and consultants present during any such inspections and tests and any such inspections shall not interfere with Seller's business operations at the Property. Buyer shall return and restore the Real Property to substantially its original physical condition immediately prior to such inspections or tests. Without Seller's prior consent, not to be unreasonably withheld, conditioned or delayed, Buyer shall not conduct any invasive testing at the Real Property.

Buyer shall indemnify and hold Seller harmless from and against any costs, damages, liabilities, losses, expenses, liens or claims (including, without limitation, court costs and reasonable attorneys' fees and disbursements) arising out of or relating to any entry on the Property by Buyer, its agents, employees or contractors in the course of performing the inspections, testings or inquiries provided for in this Agreement, including, without limitation, any release of Hazardous Materials or any damage to the Property caused by Buyer or Buyer's agents, except with respect to any pre-existing conditions or to the extent caused by Seller or any Seller-related party, including any of its employees, agents, contractors, occupants or invitees. The foregoing indemnity shall survive beyond the Closing, or, if the sale is not consummated, beyond the termination of this Agreement.

(f) Investigation of Permits and Entitlements, Contracts, Intangible Property, Personal Property and Other Property. During the Investigation Period, Buyer shall have the right, at Buyer's expense, to conduct and complete an investigation of all matters pertaining to the Permits and Entitlements, Contracts, Intangible Property, Personal Property and all other items of Property and Buyer's acquisition thereof. In this regard, at all times prior to the Closing, Buyer shall have the right to contact governmental officials and other parties and make reasonable inquiries concerning the Permits and Entitlements, Contracts, Intangible Property, Personal Property and all other items of Property, and Buyer shall have no liability whatsoever arising from its investigation. Seller agrees to reasonably cooperate with Buyer in connection with its investigation of the Permits and Entitlements, Contracts, Intangible Property, Personal Property and all other matters pertaining thereto.

(g) Investigation of Tenant and Guarantor. During the Investigation Period, Buyer shall have the right, at Buyer's expense, to conduct and complete an investigation of Tenant and Guarantor, including but not limited to discussions with Tenant's and Guarantor's management, and diligence relating to Tenant's and Guarantor's financial information, business, prospects, compliance with applicable laws and regulations and any other matters that Buyer, in its sole discretion, deems appropriate.

In the event Buyer disapproves or finds unacceptable, in Buyer's sole and absolute discretion, any matters reviewed by Buyer during the Investigation Period or for any other reason or no reason, Buyer may elect to terminate this Agreement and the Escrow pursuant to the provisions of Section 4.2 hereof.

Section 4.2 Election to Terminate. In the event Buyer desires to terminate this Agreement and the Escrow for any reason or for no reason whatsoever, Buyer may elect to terminate this Agreement and the Escrow at any time: (a) by giving Seller written notice of Buyer's election to terminate this Agreement and the Escrow ("Buyer's Election to Terminate"), not later than 11:00 p.m. Eastern Time on the date of expiration of the Investigation Period; and/or (b) by failing to timely deliver to Seller Buyer's Election Not to Terminate pursuant to Section 4.3 hereof, which failure shall be deemed to constitute Buyer's delivery of Buyer's Election to Terminate this Agreement and the Escrow pursuant to this Section 4.2.

Upon any election (including any deemed election) by Buyer to terminate this Agreement and the Escrow pursuant to thisSection 4.2, this Agreement shall automatically terminate (other than those provisions which expressly provide that they survive any termination of this Agreement). Within two (2) Business Days after Buyer delivers Buyer's Election to Terminate to Seller pursuant to this Section 4.2 (or within two (2) Business Days after Buyer is deemed to have elected to terminate this Agreement and the Escrow pursuant to this Section 4.2, as applicable), and without the need of any further authorization or consent from Seller, Escrow Agent shall cause to be paid to Buyer the Initial Deposit, together with all interest accrued thereon. Seller and Buyer shall execute such cancellation instructions as may be necessary to effectuate the cancellation of the Escrow, as may be required by Escrow Agent. Any escrow cancellation, title costs (including cancellation costs) or other cancellation costs in connection therewith shall be borne by Seller. All costs incurred by Seller in connection with the Third Party Reports shall be reimbursed or paid by Buyer within five (5) Business Days following Buyer's receipt of the applicable invoices and confirmation of payment by Seller, with respect to any amounts to be reimbursed directly to Seller.

Section 4.3 Election Not to Terminate. In the event Buyer desires not to terminate this Agreement and the Escrow, on or before 11:00 p.m. Eastern Time on the date of expiration of the Investigation Period, Buyer shall deliver written notice to Seller of Buyer's election not to terminate this Agreement and the Escrow ("Buyer's Election Not to Terminate"). In the event Buyer fails to timely deliver to Seller Buyer's Election Not to Terminate in accordance with the provisions of thisSection 4.3, such failure shall be deemed to constitute Buyer's delivery of Buyer's Election to Terminate this Agreement and the Escrow in accordance with the terms and conditions of Section 4.2 hereof.

Section 4.4 Confidentiality; Public Announcements.

(a) Buyer's Obligations. Buyer shall treat all of Seller's Deliveries as confidential and proprietary information of Seller. Buyer shall hold such information in confidence and shall not disclose such information or materials to any third-parties other than Title Insurer, Escrow Agent, Tenant, Guarantor and Buyer's attorneys, employees, agents, consultants, contractors, subcontractors, accountants, investors and lenders as deemed reasonably necessary or appropriate by Buyer in Buyer's reasonable discretion. The covenants of Buyer set forth in this Section 4.4 shall not apply to any confidential information that: (a) is, or subsequently becomes, part of the public domain other than as a result of a breach of this Agreement by Buyer; (b) was communicated to Buyer from other sources at the time of disclosure by Seller to Buyer and such prior knowledge can be reasonably demonstrated by Buyer; and/or (c) is required by law to be disclosed, including applicable securities laws. Nothing contained herein shall preclude Buyer from disclosing all or any portion of such confidential information or materials: (1) pursuant to or in connection with a judicial order, governmental inquiry, subpoena, or other legal process; (2) as necessary or appropriate in connection with, or in order to prevent, an audit; and/or (3) in order to initiate, defend or otherwise pursue legal proceedings between the Parties in connection with this Agreement. The covenants and agreements of Buyer set forth in this Section 4.4(a) hereof shall terminate and no longer be of any force or effect as of the Closing.

(b) Public Announcements. Neither Seller, nor any of Seller's Affiliates, successors or assigns, shall make any public announcements regarding the existence of this Agreement, the terms of this Agreement and/or the transactions contemplated herein without the prior written approval of Buyer, which approval may be granted or withheld in the sole and absolute discretion of Buyer. Seller further agrees that (1) Buyer may file this Agreement and other documents evidencing the transactions contemplated herein, including a description of the material terms thereof, with the Securities and Exchange Commission, without the prior approval of Seller, to the extent deemed necessary or advisable in Buyer's reasonable discretion; and (2) Buyer may issue one or more press releases regarding this Agreement and/or the transactions contemplated herein, to the extent deemed advisable in Buyer's reasonable discretion; provided, however, such press releases shall be reasonably approved by Seller prior to publication (such approval (i) not to be unreasonably conditioned, withheld or delayed, (ii) to be provided timely enough such that Seller satisfies its disclosure obligations under securities laws and regulations, and (iii) shall permit Buyer to disclose the information required by securities laws and regulations). Buyer further agrees that (1) Seller may file this Agreement and other documents evidencing the transactions contemplated herein, including a description of the material terms thereof, with the Securities Exchange Commission and such other Canadian and British Columbian governmental authorities having jurisdiction over Seller, without the prior approval of Buyer, to the extent deemed necessary or advisable in Seller's reasonable discretion; and (2) Seller may issue one or more press releases regarding this Agreement and/or the transactions contemplated herein, to the extent deemed advisable in Seller's reasonable discretion; provided, however, such press releases shall be reasonably approved by Buyer prior to publication (such approval (i) not to be unreasonably conditioned, withheld or delayed, (ii) to be provided timely enough such that Seller satisfies its disclosure obligations under securities laws and regulations, and (iii) shall permit Seller to disclose the information required by securities laws and regulations). The covenants and agreements of Seller set forth in this Section 4.4(b) hereof shall survive the Closing indefinitely.

ARTICLE 5
PRE-CLOSING OBLIGATIONS OF SELLER AND BUYER

Section 5.1 Seller's Pre-Closing Obligations. Seller hereby covenants and agrees as follows:

(a) Operations. During the time period commencing upon the Effective Date and terminating upon the Closing or the earlier termination of this Agreement, subject to the provisions of Section 8.3 hereof, Seller shall operate and manage the Real Property substantially in accordance with its customary practices as of the Effective Date.

(b) Maintenance. During the time period commencing upon the Effective Date and terminating upon the Closing or the earlier termination of this Agreement, subject to the provisions of Section 8.3 hereof, Seller shall maintain the Real Property in substantially its present condition as of the Effective Date, subject to normal wear and tear, and Seller shall not diminish the quality or quantity of maintenance and upkeep services heretofore provided to the Real Property.

(c) Notices/Violations. During the time period from the Effective Date to the Closing or earlier termination of this Agreement, Seller shall promptly deliver to Buyer any and all written notices and/or other written communications delivered by Seller to or received by Seller from any governmental authority which could reasonably be expected to have an adverse effect on the Property, the transactions contemplated under this Agreement or the business of owning, developing, operating, maintaining or managing the Property. During the time period from the Effective Date to the Closing or earlier termination of this Agreement, Seller shall deliver to Buyer any and all notices and/or other written communications delivered or received by Seller regarding: (A) the occurrence of any inspections of the Property by any governmental

authority; (B) any actual or alleged default by a party to any Contract; and/or (C) any notices of violations of laws, ordinances, orders, directives, regulations or requirements issued by, filed by or served by any governmental agency against or affecting Seller, Tenant, any Guarantor or any part or aspect of the Property.

(d) Contracts. Seller agrees that, except for any Contracts that constitute Permitted Title Exceptions, Buyer shall not be obligated to assume any Contracts at Closing. Prior to the Closing, Seller shall be responsible for terminating all Contracts, except for any Contracts that constitute Permitted Title Exceptions, that would be binding upon Buyer or the Property following the Closing, and Seller shall be liable for any risks, costs, and penalties related to such termination. For the avoidance of doubt, Seller shall not be obligated to terminate any Contracts that will not be binding upon Buyer or the Property at Closing and that will continue to be administered by Tenant under Tenant's name following the Closing (which Contracts shall remain Tenant's sole obligation following the Closing).

(e) Monetary Obligations. Seller shall pay and satisfy in full any and all Monetary Obligations on or before the Closing Date; provided that Seller may use the Purchase Price funds to discharge the Monetary Obligations.

(f) New Liens, Liabilities or Encumbrances. Seller shall not cause, grant or permit any new liens, liabilities, encumbrances or exceptions to title to the Property or amend any existing title exceptions without the prior written consent of Buyer in each instance, which consent may be granted or denied in the sole and absolute discretion of Buyer.

(g) Termination of Negotiations. Seller shall terminate all negotiations with any other Person other than Buyer for the sale or disposition of the Property.

Section 5.2 Entity Maintenance. For a minimum of thirteen (13) months following the Closing, Seller shall not dissolve or liquidate and shall remain an active entity in good standing in the Commonwealth of Pennsylvania.

ARTICLE 6
SELLER'S DELIVERIES

Section 6.1 Seller's Deliveries to Escrow Agent at Closing. On or before 5:00 p.m. Eastern Time on the last Business Day prior to the Closing Date, Seller shall deliver to Escrow Agent or Title Insurer, as applicable, the items described in this Section 6.1.

(a) Seller's Deed. One (1) original of Seller's Deed, duly executed and acknowledged by Seller. Pursuant to Section 12.1(a) hereof, all documentary transfer tax information shall be affixed to Seller's Deed after recordation.

(b) Bill of Sale. One (1) original of the Bill of Sale, duly executed by Seller.

(c) Certificate of Non-Foreign Status. One (1) original of the Certificate of Non-Foreign Status, duly executed and acknowledged by Seller.

(d) Assignment of Permits, Entitlements and Intangible Property. Two (2) counterpart originals of Assignment of Permits, Entitlements and Intangible Property, duly executed by Seller.

(e) REA Notice. A copy of a letter from Seller to each party to any reciprocal easement and/or other easement or restrictive agreement which effect the Real Property stating that the Real Property has been sold and that all notices under the such agreement relating to the Real Property should now be addressed to Buyer, if any such agreements require such notice.

(f) Seller's Charges. In addition to the Purchase Price and other funds deposited by Buyer with Escrow Agent, in the event that the Purchase Price is not sufficient to discharge the same, such funds as may be required to: (a) discharge all Monetary Obligations; and (b) pay any amounts required to be paid by Seller in accordance with the provisions of Article 11 hereof, in the form of Cash or as a credit against the Purchase Price.

(g) Seller's Affidavits; Certificates and Evidence of Authority. (a) Any and all affidavits, indemnifications, lien releases and/or waivers and any other written documentation required by the Title Insurer as a condition to the issuance of the ALTA Extended Coverage Policy; and (b) to the extent required by the Title Insurer, Escrow Agent and/or Buyer, as applicable, evidence that Seller and those acting for Seller have due authority to consummate the transaction contemplated by this Agreement, as modified through the Closing including, without limitation, certified copies of the corporate or other resolutions authorizing the transaction contemplated by this Agreement.

(h) Seller's Closing Statement. Seller's Closing Statement, duly executed by Seller.

(i) Additional Documents. Such additional documents, instructions or other items as may be necessary or appropriate to comply with the provisions of this Agreement and to effect the transactions contemplated hereby.

Section 6.2 Seller's Deliveries to Buyer at Closing. On or before the Closing, Seller shall deliver to Buyer the items described in this Section 6.2.

(a) Permits and Entitlements and Intangible Property. Copies of all of the Permits and Entitlements and Intangible Property in Seller's possession or control.

ARTICLE 7
BUYER'S DELIVERIES

On or before 12:00 p.m. Eastern Time on the Closing Date, Buyer shall deliver to Escrow Agent or Title Insurer, as applicable, the items described in this Article 7.

Section 7.1 Closing Deposit. The Closing Deposit for the Property pursuant to Section 2.2(d) hereof.

Section 7.2 Assignment of Permits, Entitlements and Intangible Property. Two (2) counterpart originals of the Assignment of Permits, Entitlements and Intangible Property, duly executed by Buyer.

Section 7.3 Buyer's Charges. In addition to the Purchase Price and other funds deposited by Buyer with Escrow Agent, funds sufficient to pay all amounts required to be paid by Buyer in accordance with the provisions of Article 11 hereof, in the form of Cash.

Section 7.4 **Buyer's Closing Statement.** Buyer's Closing Statement, duly executed by Buyer.

Section 7.5 **Additional Documents.** Such additional documents, instructions or other items as may be necessary or appropriate to comply with the provisions of this Agreement and to effect the transactions contemplated hereby.

ARTICLE 8
CONDITIONS TO CLOSING; CLOSING;
DEFAULT; REMEDIES

Section 8.1 **Conditions to Obligations of Buyer.** The Closing of the transaction contemplated pursuant to this Agreement and Buyer's obligation to purchase the Property are subject to satisfaction, prior to the Closing Date, of all of the conditions set forth below. Seller hereby acknowledges and agrees that each of the conditions set forth in this Section 8.1 are for the benefit of Buyer and may only be waived by Buyer in its sole and absolute discretion.

(a) Delivery of Items. Seller shall have timely delivered to Escrow Agent or Title Insurer, as applicable, all of the items to be delivered by Seller pursuant to Section 6.1 hereof. Seller shall have timely delivered to Buyer all of the items to be delivered by Seller pursuant to Section 6.2 hereof.

(b) Performance of Obligations. Seller shall have timely performed and satisfied all of the obligations under this Agreement to be performed by Seller prior to the Closing, including, without limitation, all of Seller's obligations under Section 5.1 hereof.

(c) Title Commitment. Title Insurer is committed to issue an American Land Title Association Owner's Policy of Title Insurance (ALTA Form 6-17-06), or its state equivalent, with liability in the amount of the Purchase Price, insuring that fee title to the Real Property is vested in Buyer, subject only to: (i) the exclusions listed in the "Exclusions from Coverage" of the ALTA Extended Coverage Title Policy; and (ii) the Permitted Title Exceptions, together with such endorsements as may be reasonably requested by Buyer and that are typically available to purchasers of properties of this type in Massachusetts (collectively, the "ALTA Extended Coverage Policy").

(d) Representations and Warranties. All of Seller's representations and warranties set forth in this Agreement shall be true and correct in all material respects (except any representations and warranties that are qualified as to materiality, which shall be true and correct in all respects) on the Closing Date as though made at the time of the Closing. Without limiting the foregoing, on or before the Closing Date, Seller shall have delivered to Buyer a written certificate, duly executed by Seller, certifying that all of the representations and warranties of Seller set forth in this Agreement are true and correct as of the Closing, or otherwise notifying Buyer of any facts that make such representations and warranties no longer true and correct; provided, that if any such representations and warranties that are no longer true and correct are material, then Buyer shall have the right to terminate this Agreement by written notice to Seller pursuant to Section 9.23 hereof.

(e) Litigation. No suit, action, claim or other proceeding shall have been instituted or threatened against Seller, Tenant or Guarantor which results, or reasonably might be expected to result, in the transactions contemplated by this Agreement being enjoined or declared unlawful, in any lien attaching to or against the Property and/or in any liabilities or obligations being imposed upon Buyer or the Property, other than the Permitted Title Exceptions.

(f) Bankruptcy. No suit, action, claim or other proceeding shall have been instituted or threatened against Seller, Tenant or Guarantor under the U.S. Bankruptcy Code or any state law for relief of debtors or which results, or which reasonably might be expected to result, in the transactions contemplated by this Agreement being enjoined or declared unlawful, in any lien attaching to or against the Property or in any new liabilities or obligations being imposed upon Buyer or the Property.

(g) Damage or Destruction. Subject to Section 8.3 hereof, there shall have been no Material Loss.

(h) Condemnation Proceeding. Subject to Section 8.3 hereof, no Condemnation Proceeding shall have been instituted or be threatened against all or any portion of the Real Property.

(i) Termination of Contracts. Except for any Contracts that constitute Permitted Title Exceptions, all of the Contracts that would be binding on Buyer or the Property following the Closing shall have been terminated effective as of a date not later than the Closing Date, and Seller shall have paid all amounts due under such Contracts up to and through the effective date of termination, including, without limitation, any termination fees or similar payments, and neither Buyer nor the Property shall be bound thereby or have any liability or obligations thereunder.

(j) Change in Conditions. There shall have been no adverse change with respect to the ownership, operation or occupancy or the financial or physical condition of the Property or any part thereof (subject to Section 8.3 hereof).

(k) No Moratorium. No moratorium, statute or regulation of any governmental agency or order or ruling of any court shall have been enacted, adopted or issued after the expiration of the Investigation Period that would adversely affect the current use of the Real Property (excluding federal law solely to the extent applicable to the sale, use or cultivation of cannabis in accordance with Pennsylvania law).

(l) Tenant / Guarantor Condition. From the Effective Date through the Closing Date, there shall not have occurred a change, event, state of facts or development that has had or would reasonably be expected to have, individually or in the aggregate, a significant adverse effect on the business, financial condition, prospects, assets or results of operations of Tenant or Guarantor.

(m) Lease / Guaranty Condition. Buyer shall have received the following: (i) the Lease, duly executed by Tenant thereunder; and (ii) the Guaranty, duly executed by Guarantor.

(n) Termination of Existing Lease. Buyer shall have received the following: (i) written evidence of the termination of any existing lease between Seller and Tenant, as of a date no later than the Closing Date; and (ii) to the extent applicable, written evidence of the termination of any recorded memorandum of any existing lease between Seller and Tenant in form sufficient to record and remove the same from title to the Property.

Buyer may waive any of the conditions set forth in this Section 8.1 by delivery of written notice to Seller on or before the Closing. Without limiting the foregoing, Escrow Agent shall assume that each of the conditions set forth in Section 8.1(b) shall have been satisfied as of the Closing Date, unless Buyer shall have given written notice to the contrary to Escrow Agent on or before the Closing Date.

Section 8.2 **Conditions to Obligations of Seller.** The Closing of the transactions contemplated pursuant to this Agreement and the obligation of Seller to sell,

convey, assign, transfer and deliver the Property to Buyer are subject to satisfaction, prior to the Closing Date, of all of the conditions set forth below. Buyer hereby acknowledges and agrees that each of the conditions set forth in this Section 8.2 are for the benefit of Seller and may only be waived by Seller in its sole but reasonable discretion.

(a) Delivery of Items. Buyer shall have timely delivered to Escrow Agent or Title Insurer, as applicable, all of the items to be delivered by Buyer pursuant to Article 7 hereof.

(b) Performance of Obligations. Buyer shall have performed all of the obligations of Buyer under this Agreement to be performed by Buyer prior to the Closing.

(c) Lease Condition. Seller shall have received the Lease, duly executed by the Buyer.

(d) Massachusetts Closing. The closing of the transactions contemplated pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated April 8, 2022 by and between IIP-MA 2 LLC, as buyer, and Commonwealth Alternative Care, Inc., as seller, with respect to the sale of certain property located at 30 Mozzone Street in Taunton, Massachusetts shall have occurred or shall occur concurrently with the Closing hereunder.

Seller may waive any of the conditions precedent set forth in thisSection 8.2 by delivery of written notice thereof to Buyer. Escrow Agent shall assume that each of the conditions set forth in this Section 8.2 shall have been satisfied as of the Closing Date, unless Seller shall have given written notice to the contrary to Escrow Agent on or before the Closing Date.

Section 8.3 Casualty; Condemnation Proceeding.

(a) Material Loss. In the event that, prior to the Closing, the Real Property shall suffer a Material Loss or Seller shall receive notice of the commencement or the threat of commencement of any eminent domain or condemnation proceeding which permanently and materially impairs the current use of the Real Property ("Condemnation Proceeding"), Seller shall immediately notify Buyer of such Material Loss or Condemnation Proceeding and, in such a case: (i) Buyer shall have the right to terminate this Agreement and the Escrow by written notice to Seller within five (5) Calendar Days after the occurrence of such Material Loss or Condemnation Proceeding, in which case, this Agreement shall be deemed terminated pursuant to Section 8.5(c) below; or (ii) accept the Property in its then-existing condition and purchase and acquire the Property in accordance with the terms and conditions of this Agreement, subject to the terms and conditions described in this Section 8.3 (Buyer shall be deemed to elect to proceed pursuant to clause (ii) if Buyer does not timely terminate this Agreement pursuant to clause (i)). If Buyer exercises its right to purchase and acquire the Property in its present condition, then Seller and Buyer shall proceed to close and all available insurance proceeds and condemnation proceeds shall be allocated and disbursed pursuant to the provisions of the Lease.

(b) Non-Material Loss. In the event that, prior to the Closing, the Real Property shall suffer a Non-Material Loss, Seller shall immediately notify Buyer of such Non-Material Loss and, in such a case, Buyer shall be obligated to purchase the Property (in its then-existing condition) in accordance with the terms and conditions of this Agreement, subject to the terms and conditions of this Section 8.3(b). In such a case, Seller shall pay and assign to Buyer on the Closing any and all casualty insurance proceeds previously paid or payable to Seller, and all insurance proceeds and condemnation proceeds shall be allocated and disbursed pursuant to the provisions of the Lease.

Section 8.4 Closing. The closing of the transaction contemplated by this Agreement ("Closing") shall take place at the offices of Escrow Agent or at such other location as may be mutually agreed upon by Seller and Buyer on the date that is seven (7) Calendar Days after the expiration of the Investigation Period.

Section 8.5 Failure of Conditions to Closing; No Default by Seller or Buyer.

(a) Failure of Buyer's Closing Conditions. In the event one or more of Buyer's conditions to the Closing set forth inSection 8.1 hereof are not satisfied by Seller or otherwise waived by Buyer on or before the Closing Date, and the failure of such conditions to be satisfied is not a result of a default by Seller or Buyer in the performance of their respective obligations under this Agreement, then Buyer shall have the right to extend the Closing Date for such period of time as reasonably necessary for Seller to satisfy such condition, not to exceed sixty (60) Calendar Days in the aggregate, by giving written notice to Seller. If Buyer does not make such election to extend, or if Buyer makes such election but such condition is not satisfied within such extended period, then Buyer shall have the right to terminate this Agreement and the Escrow by giving written notice of termination to Buyer. Upon any election by Buyer to terminate this Agreement and the Escrow pursuant to this Section 8.5(a), the provisions of Section 8.5(c) hereof shall govern.

(b) Failure of Seller's Closing Conditions. In the event one or more of Seller's conditions to the Closing set forth inSection 8.2 hereof are not satisfied by Buyer or otherwise waived by Seller on or before the Closing Date, and the failure of such conditions to be satisfied is not a result of a default by Seller or Buyer in the performance of their respective obligations under this Agreement, then Seller shall have the right to extend the Closing Date for such period of time as reasonably necessary for Buyer to satisfy such condition, not to exceed sixty (60) Calendar Days in the aggregate, by giving written notice to Buyer. If Seller does not make such election to extend, or if Seller makes such election but such condition is not satisfied within such extended period, then Seller shall have the right to terminate this Agreement and the Escrow by giving written notice of termination to Buyer. Upon any election by Seller to terminate this Agreement and the Escrow pursuant to this Section 8.5(b), the provisions of Section 8.5(c) shall govern.

(c) Termination Provisions. In the event either party elects to terminate this Agreement and the Escrow for the reasons and in accordance with the provisions set forth in this Section 8.5, then: (i) this Agreement shall automatically terminate (other than those provisions which expressly provide that they survive any termination of this Agreement); (ii) Escrow Agent shall immediately cause the Deposit to be paid to Buyer without the need of any further written authorization or consent from Seller; and (iii) Seller and Buyer shall execute such escrow cancellation instructions as may be necessary to effectuate the cancellation of the Escrow as may be required by Escrow Agent. Any Escrow cancellation, title cancellation and other cancellation charges shall be borne equally by Seller and Buyer.

Section 8.6 Failure of Conditions to Closing; Default by Seller or Buyer. In the event either Seller or Buyer defaults in the performance of any of their respective obligations to be performed prior to the Closing, other than in the case of Buyer's termination pursuant to Sections 4.2 or 8.5(a) hereof, and other than in the case of Seller's termination pursuant to Section 8.5(b) hereof, then the non-breaching party may elect the applicable remedies set forth in thisSection 8.6, which remedies shall constitute the sole and exclusive remedies of the non-breaching party with respect to a default by the other party under this Agreement.

(a) Remedies of Buyer. In the event Buyer is the non-breaching party, as its sole and exclusive remedy, Buyer may elect to: (i) terminate this Agreement and the Escrow by giving Seller written notice describing Seller's default and setting forth Buyer's election to immediately terminate this Agreement and the Escrow; or (ii) pursue the equitable remedy of specific performance of this Agreement to the extent available. In the event Buyer elects to terminate this Agreement and the Escrow pursuant to Section 8.6(a)(i) hereof, then Escrow Agent shall immediately cause the Deposit to be paid to Buyer without the need of any further authorization or consent from Seller pursuant to the provisions of Section 8.6(d) hereof. Furthermore, in the event Buyer elects to terminate this Agreement and the Escrow pursuant to Section 8.6(a)(i) hereof, Seller shall also reimburse and pay to Buyer an amount equal to all costs, fees and expenses (including legal fees and costs), paid or incurred by Buyer in connection with this Agreement and in connection with its investigation of the Property, up to the Reimbursement Cap.

(b) Remedies of Seller. In the event Seller is the non-breaching party, as Seller's sole and exclusive remedy, Seller may elect to terminate this Agreement and the Escrow by giving Buyer written notice describing Buyer's default and setting forth Seller's election to immediately terminate this Agreement and the Escrow. In the

event Seller elects to terminate this Agreement and the Escrow pursuant to this Section 8.6(b) after expiration of the Investigation Period, the sole and exclusive remedy of Seller for such breach shall be to receive the amount specified as liquidated damages pursuant to Section 8.6(c) hereof. Notwithstanding any provision to the contrary set forth in this Agreement, under no circumstance shall Seller be entitled to pursue the equitable remedy of specific performance in the event that Buyer fails to complete the purchase of the Property in accordance with the terms and conditions of this Agreement.

(c) SELLER'S LIQUIDATED DAMAGES. IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT AFTER EXPIRATION OF THE INVESTIGATION PERIOD (OTHER THAN AS A RESULT OF BUYER'S ELECTION TO TERMINATE PURSUANT TO SECTIONS 4.2, 8.5(a) OR 8.6(a) HEREOF, AND OTHER THAN IN THE CASE OF SELLER'S TERMINATION PURSUANT TO SECTION 8.5(b) HEREOF), BY REASON OF THE DEFAULT OF BUYER, SELLER SHALL BE RELEASED FROM ITS OBLIGATION TO SELL THE PROPERTY TO BUYER. IN SUCH A CASE, SELLER AND BUYER AGREE THAT IT WOULD BE DIFFICULT OR IMPOSSIBLE TO DETERMINE THE AMOUNT OF DAMAGES OF SELLER AS A RESULT OF ANY SUCH BREACH BY BUYER, AND, ACCORDINGLY, AS SELLER'S SOLE AND EXCLUSIVE REMEDY AT LAW OR IN EQUITY (OTHER THAN AN ACTION TO ENFORCE THE PROVISIONS OF THIS AGREEMENT), SELLER SHALL BE ENTITLED TO RECEIVE AND RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES IN THE EVENT OF A DEFAULT BY BUYER, AND THE PAYMENT OF SUCH LIQUIDATED DAMAGES TO SELLER SHALL CONSTITUTE THE EXCLUSIVE REMEDY OF SELLER ON ACCOUNT OF THE DEFAULT BY BUYER.

"GFSJ" SELLER'S INITIALS

"BW" BUYER'S INITIALS

(d) Termination Provisions. In the event either Party elects to terminate this Agreement and the Escrow for the reasons and in accordance with the provisions set forth in this Section 8.6, then: (i) this Agreement will automatically terminate (other than those provisions which expressly provide that they survive any termination of this Agreement) without any further acts of either Seller or Buyer; (ii) Seller and Buyer shall execute such escrow cancellation instructions as may be necessary to effectuate the cancellation of the Escrow as may be required by Escrow Agent; and (iii) Escrow Agent shall immediately cause the Deposit and the Independent Consideration to be distributed and paid in accordance with the provisions of this Agreement. The breaching party hereunder shall pay any and all escrow and title cancellation costs incurred in connection herewith.

(e) Survival. The provisions of this Article 8 shall survive the Closing or any termination of this Agreement.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES OF SELLER

In addition to the representations, warranties and covenants of Seller contained elsewhere in this Agreement, Seller hereby makes the following representations and warranties, each of which is material and being relied upon by Buyer and shall be true as of the date hereof and as of the Closing:

Section 9.1 Organization, Power and Authority. Seller is a limited liability company duly organized and validly existing under the laws of the Commonwealth of Pennsylvania. Seller has all requisite power and authority to own the Property, to execute and deliver this Agreement and the Transaction Documents to which Seller is a party, and to perform its obligations hereunder and thereunder and effect the transactions contemplated hereby and thereby. All requisite corporate or other action has been taken to authorize and approve the execution, delivery and performance by Seller of this Agreement and the Transaction Documents to which Seller is a party.

Section 9.2 No Conflicts. The execution, delivery and performance by Seller of this Agreement and the Transaction Documents to which Seller is a party, and the consummation of the transactions contemplated hereby and thereby, will not: (a) violate any provision of the organizational documents of Seller; (b) violate, conflict with or result in a breach of or default under any term or provision of any contract or agreement to which Seller is a party or by or to which Seller or any of its assets or properties are or may be bound or subject; or (c) violate any order, judgment, injunction, award or decree of any court or arbitration body, or any governmental, administrative or regulatory authority, or any other body, by or to which Seller or the Property are or may be bound or subject.

Section 9.3 Non-Foreign Status. Seller is not a "foreign person" as such term is defined in Section 1445 of the Code.

Section 9.4 Litigation and Condemnation. Seller has not received written notice of and, to the best of Seller's knowledge and belief, there are no: (a) pending or threatened claims, actions, suits, arbitrations, proceedings (including condemnation proceedings) or investigations by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against or affecting the Property or the transactions contemplated by this Agreement; and (b) orders, judgments or decrees of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against or affecting the Property or the transactions contemplated by this Agreement.

Section 9.5 Liabilities. To the best of Seller's knowledge, upon the Closing, neither Buyer nor the Property will be subject to any liabilities or obligations, whether secured, unsecured, accrued, absolute, contingent or otherwise, that relate to the ownership of the Property prior to the Closing, other than the Permitted Title Exceptions.

Section 9.6 Fees. To the best of Seller's knowledge, there are no impact, mitigation or similar fees owing or payable in connection with the construction, development, installation and/or operation of the Real Property.

Section 9.7 Mechanic's Liens. There are no fees, dues or other charges which are due, owing or unpaid in connection with the construction of or any repairs to the Real Property. There are no pending or threatened claims which may or could ripen with the passage of time into a mechanic's lien upon the Real Property as the result of any contract, agreement or work performed on the Real Property.

Section 9.8 Contracts. To the best of Seller's knowledge, there are no Contracts with any person or entity relating to the Property which must be assumed by Buyer (or which will be deemed assumed by the Buyer upon the Buyer becoming the owner of the Property), other than the Permitted Title Exceptions.

Section 9.9 Taxes and Assessments. To the best of Seller's knowledge, there are no pending or threatened improvements, liens, or special assessments made or to be made against the Property by any governmental authority.

Section 9.10 Construction and Condition of Improvements. To the best of Seller's knowledge, all of the Improvements have been constructed and installed in accordance with applicable codes, laws, ordinances, rules, regulations, permits and approvals and have been completed in a professional and workmanlike manner and are in good operating condition and repair. To the best of Seller's knowledge, all of the heating, ventilation and air conditioning systems, plumbing, fire protection, security and other mechanical and electrical systems of the Improvements have been constructed and installed in accordance with applicable codes, laws, ordinances, rules, regulations, permits

and approvals, have been completed in a professional and workmanlike manner and are in good operating condition and repair. To the best of Seller's knowledge, there are no latent defects in any of the Improvements, and the structural components, foundations, roofs, walls and fixtures are in good operating condition and repair, and the roofs, foundations and structural components are free from leaks, and the Improvements are free from termite and other infestation. To the best of Seller's knowledge, there are no defects or inadequacies in the Real Property that might adversely affect the insurability of the same or that might cause an increase in the insurance premiums therefor.

Section 9.11 **Financial Statements; Books and Records.** Each of the financial statements of Tenant and Guarantor provided to Buyer pursuant to Section 4.1(a) hereof: (i) presents fairly, completely and accurately the results of operations for the respective periods covered thereby; and (ii) is prepared in accordance with generally accepted accounting principles.

Section 9.12 **Compliance with Laws.** Seller has complied, and is currently in compliance with, all federal (except solely with respect to any federal law that directly conflicts with state and local cannabis laws, regulations and ordinances), state and local laws, regulations and ordinances applicable to the development, ownership, operation, maintenance and management of the Real Property, and/or otherwise applicable to Seller, including, without limitation, all laws, regulations and ordinances relating to zoning, planning, land use and building restrictions, construction, Environmental Laws, subdivision, fire, health and safety, disability, and alcoholic beverage sales. Tenant is in compliance with all state and local licensing requirements and regulations relating to the cultivation, processing, storing and distributing of cannabis, cannabis-infused products and materials derived from or used in the cultivation, processing, storing and distribution of cannabis. To Seller's knowledge, the Real Property is in compliance with all applicable laws, ordinances, rules and regulations (including without limitation those relating to zoning and the requirements of Title III of the Americans with Disabilities Act of 1990 (42 U.S.C. 12181, et seq., the Provisions Governing Public Accommodations and Services Operated by Private Entities), and all regulations promulgated thereunder, and all amendments, revisions or modifications thereto), and Seller has no notice or knowledge of a violation of any such laws, rules or regulations. Seller has no notice or knowledge that any government agency or any employee or official considers the construction of the Real Property or its operation or use to have failed to comply with any law, ordinance, regulation or order or that any investigation has been commenced or is contemplated respecting any such possible failure of compliance. To Seller's knowledge, there are no unsatisfied requirements for repairs, restorations or improvements from any person, entity or authority, including, but not limited to, any tenant, lender, insurance carrier or governmental authority. To Seller's knowledge, all driveway entrances and exits to the Real Property are permanent and no special access or other permits are required to maintain the same. To Seller's knowledge, all existing streets and other improvements, including water lines, sewer lines, sidewalks, curbing and streets at the Real Property either enter the Real Property through adjoining public streets, or, if they enter through adjoining private lands, do so in accordance with valid, irrevocable easements running to the benefit of the owner of the Real Property. Seller has not received from any insurance company or Board of Fire Underwriters any notice, which remains uncured, of any defect or inadequacy in connection with the Real Property or its operation.

Section 9.13 **Environmental Matters.** To the best of Seller's knowledge, and except as may otherwise be disclosed in the reports listed onSchedule 2.0 attached hereto and incorporated herein by reference: (i) the Improvements are free from Hazardous Materials; (ii) the soil, surface water and ground water of, under, on or around the Real Property are free from Hazardous Materials; (iii) the Real Property has never been used for or in connection with the manufacture, refinement, treatment, storage, generation, transport or hauling of any Hazardous Material (A) in excess of levels permitted by or (B) in violation of applicable Environmental Laws, nor has the Real Property been used for or in connection with the disposal of any Hazardous Materials; and (iv) the Real Property is now and at all times has been in compliance with all Environmental Laws. Seller hereby discloses to Buyer that Seller is currently in the process of obtaining a Phase 2 environmental site assessment, but that the results of such assessment are not yet available to Seller.

Section 9.14 **Permits and Entitlements.** To the best of Seller's knowledge, Seller has obtained all governmental permits, licenses, approvals and authorizations (including, but not limited to, the Permits and Entitlements) required for the ownership, operation, maintenance and management of the Property, and all such permits, licenses, approvals and authorizations (including, but not limited to, the Permits and Entitlements) are in full force and effect and, to the extent the same are material and are not part of the Excluded Property, are transferable to Buyer. Tenant has obtained all state and local governmental permits, licenses, approvals and authorizations necessary to cultivate and process cannabis plant parts and resins into products and store the same for transport, and all such permits, licenses, approvals and authorizations are in full force and effect.

Section 9.15 **Dependent Properties.** The continued maintenance, occupancy and operation of the Real Property is not now, and on the Closing Date will not be, dependent to any extent on improvements or facilities located at any other property, and the continued maintenance, occupancy and operation of any other property is not dependent to any extent on improvements or facilities located on the Real Property (including, but not limited to, the Improvements or the Personal Property).

Section 9.16 **Utilities.** The Real Property has full access rights and is connected to water, sanitary sewer, storm water, gas, electricity, oil, telephone, cable and other utilities required for the ownership, operation and occupancy of the Real Property (collectively, the "Utilities"). To the best of Seller's knowledge and belief, all such Utilities: (i) are installed, connected and are currently in use by Seller on the Real Property; (ii) were constructed and installed in accordance with all applicable codes, laws, ordinances, rules, regulations, permits and approvals; (iii) have been completed in a professional and workmanlike manner and are in good operating condition and repair; and (iv) are sufficient in size and capacity (and pressure, where applicable) to service and accommodate the reasonably expected needs and operations of the Real Property (including but not limited to the Permitted Use as defined in the Lease). To the best of Seller's knowledge and belief, none of the Utilities and/or any of the lines, pipes, conduits, valves, pumps, heads, hoses, tubes, or related equipment or facilities, are located outside the boundaries of the Real Property and/or encroach onto any adjoining real property, or, to the extent that such Utilities and/or any of the lines, pipes, conduits, valves, pumps, heads, hoses, tubes, or related equipment or facilities, are located outside the boundaries of the Real Property and/or encroach onto any adjoining real property, the same do so in accordance with legal, valid and enforceable permanent non-terminable easements, which will inure to the benefit of Buyer, its successors and assigns, as the owner of the Real Property.

Section 9.17 **Prohibited Persons and Transactions.** Neither Seller, nor any of its affiliates, nor any of their respective members or partners, and none of their respective officers or directors is, nor prior to Closing, or the earlier termination of this Agreement, will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under the regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated Blocked Persons List) or under any U.S. statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism), or other governmental action and is not, and prior to Closing or the earlier termination of this Agreement will not, engage in any dealings or transactions with or be otherwise associated with such persons or entities.

Section 9.18 **Integrity of Documents.** To the best of Seller's knowledge, (i) Seller has furnished to Buyer complete copies of all items constituting Seller's Deliveries in Seller's possession and control and (ii) the information contained in Seller's Deliveries does not include any material misrepresentations or omissions of facts.

Section 9.19 **Options to Purchase; Occupancy Rights.** Seller has not previously granted any option to purchase the Property or any right of first refusal or similar rights with respect to the Property, and to the best of Seller's knowledge, no such options to purchase or rights of first refusal with respect to the Property are in existence. Seller has not entered into, and has no knowledge, of any lease or similar occupancy agreement with respect to the Real Property that will be binding upon Buyer or the Real Property as of the Closing, except for the Lease to be executed by Tenant and delivered by Seller pursuant to this Agreement.

Section 9.20 **Compliance with Recorded Documents**. Seller has not received written notice that the Property is in violation of any easement, covenant, condition, restriction, or similar provision in any instrument of record or other unrecorded agreement affecting the Property, nor, to the best of Seller's knowledge, does any such violation

exist.

Section 9.21 **Survival.** The representations and warranties of Seller set forth in Sections 9.1, 9.2 and 9.17 hereof, as well as the right and ability of Buyer to enforce the same and/or to seek damages for its breach, shall survive the Closing. The representations and warranties of Seller set forth in Sections 9.3 through 9.16, inclusive, and Sections 9.18 through 9.20, inclusive, as well as the right and ability of Buyer to enforce the same and/or to seek damages for their breach, shall survive the Closing for a period of twelve (12) months. All claims, whether known or unknown, for breach by Seller of a representation or warranty as set forth in Sections 9.3 through 9.16, inclusive, hereof, and Sections 9.18 through 9.20, inclusive, must be asserted in writing by Buyer and delivered to Seller on or before the expiration of such twelve (12) month period or otherwise such claims shall be invalid and of no force or effect and Seller shall have no liability with respect thereto.

Section 9.22 **Seller's Representations and Warranties; Reimbursement for Due Diligence Costs.** The continued accuracy in all material respects of the aforesaid representations and warranties is a condition precedent to Buyer's obligation to close. If any of said representations and warranties are not correct in all respects at the time the same is made or as of Closing and Seller had no knowledge of such inaccuracy when the representation or warranty was made (or when deemed remade at Closing) or if such warranty or representation is a material warranty or representation and becomes inaccurate on or prior to Closing other than by reason of Seller's default hereunder, Buyer may, upon being notified in writing by Seller of such occurrence on or prior to Closing, either: (a) terminate this Agreement and Escrow pursuant to the provisions of Section 8.5(a) hereof; or (b) waive such matter and proceed to Closing. If any of said representations and warranties are not correct in all respects at the time the same is made or as of Closing, and Seller had knowledge of such inaccuracy when the representation or warranty was made, or, by its default hereunder caused the representation or warranty to be inaccurate when deemed remade at Closing, Buyer may either: (i) terminate this Agreement pursuant to the provisions of Section 8.6(a) and recover from Seller Buyer's costs as set forth in Section 8.6(a); or (ii) waive such matter and proceed to Closing.

Section 9.23 **As-Is Transaction.** BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER IS SELLING AND BUYER IS PURCHASING THE PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS, SUBJECT TO THE REPRESENTATIONS, WARRANTIES AND COVENANTS SET FORTH HEREIN AND IN THE TRANSACTION DOCUMENTS. EXCEPT AS SET FORTH HEREIN OR IN ANY TRANSACTION DOCUMENT EXECUTED AND DELIVERED BY SELLER AT CLOSING, BUYER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER, OR ANY PARTY AFFILIATED WITH SELLER, OR THEIR AGENTS OR BROKERS, OR ANY OTHER PERSON ACTING OR PURPORTING TO ACT ON BEHALF OF SELLER, AS TO ANY MATTERS CONCERNING THE PROPERTY.

ARTICLE 10
REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF BUYER

Buyer hereby makes the following representations and warranties, each of which representation and warranty is: (a) material and being relied upon by Seller; and (b) true, complete and not misleading in all material respects as of the date hereof and as of the Closing.

Section 10.1 **Organization, Power and Authority.** Buyer is a limited liability company duly organized and validly existing under the laws of the State of Delaware and qualified to conduct business in the Commonwealth of Pennsylvania. Subject only to obtaining certain internal approvals on or before the expiration of the Investigation Period, (a) Buyer has all requisite power and authority to execute and deliver this Agreement and the Transaction Documents to which Buyer is a party, and to perform its obligations hereunder and thereunder and to effect the transactions contemplated hereby and thereby and (b) all requisite limited liability, corporate or other action has been taken to authorize and approve the execution, delivery and performance by Buyer of this Agreement and the Transaction Documents to which Buyer is a party.

Section 10.2 **No Conflicts.** The execution, delivery and performance by Buyer of this Agreement and the Transaction Documents to which Buyer is a party, and the consummation of the transactions contemplated hereby and thereby, will not: (a) violate any provision of Buyer's organization documents; (b) violate, conflict with or result in a breach of or default under any term or provision of any contract or agreement to which Buyer is a party or by or to which Buyer or any of its assets or properties are or may be bound or subject; or (c) violate any order, judgment, injunction, award or decree of any court or arbitration body, or any governmental, administrative or regulatory authority, or any other body, by or to which Buyer is or may be bound or subject.

Section 10.3 **Prohibited Persons and Transactions.** Neither Buyer, nor any of its affiliates, nor any of their respective members or partners, and none of their respective officers or directors is, nor prior to Closing, or the earlier termination of this Agreement, will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under the regulations of OFAC of the Department of the Treasury (including those named on OFAC's Specially Designated Blocked Persons List) or under any U.S. statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism), or other governmental action and is not, and prior to Closing or the earlier termination of this Agreement will not, engage in any dealings or transactions with or be otherwise associated with such persons or entities.

Section 10.4 **Survival.** The representations, warranties, covenants and agreements contained in this Agreement by Buyer are true, correct and complete and shall be deemed remade by Buyer as of the Closing, with the same force and effect as if made at that time. All representations, warranties, covenants and agreements of Buyer contained in this Article 10, as well as the right and the ability of Seller to enforce them and/or seek damages for their breach, shall survive the Closing for a period of twelve (12) months. All claims, whether known or unknown, for breach by Buyer of a representation or warranty as set forth in this Article 10 must be asserted in writing by Seller and delivered to Buyer on or before the expiration of such twelve (12) month period or otherwise such claims shall be invalid and of no force or effect and Buyer shall have no liability with respect thereto.

ARTICLE 11
COSTS, EXPENSES AND PRORATIONS

Section 11.1 **Costs and Expenses.**

(a) Seller. Seller shall pay: (i) all recording costs and all documentary transfer taxes, deed stamps and similar costs, fees and expenses payable in connection with the recordation of Seller's Deed; (ii) the cost for the ALTA Extended Coverage Policy (but excluding the cost of any endorsements thereto requested by Buyer); (iii) one-half (1/2) of the cost of the Survey; (iv) one-half (1/2) of Escrow Agent's fees and costs for the Escrow; and (v) Seller's attorneys' fees.

(b) Buyer. Buyer shall pay: (i) the cost for any endorsements to the ALTA Extended Coverage Policy requested by Buyer; (ii) one-half (1/2) of the cost of the Survey; (iii) the cost of the Third Party Reports; (iv) one-half (1/2) of Escrow Agent's fees and costs for the Escrow; and (v) Buyer's attorneys' fees.

Section 11.2 **Prorations, Costs and Expenses.** Seller acknowledges and agrees that Seller is responsible for all expenses arising out of the Property prior to Closing and that the Tenant under the Lease, will be responsible for paying all expenses arising out of the Property subsequent to Closing. Accordingly, the Parties agree that

there will be no prorations at Closing.

ARTICLE 12
ACTIONS TO BE TAKEN AT THE CLOSING

Section 12.1 **Actions by Title Insurer or Escrow Agent.** In connection with the Closing, Escrow Agent or Title Insurer, as applicable, shall take the following actions:

(a) Recording. Title Insurer shall cause the Seller's Deed (with documentary transfer tax information to be affixed after recording) to be recorded in the Official Records of Luzerne County, Pennsylvania (the "**Registry**"), and obtain a conformed copy thereof for distribution to Seller and Buyer:

(b) Title Policy. Title Insurer shall issue the ALTA Extended Coverage Title Policy to Buyer.

(c) Distribution of Funds. Escrow Agent shall disburse all funds deposited with Escrow Agent by Buyer in payment of the Purchase Price as follows: (i) first, deduct, pay and satisfy all items chargeable to the account of Seller pursuant to Section 11.1 hereof; (ii) second, deduct, pay and satisfy all Monetary Obligations against the Real Property; (iii) third, if, as a result of the prorations and credits pursuant to Article 11 hereof, amounts are to be charged to the account of Seller, deduct the net amount of such charges; and (iv) fourth, disburse the remaining balance of the Purchase Price to Seller promptly upon the Closing. All disbursements by Escrow Agent shall be by wire transfer of immediately available funds to the designated account of the receiving party or shall be by certified or cashier's check of Escrow Agent, as may be directed by the receiving party.

(d) Distribution of Documents to Seller. Title Insurer shall disburse to Seller: (i) counterpart copies of each of the non-recordable Transaction Documents; (ii) a conformed copy of each of the recordable Transaction Documents, including, without limitation, Seller's Deed; and (iii) any other documents deposited into Escrow by Seller.

(e) Distribution of Documents to Buyer. Title Insurer shall disburse to Buyer: (i) counterpart copies of each of the non-recordable Transaction Documents; (ii) a conformed copy of each of the recordable Transaction Documents; and (iii) a copy of all other documents deposited into Escrow by Buyer.

ARTICLE 13
BROKERS

Seller and Buyer hereby represent and warrant to each other that the warranting party has not entered into nor will such warranting party enter into any agreement, arrangement or understanding with any other person or entity which will result in the obligation of the other party to pay any finder's fee, commission or similar payment in connection with the transactions contemplated by this Agreement. Seller and Buyer hereby agree to and shall indemnify, defend and hold harmless the other from and against any and all claims, costs, damages and/or liabilities arising from the breach of the foregoing representation by either Seller or Buyer, as the case may be.

ARTICLE 14
INDEMNIFICATION

Section 14.1 **Indemnification.**

(a) Indemnification by Seller. Seller hereby agrees to and shall reimburse, indemnify, defend (at Buyer's option and with counsel reasonably acceptable to Buyer) and hold harmless Buyer and its affiliates and each of their respective officers, directors, shareholders, members, partners, agents, employees, successors and assigns (collectively, the "Buyer Indemnitees"), from and against any and all claims, liabilities, causes of action, actual losses, costs, damages, attorneys' fees, judgments and/or expenses actually incurred ("Losses"), arising out of, or relating to, the following matters: (i) the breach by Seller of any of the representations, warranties and/or covenants made by Seller in or under this Agreement or any of the Transaction Documents that Buyer first obtains knowledge of after the Closing; (ii) the breach or default in the performance by Seller of any of the covenants or obligations to be performed by Seller under this Agreement or the Transaction Documents that Buyer first obtains knowledge of after the Closing; and (iii) any claims, liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise, arising out of or relating to, Seller's previous ownership, occupancy, management and/or operation of the Property; provided, however, that if such Losses are insured against under any available insurance policy (including any title insurance policy) benefitting Buyer, then Buyer shall use good faith efforts (without any obligation to incur any costs) to recover such Losses under such policy. The provisions of this Section shall survive the Closing or termination of this Agreement.

(b) Indemnification by Buyer. Buyer hereby agrees to and shall reimburse, indemnify, defend (at Seller's option and with counsel reasonably acceptable to Seller) and hold harmless Seller and its affiliates and each of their respective officers, directors, shareholders, members, partners, agents, employees, successors and assigns (collectively, the "Seller Indemnitees"), from and against any and all Losses arising out of, or relating to, the following matters: (i) the breach by Buyer of any of the representations, warranties and/or covenants made by Buyer in or under this Agreement or any of the Transaction Documents that Seller first obtains knowledge of after the Closing; and (ii) the breach or default in the performance by Buyer of any of the covenants or obligations to be performed by Buyer under this Agreement or the Transaction Documents that Seller first obtains knowledge of after the Closing.

Section 14.2 **Notice and Opportunity to Defend.**

(a) Notice of Asserted Liability. Following the receipt by one or more of the Buyer Indemnitees or Seller Indemnitees, as applicable (hereinafter, the "Indemnitees") of written notice of any claims, liabilities, causes of action or any other circumstances that would give rise to a claim for reimbursement or indemnification pursuant to Section 14.1 of this Agreement ("Asserted Liability"), Indemnitees shall give written notice thereof ("Claims Notice") to the applicable indemnifying party hereunder (hereinafter, the "Indemnitor"). The Claims Notice will include copies of any written documents relevant to the Asserted Liability and any related Losses.

Following the receipt of a Claims Notice, and without in any way limiting or reducing the obligations of Indemnitor pursuant toSection 14.1 hereof, Indemnitor shall defend and satisfy such Asserted Liability. All costs, fees and expenses incurred in connection with the defense and satisfaction of such Asserted Liability shall be borne by and be the sole responsibility of the Indemnitor.

(b) Opportunity to Defend. Without in any way limiting or reducing the obligations of the Indemnitor pursuant to Section 14.1 or Section 14.2(a) hereof, Indemnitees may elect to defend (by their own counsel), compromise and/or satisfy any Asserted Liability. Without in any way limiting or reducing the obligations of Seller pursuant to Section 14.1 or Section 14.2(a) hereof, if Indemnitees elect to defend (by their own counsel), compromise and/or satisfy such Asserted Liability, Indemnitees shall notify Indemnitor of Indemnitees' intent to do so, and Indemnitor shall cooperate in the defense, compromise and satisfaction of such Asserted Liability. All costs, fees and expenses incurred in connection with the defense, compromise and satisfaction of any such Asserted Liability shall be borne by and shall be the responsibility of Indemnitor, except to the extent Indemnitee elects to provide its own separate defense, provided such election was not the result of Indemnitor's default hereunder. Furthermore, and without limiting the obligations of Indemnitor pursuant to Section 14.1 or Section 14.2(a) hereof, Indemnitor shall reimburse Indemnitees for all Losses incurred by Indemnitees in connection with any such Asserted Liability.

(c) Timing for Payment. In the event Indemnitees incur any Losses which were not otherwise paid or satisfied by Indemnitor pursuant to this Agreement, Indemnitees shall deliver written notice to Indemnitor advising Indemnitor that Indemnitees have incurred such Losses ("Notice of Loss"). The Notice of Loss shall include an itemization of all of the Losses that Indemnitor is required to pay pursuant to and in accordance with the terms and provisions of this Agreement. Within thirty (30) Calendar Days after the date of receipt by Indemnitor of the Notice of Loss, Indemnitor shall pay to Indemnitees the aggregate amount of the Losses described in such Notice of Loss. In the event Indemnitor fails to timely pay to Indemnitees the aggregate amount of such Losses, any and all unpaid amounts shall bear interest at the greater of: (a) twelve percent (12%) per annum; or (b) the maximum rate of interest allowable under applicable law, which interest, in either case, shall be deemed to accrue effective as of the date such payment was originally due.

ARTICLE 15
MISCELLANEOUS

Section 15.1 Assignment. No assignment of this Agreement or Buyer's rights or obligations hereunder shall be made by Buyer without first having obtained Seller's written approval of any such assignment, which approval may be granted or withheld in the sole and absolute discretion of Seller. Notwithstanding the foregoing, Buyer may assign this Agreement to a wholly owned subsidiary of IIP Operating Partnership, LP without the prior written consent of Seller. Buyer shall notify Seller of any such permitted assignment no later than three (3) Business Days prior to the Closing Date. Notwithstanding anything to the contrary contained herein, any permitted assignment by Buyer shall not relieve Buyer of any of its obligations and liabilities hereunder including obligations and liabilities which survive the Closing or termination of this Agreement, nor shall any such assignment alter, impair or relieve such assignee from the waivers, acknowledgments and agreements of Buyer set forth herein, all of which shall be binding upon any assignee of Buyer.

Section 15.2 Notices. Except as otherwise stated in this Agreement, any notice, consent, demand, invoice, statement or other communication required or permitted to be given under this Agreement shall be in writing and shall be given by (a) personal delivery, (b) overnight delivery with a reputable international overnight delivery service, such as FedEx, or (c) email transmission, so long as such transmission is either confirmed by the recipient or followed within one (1) Business Day by delivery utilizing one of the methods described in (a) or (b). Any such notice, consent, demand, invoice, statement or other communication shall be deemed delivered (x) upon receipt, if given in accordance with subsection (a); (y) one (1) Business Day after deposit with a reputable international overnight delivery service, if given if given in accordance with subsection (b); or (z) upon transmission, if given in accordance with subsection (c). Any notice, consent, demand, invoice, statement or other communication required or permitted to be given under this Agreement shall be addressed to the Parties at the following addresses:

(i) Seller's Address. If to Seller, at the following address:

White Haven RE, LLC
30 Mozzone Boulevard
Taunton, MA 02780
Attention: Gary F. Santo, Jr.
E-Mail: [***]

With a copy to:

TILT Holdings Inc.
2801 E. Camelback Road, Suite 180
Phoenix, AZ 85016
Attention: Legal Department
E-Mail: [***]

And:

Nutter McClennen & Fish LLP
155 Seaport Blvd.
Boston, MA 02210
Attention: Christopher W. Papavasiliou, Esq.
E-Mail: [***]

(ii) Buyer's Address. If to Buyer, at the following address:

IIP-PA 9 LLC
11440 West Bernardo Court, Suite 100
San Diego, California 92127
Attn: Brian Wolfe, General Counsel
Telephone: [***]
Email: [***]

Either Party may, by notice to the other given pursuant to this Section 15.2, specify additional or different addresses for notice purposes. The Parties agree that the attorney for a Party listed above shall have the authority to deliver notices on such Party's behalf.

Section 15.3 Entire Agreement. This Agreement, including the Exhibits and Schedules referred to herein, are intended by the Parties to be the final, complete and exclusive expression of their agreement with respect to the terms that are included in this Agreement, and may not be contradicted or supplemented by evidence of any other prior or contemporaneous agreement. This Agreement supersedes all previous representations, arrangements, agreements and understandings by and among the Parties with respect to the subject matter covered by this Agreement including, without limitation, all prior letters of intent executed between Buyer and Seller, and any such representations, arrangements, agreements and understandings are hereby canceled and terminated in all respects.

Section 15.4 Amendment. No provision of this Agreement may be modified, amended, or supplemented except by an agreement in writing signed by Buyer and Seller.

Section 15.5 Severability. Any provision of this Agreement that shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and all other provisions of this Agreement shall remain in full force and effect and shall be interpreted as if the invalid, void or illegal provision did not exist.

Section 15.6 **Remedies.** No waiver of any term, covenant or condition of this Agreement shall be binding unless executed in writing by the party entitled to the benefit of such term, covenant or condition. The waiver of any breach or default of any term, covenant or condition contained in this Agreement shall not be deemed to be a waiver of any preceding or subsequent breach or default of such term, covenant or condition or any other term, covenant or condition of this Agreement. Except as expressly provided in this Agreement, the rights and remedies under this Agreement are in addition to and not exclusive of any other rights, remedies, powers and privileges under this Agreement or available at law, in equity or otherwise. No failure to exercise or delay in exercising any right, remedy, power or privilege shall operate as a waiver thereof, and no single or partial exercise of any right, remedy, power or privilege shall preclude the exercise of any other right, remedy, power or privilege.

Section 15.7 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document.

Section 15.8 **Attorneys' Fees.** Except as otherwise expressly set forth in this Agreement, each Party shall pay its own costs and expenses incurred in connection with this Agreement and such Party's performance under this Agreement, provided, that if either Party commences an action, proceeding, demand, claim, action, cause of action or suit against the other Party arising out of or in connection with this Agreement, then the substantially prevailing Party shall be reimbursed by the other Party for all reasonable costs and expenses, including reasonable attorneys' fees and expenses, incurred by the substantially prevailing Party in such action, proceeding, demand, claim, action, cause of action or suit, and in any appeal in connection therewith (regardless of whether the applicable action, proceeding, demand, claim, action, cause of action, suit or appeal is voluntarily withdrawn or dismissed).

Section 15.9 **Governing Law; Jurisdiction and Venue.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to Pennsylvania's conflict of law principles. The proper venue for any claims, causes of action or other proceedings concerning this Agreement shall be in the state courts located in the County of Luzerne, Commonwealth of Pennsylvania or federal courts located in Wilkes Barre, Pennsylvania.

Section 15.10 **Waiver of Jury Trial.** To the extent permitted by applicable laws, the Parties waive trial by jury in any action, proceeding or counterclaim brought by the other Party hereto related to matters arising out of or in any way connected with this Agreement.

Section 15.11 **No Third Party Beneficiary.** This Agreement is for the sole benefit of the Parties and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns, and nothing in this Agreement shall give or be construed to give any other person or entity any legal or equitable rights.

Section 15.12 **Successors and Assigns.** Each of the covenants, conditions and agreements contained in this Agreement shall inure to the benefit of and shall apply to and be binding upon the Parties hereto and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns. Nothing in this Section 15.12 shall in any way alter the provisions of this Agreement restricting assignment.

Section 15.13 **Time of the Essence.** Time is of the essence with respect to the performance of every provision in this Agreement.

Section 15.14 **Survivability.** Except as otherwise provided in this Agreement to the contrary, the covenants and obligations of the Parties to this Agreement shall survive the Closing indefinitely.

Section 15.15 **Business Days.** If the Closing Date or any other date described in this Agreement by which one Party hereto must give notice to the other Party hereto or perform or fulfill an obligation hereunder is a Calendar Day that is not a Business Day, then the Closing Date or such other date shall be automatically extended to the next succeeding Business Day.

Section 15.16 **Joint Liability.** If more than one person or entity executes this Agreement as Seller, then (a) each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Agreement to be kept, observed or performed by Seller, and such terms, covenants, conditions, provisions and agreements shall be binding with the same force and effect upon each and all of the persons executing this Agreement as Seller, and (b) the term "Seller" as used in this Agreement shall mean and include each of them, jointly and severally. Furthermore, all of the covenants, agreements, obligations, liabilities, indemnification undertakings, certifications, representations and warranties of Seller in this Agreement and in the Transaction Documents shall be deemed to be joint and several covenants, agreements, obligations, liabilities, indemnification undertakings, certifications, representations and warranties of Seller and Guarantor (the "Joiner"), and may be enforced against either of them, concurrently and successively, in such order as Buyer may determine.

Section 15.17 **Construction.** Buyer and Seller have each participated in the drafting and negotiation of this Agreement, and the language in all parts of this Agreement shall be in all cases construed as a whole according to its fair meaning and not strictly for or against either Buyer or Seller.

Section 15.18 **Independent Obligations.** Notwithstanding anything to the contrary contained in this Agreement, Seller's obligations under this Agreement are independent and shall not be conditioned upon performance by Buyer.

Section 15.19 **Facsimile, Electronic and PDF Signatures.** A facsimile, electronic signature or portable document format (PDF) signature on this Agreement shall be equivalent to, and have the same force and effect as, an original signature.

Section 15.20 **Covenant and Condition.** Each provision of this Agreement performable by Seller shall be deemed both a covenant and a condition.

Section 15.21 **Reasonable Consent.** Whenever consent or approval of either Party is required pursuant to this Agreement, that party shall not unreasonably withhold, condition or delay such consent or approval, except as may be expressly set forth to the contrary in this Agreement.

Section 15.22 **1031 Exchange**. Seller acknowledges that Buyer may be purchasing the Property as part of a tax deferred exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended. In order to effect such tax deferred exchange, Buyer may assign its rights in, and delegate duties under, this Agreement, as well as transfer the Property, to any exchange accommodator which Buyer shall determine. As an accommodation to Buyer, Seller agrees to reasonably cooperate with Buyer in connection with such exchange, including execution of documents therefor, provided that (a) Seller shall have no obligation to take title to any property in connection with such exchange, (b) Seller shall not be obligated to pay any additional costs as a result of such exchange, (c) the Closing shall not be contingent or otherwise subject to the consummation of such exchange, and (d) all representations, warranties and covenants of Buyer shall not be affected or limited by Buyer's use of an exchange accommodator and shall survive Buyer's exchange and continue to inure directly from Buyer for the benefit of Seller.

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth opposite each Party's name below.

SELLER: **WHITE HAVEN RE, LLC, a Pennsylvania limited liability company**

By: Baker Technologies, Inc., a Delaware corporation, its sole member

By: */s/Gary F. Santo, Jr.*
Name: Gary F. Santo, Jr.
Title: President

BUYER: **IIP-PA 9 LLC,**
A DELAWARE LIMITED LIABILITY COMPANY

By: */s/Brian Wolfe*
Name: Brian Wolfe
Title: Vice President, General Counsel and Secretary

CONSENT OF ESCROW AGENT

The undersigned Escrow Agent hereby agrees to: (i) accept the foregoing Agreement; (ii) establish the Escrow and be Escrow Agent under said Agreement; (iii) to make all filings required under Section 6045 of the Internal Revenue Code of 1986, as amended; and (iv) be bound by said Agreement in the performance of its duties as Escrow Agent; provided, however, the undersigned shall have no obligations, liability or responsibility under (a) this Consent or otherwise, unless and until said Agreement, fully signed by the parties, has been delivered to the undersigned, or (b) any amendment to said Agreement unless and until the same is accepted by the undersigned in writing.

Dated: April 20 2022

SETTLEMENT CORP

By: */s/Todd S. Decuelbaum*
Name: Todd S. Decuelbaum
Title: Vice President

JOINERS' SEPARATE UNDERTAKING

Pursuant to Section 15.16 of the foregoing Agreement, for value received, the undersigned, TILT Holdings Inc., a corporation amalgamated under the laws of the Province of British Columbia, Canada, hereby acknowledges and agrees that the covenants, agreements, obligations, liabilities, indemnification undertakings, certifications, representations and warranties of Seller in the foregoing Agreement and in the Transaction Documents (as defined in the foregoing Agreement) shall be joint and several covenants, agreements, obligations, liabilities, indemnification undertakings, certifications, representations and warranties of Seller and of the undersigned, and may be enforced against Seller and/or the undersigned, concurrently or successively, in such order as Buyer may determine.

The undersigned shall continue to be liable pursuant to this undertaking and the provisions hereof shall remain in full force and effect notwithstanding any modifications or amendment of the foregoing Agreement or the Transaction Documents or any other act, omission or conditions which might in any manner or to any extent vary the risk to the undersigned or might otherwise operate as a discharge or release of a guarantor or surety under any applicable law. The undersigned hereby fully and completely waives, releases and relinquishes (i) diligence and demand of payment, presentment, protest, dishonor and notice of dishonor; (ii) any and all other defenses and rights arising under applicable law, to the extent waivable; (iii) any and all benefits of any right of discharge under any and all statues or laws relating to a guarantor or surety, and (iv) any defense based upon the impairment, modification, change, release, discharge or limitation of the liability of Seller in bankruptcy, or resulting from or pursuant to, the application of the bankruptcy or insolvency laws of or any decision of any court of the United States or any state thereof. For the avoidance of doubt, the terms and conditions of this Joiner's Separate Undertaking shall survive the Closing.

TILT HOLDINGS INC.,
a corporation amalgamated under the laws of the Province of British Columbia, Canada

By: */s/Gary F. Santo, Jr.*
Name: Gary F. Santo, Jr.
Title: Chief Executive Officer

EXHIBIT A

LEGAL DESCRIPTION OF LAND

PARCEL NO. 1

ALL THAT CERTAIN piece, parcel or tract of land situate, lying and being in the Borough of White Haven, County of Luzerne and Commonwealth of Pennsylvania, bounded and described as follows to wit:

BEGINNING at a point of intersection of the division line between the land of Electronics, Missiles and Communications, Inc. (formerly lands of Maxim M. Maranuk, et al) and the land now or formerly of Cloyd Sensenbach, and the southerly line of the land now or formerly of Edward McNally, said point of beginning being the northerly boundary line of the Borough of White Haven;

THENCE along the southerly line of the land, now or formerly of Edward McNally and along the northerly boundary line of the Borough of White Haven, South eighty-five (85) degrees fifty-four (54) minutes East, a distance of five hundred forty-nine and thirty-two one-hundredths (549.32) feet to a point;

THENCE along other lands of Electronics, Missiles and Communications, Inc., South six (6) degrees twenty-eight (28) minutes East, a distance of five hundred eighty-nine and twenty-seven one-hundredths (589.27) feet to a point in the extension of Susquehanna Street;

THENCE along the northerly line of the extension of Susquehanna Street, South eighty-three (83) degrees, thirty-two (32) minutes West, a distance of five hundred forty (540) feet, to a point in the easterly line of the land now or formerly of Cloyd Sensenbach;

THENCE along the easterly line of the land now or formerly of Cloyd Sensenbach, North six (6) degrees twenty-eight (28) minutes West, a distance of six hundred ninety (690) feet to the PLACE OFBEGINNING.

PARCEL NO. 2

ALL THAT CERTAIN piece, parcel or tract of land situate in the Borough of White Haven, County of Luzerne and Commonwealth of Pennsylvania, bounded and described as follows to wit:

BEGINNING at an iron pin corner in the no1therly line of Buffalo Street, said point of beginning being three hundred seventy-eight and fifty one-hundredths (378.50) feet westerly and measured along the northerly line of Buffalo Street from its point of intersection with the westerly line of Vine Street;

THENCE along the easterly line of the land now or formerly of Cloyd Sensenbach, North six degrees twenty-eight minutes West (N 06° 28' W) a distance of one thousand thirty-seven and twenty-two one-hundredths (1,037.22) feet to a point in the southwesterly corner of the land now or formerly of the Greater Wilkes-Barre Industrial Fund, Inc.;

THENCE along the southerly line of the land now or formerly of the Greater Wilkes-Barre Industrial Fund, Inc.; Notth eighty-three degrees thirty-two minutes East (N 83° 32' E) a distance of five hundred forty (540.00) feet to a point;

THENCE along the easterly line of the land now or formerly of the Greater Wilkes-Barre Industrial Fund, Inc., North six degrees twenty-eight minutes West (N 06° 28' W) a distance of five hundred eighty-nine and twenty-seven one hundredths (589.27) feet to a point in the southerly line of the land now or formerly of Edward McNally, said point also being in the northerly boundary line of the Borough of White Haven;

THENCE along the southerly I ine of the land now or formerly of Edward McNally and along the northerly boundary line of the Borough of White Haven, South eighty-five degrees fifty-four minutes East (S 85° 54' E) a distance of three hundred fifty-six and ninety-four one-hundredths (356.94) feet to a point;

THENCE along the westerly line of the land now or formerly of Eldridge Gannan, South twelve degrees fifty-five minutes East (S 12° 55' E) a distance of three hundred two and seven-tenths (302.07) feet to a point;

THENCE along the northerly line of the land now or formerly of Delbert M. Miller, South eighty-nine degrees fifty-five minutes West (S 89° 55' W) a distance of one hundred twenty-five (I 25.00) feet to a point;

THENCE along the westerly line of the land now or formerly of Delbe1t M. Miller, South eight degrees thirteen minutes East (S 08° 13' E) a distance of two hundred (200.00) feet to a point in the northerly line of Susquehanna Street;

THENCE along the westerly I ine of Laurel Street, South six degrees thirty minutes East (S 06° 30' E) a distance of ninety-seven and seven one-hundredths (97.07) feet to a point;

THENCE along the northerly line of the land now or formerly of the White Haven Water Authority, South eighty-three degrees thirty minutes West (S 83° 30' W) a distance of seventy-five (75.00) feet to a point;

THENCE along the westerly line of the said Water Authority, South six degrees thirty minutes East (S 06° 30' E) a distance of one hundred sixty (I 60.00) feet to a point;

THENCE along the n01therly line of the land now or formerly of the White Haven Tennis Club, South eighty-three degrees thirty minutes West (S 83 ° 30' W) a distance of one hundred fifty (150.00) feet to a point;

THENCE along the westerly line of said Tennis Club, South six degrees thirty minutes East (S 06° 30' E) a distance of two hundred twenty-four and seven tenths (224.70) feet to a point;

THENCE along the southerly line of said Tennis Club, North eighty-three degrees thirty minutes East (N 83° 30' E) a distance of two hundred twenty-five and twenty-four one-hundredths (225.24) feet to a point in the westerly line of Laurel Street;

THENCE along the westerly I ine of Laurel Street, South six degrees thirty minutes East (S 06° 30' E) a distance of two hundred twenty-nine and seventy-seven one hundredths (229.77) feet to a point in the northerly line of Wilkes-Barre Street;

THENCE along the northerly line of Wilkes-Barre Street, South eighty-three degrees thirty-two minutes West (S 83° 32' W) a distance of four hundred thi1ty (430.00) feet to a point;

THENCE along the westerly line of Vine Street, South six degrees thirty minutes East (S 06° 30' E) a distance of two hundred thirty-seven (237.00) feet to a point;

THENCE South eighty-three degrees thi1ty minutes West (S 83° 30' W) a distance of two hundred (200.00) feet to a point;

THENCE South six degrees thirty minutes East (S 06° 30' E) a distance of one hundred twenty-five (125.00) feet to a point in the northerly line of Buffalo Street;

THENCE along the northerly line of Buffalo Street, South eighty-three degrees thirty minutes West (S 83° 30' W) a distance of one hundred seventy-eight and five tenths (178.50) feet to the PLACE OF BEGINNING.

EXHIBIT B

SELLER'S DEED

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL AND SEND TAX BILLS TO:

IIP-PA 9 LLC
11440 West Bernardo Court
Suite 100
San Diego, CA 92127
Attn: General Counsel

PERMANENT PARCEL NUMBER: _____

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

This Indenture, made the _____ day of [_____], 2022, Between [_____] (hereinafter called the Grantor), of the one part, and **[_____]** (hereinafter called the Grantee), of the other part,

Witnesseth, that the said Grantor for and in consideration of the sum of [_____] Dollars ($_____) lawful money of the United States of America, unto it well and truly paid by the said Grantee, at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained and sold, released and confirmed, and by these presents does grant, bargain and sell, release and confirm unto the said Grantee the real property described on Exhibit A attached hereto and incorporated by reference (the "**Land**").

Together with all of Seller's right, title, and interest, if any, in, to and under: (i) all easements, rights-of-way, development rights, entitlements, air rights and appurtenances relating or appertaining to the Land and/or the Improvements; (ii) all water wells, streams, creeks, ponds, lakes, detention basins and other bodies of water in, on or under the Land, whether such rights are riparian, appropriative, prospective or otherwise, and all other water rights applicable to the Land and/or the Improvements; (iii) all sewer, septic and waste disposal rights and interests applicable or appurtenant to or used in connection with the Land and/or the Improvements; (iv) all minerals, oil, gas and other hydrocarbons located in, on or under the Land, together with all rights to surface or subsurface entry; and (v) all streets, roads, alleys or other public ways adjoining or serving the Land, including any land lying in the bed of any street, road, alley or other public way, open or proposed, and any strips, gaps, gores, culverts and rights of way adjoining or serving the Land ((i) through (v) together with the Land, the "**Property**"), free and clear of any and all liens, liabilities, encumbrances, exceptions and claims, other than the permitted exceptions described on Exhibit B attached hereto and incorporated by reference.

Grantor shall warrant and defend the title to said Property unto the Grantee, and unto its successors and assigns forever, against the lawful claims and demands of all persons claiming under Grantor; except as may be set forth above.

Grantor hereby certifies that the correct address of the Grantee herein is: [_____].

In Witness Whereof, Grantor has caused its name to be affixed hereto and this instrument to be executed by the persons named below duly authorized, as of the date first written above.

GRANTOR:
[_____]

By: _____
Name: _____
Title: _____

State of _____
} ss
County of _____

AND NOW, this _____ day of _____, 2022, before me, the undersigned Notary Public, appeared_____, who acknowledged himself/herself to be the _____ *(title)* of [_____], and he/she, as such_____ *(title)* being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself/herself as _____ *(title)*.

IN WITNESS WHEREOF, I hereunder set my hand and official seal.

_____

Notary Public

My commission expires _____

Deed	Parcel ID # [_____] TO [_____]	

EXHIBIT A
TO DEED

LEGAL DESCRIPTION OF REAL PROPERTY

EXHIBIT B
TO DEED

PERMITTED TITLE EXCEPTIONS

[TO BE LISTED]

EXHIBIT C

BILL OF SALE

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, _____, a _____ ("Grantor"), hereby sells, conveys, transfers and releases to _____, a _____ ("Grantee"), the personal property more particularly described in Exhibit 1 attached hereto and incorporated herein by this reference, and all other tangible and intangible personal property located on or used in connection with the ownership, management and/or operation of the real property more particularly described in Exhibit 2 attached hereto and incorporated herein by this reference.

This Bill of Sale is being entered into pursuant to and in accordance with that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated effective _____, 2022, as amended and assigned, by and between Grantor, as "Seller," and Grantee, as "Buyer" ("Purchase Agreement"). Capitalized terms used herein without definition shall have the meaning given to such terms in the Purchase Agreement.

EXECUTED and to be made effective as of the date of the Closing, as said term is defined in the Purchase Agreement.

GRANTOR:

By EXHIBIT – DO NOT SIGN

Title _____

Exhibit 1
To Bill of Sale

Personal Property

All fixtures, trade fixtures, vehicles, machinery, appliances, tools, signs, equipment, systems, telephone equipment and systems, computer equipment and systems, satellite dishes and related equipment and systems, security equipment and systems, inventories, supplies and all other items of tangible and intangible personal property located

on or used in connection with the ownership, management and/or operation of the real property described in Exhibit 2 to this Bill of Sale, but specifically excluding the Excluded Property.

Exhibit 2
To Bill of Sale

Legal Description of Real Property

[See attached.]

EXHIBIT D

CERTIFICATE OF NON-FOREIGN STATUS

The undersigned, being duly sworn, hereby deposes, certifies and states on oath as follows:

1. That the undersigned, _____ ("Transferor"), is duly authorized to execute this Certificate and Affidavit;

2. That Transferor's principal place of business is _____;

3.That Transferor is not a "foreign corporation," "foreign partnership," "foreign trust," or "foreign estate," as such terms are defined in the United States Internal Revenue Code of 1986, as amended (the "Code"), and Regulations promulgated thereunder, and is not otherwise a "foreign person," as defined in Section 1445 of the Code;

4. That Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii) of the Treasury Regulations;

5. That Transferor's United States taxpayer identification number is:_____;

6.That the undersigned is making this Certificate and Affidavit pursuant to the provisions of Section 1445 of the Code in connection with the sale of the real property described on Exhibit 1 attached hereto and incorporated herein by reference, by Transferor to _____ ("Transferee"), which sale constitutes the disposition by Transferor of a United States real property interest, for the purposes of establishing that Transferee is not required to withhold tax pursuant to Section 1445 of the Code in connection with such disposition; and

7.That the undersigned acknowledges that this Certificate and Affidavit may be disclosed to the Internal Revenue Service and other applicable governmental agencies by Transferee, that this Certificate and Affidavit is made under penalty of perjury, and that any false statement made herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, I declare that I have examined the foregoing Certificate and Affidavit and I hereby certify that it is true, correct and complete.

TRANSFEROR:

_____

By EXHIBIT – DO NOT SIGN

Title _____

Exhibit 1
To Certificate of Non-Foreign Status

Legal Description of Real Property

[INSERT]

EXHIBIT E

[INTENTIONALLY OMITTED]

EXHIBIT F

ASSIGNMENT OF PERMITS, ENTITLEMENTS AND INTANGIBLE PROPERTY

THIS ASSIGNMENT OF PERMITS, ENTITLEMENTS AND INTANGIBLE PROPERTY (the "Assignment") is made and dated for reference purposes as of _____, 2022 and is entered into by _____ ("Assignor") in favor of _____ ("Assignee").

RECITALS

A.Assignor and Assignee are parties to that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated _____, 2022, as amended and assigned ("Purchase Agreement"). Unless otherwise expressly defined herein, capitalized terms used herein without definition shall have the same meaning given to such terms in the Purchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Assignment by Assignor. Effective as of the Closing, Assignor hereby transfers and assigns to Assignee the Intangible Property and the Permits and Entitlements, excluding the Excluded Property.

2. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of the respective Parties hereto.

3. Attorneys' Fees. In the event of any legal action between Assignor and Assignee arising out of or in connection with this Assignment, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees and costs incurred in such action and any appeal therefrom.

4. Governing Law; Jurisdiction and Venue. This Assignment shall be governed by the laws of the Commonwealth of Pennsylvania. The proper venue for any claims, causes of action or other proceedings concerning this Assignment shall be in the state and federal courts located in the County of Luzerne, Commonwealth of Pennsylvania.

5. Counterparts. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument.

6. Cooperation. Assignor hereby agrees to and shall execute and deliver to Assignee any and all documents, agreements and instruments necessary to consummate the transactions contemplated by this Assignment.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed as of the day and year first above written.

ASSIGNOR:

_____

By EXHIBIT – DO NOT SIGN

Title _____

ASSIGNEE:

_____

By EXHIBIT – DO NOT SIGN

Title _____

EXHIBIT G

GENERAL PROVISIONS OF ESCROW

THESE GENERAL PROVISIONS OF ESCROW ("General Provisions"), are deemed entered into pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated April 19, 2022, by and between White Haven RE, LLC, as the "Seller,", and IIP-PA 9 LLC, as the "Buyer," as the same may be amended from time to time ("Purchase Agreement"). Capitalized terms used herein without definition shall have the meanings given to such terms in the Purchase Agreement.

THE PARTIES UNDERSTAND AND ACKNOWLEDGE:

1. Deposit of Funds and Disbursements. Unless directed in writing by Seller or Buyer, as applicable, to establish a separate, interest-bearing account together with all necessary taxpayer reporting information, all funds received by Escrow Agent shall be deposited in general escrow accounts in a federally insured financial institution ("Depositories"). All disbursements shall be made by Escrow Agent's check or by wire transfer unless otherwise instructed in writing by the party to receive such disbursement. The Good Funds Law requires that Escrow Agent have confirmation of receipt of funds prior to disbursement.

2. Disclosure of Possible Benefits to Escrow Agent. As a result of Escrow Agent maintaining its general escrow accounts with the Depositories, Escrow Agent may receive certain financial benefits such as an array of bank services, accommodations, loans or other business transactions from the Depositories ("Collateral Benefits"). Notwithstanding the foregoing, the term Collateral Benefits shall not include any interest that accrues or is earned on the Deposit and in no event and under no circumstance shall Escrow Agent be entitled to receive and retain any interest that accrues or is earned on the Deposit. All Collateral Benefits shall accrue to the sole benefit of Escrow Agent and Escrow Agent shall have no obligation to account to the parties to this Escrow for the value of any such Collateral Benefits.

3. Miscellaneous Fees. Escrow Agent may incur certain additional costs on behalf of the parties for services performed by third party providers. The fees charged by Escrow Agent for such services shall not include a mark up or premium over the direct cost of such services.

4. Prorations and Adjustments. All prorations and/or adjustments shall be made in accordance with the Purchase Agreement.

5. Contingency Periods. Escrow Agent shall not be responsible for monitoring contingency time periods between the Parties.

6. Reports. As an accommodation, Escrow Agent may agree to transmit orders for inspection, termite, disclosure and other reports if requested, in writing or orally, by the parties or their agents. Escrow Agent shall deliver copies of any such reports as directed. Escrow Agent is not responsible for reviewing such reports or advising the parties of the content of the same.

7. Recordation of Documents. Escrow Agent is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this Escrow and, to the extent that Escrow Agent is also the Title Company, to issue the ALTA Extended Coverage Policy at Closing, subject to and in accordance with the Purchase Agreement or pursuant to separate written instructions to Escrow Agent executed by Seller.

8. Conflicting Instructions and Disputes. No notice, demand or change of instructions shall be of any effect in this Escrow unless given in writing by Seller and Buyer. In the event a demand for the Deposit and/or any other amounts in this Escrow is made which is not concurred with by Seller and Buyer (regardless of who made demand therefor), Escrow Agent may elect to file a suit in interpleader and obtain an order from the court allowing Escrow Agent to deposit all funds and documents in court and have no further liability with respect thereto. If an action is brought involving this Escrow and/or Escrow Agent, Seller and Buyer agree to indemnify and hold Escrow Agent harmless against liabilities, damages and costs incurred by Escrow Agent (including reasonable attorney's fees and costs) except to the extent that such liabilities, damages and costs were caused by the negligence, gross negligence or willful misconduct of Escrow Agent.

9. Amendments to General Provisions. Any amendment to these General Provisions must be mutually agreed to by Seller and Buyer and accepted by Escrow Agent. The Purchase Agreement and these General Provisions shall constitute the entire escrow agreement between the Escrow Agent and the parties hereto with respect to the subject matter of the Escrow.

10. Copies of Documents; Authorization to Release. Escrow Agent is authorized to rely upon copies of documents, which include facsimile, electronic, NCR, or photocopies as if they were an originally executed document. If requested by Escrow Agent, the originals of such documents shall be delivered to Escrow Agent. Documents to be recorded MUST contain original signatures. Escrow Agent may furnish copies of any and all documents to the lender(s), real estate broker(s), attorney(s) and/or accountant(s) involved in this transaction upon their request.

11. Execution in Counterpart. These General Provisions and any amendments may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute the same instruction.

12. Tax Reporting, Withholding and Disclosure. The Parties are advised to seek independent advice concerning the tax consequences of this transaction, including but not limited to, their withholding, reporting and disclosure obligations. Escrow Agent does not provide tax or legal advice and the parties agree to hold Escrow Agent harmless from any loss or damage that the parties may incur as a result of their failure to comply with federal and/or state tax laws. EXCEPT AS OTHERWISE REQUIRED UNDER APPLICABLE LAW, WITHHOLDING OBLIGATIONS ARE THE EXCLUSIVE OBLIGATIONS OF THE PARTIES AND ESCROW AGENT IS NOT RESPONSIBLE TO PERFORM THESE OBLIGATIONS UNLESS ESCROW AGENT AGREES IN WRITING.

13. Taxpayer Identification Number Reporting. Federal law requires Escrow Agent to report Seller's social security number and/or tax identification number, forwarding address, and the gross sales price to the Internal Revenue Service. Escrow cannot be closed nor any documents recorded until the information is provided and Seller certifies the accuracy of such information to Escrow Agent.

14. Purchase Agreement. In the event of any conflict between the terms and conditions of the Purchase Agreement and the terms and conditions of these General Provisions, the terms and conditions of the Purchase Agreement shall govern.

15. Notices. All notices relating to these General Provisions shall be given in compliance with the Notice provisions set forth in the Purchase Agreement.

EXHIBIT H

FORM OF LEASE

[See Attached]

[***]

SCHEDULE 1.0

LIST OF SELLER'S DELIVERIES

PROPERTY DILIGENCE

1) **Property Acquisition –** Copy of agreement for Property acquisition and ancillary documents regarding purchase of Property
2) **FF&E** – Detailed breakdown of FF&E now owned or expected to be acquired to support operations, including costs
3) **Use Approvals** - Evidence of approvals, zoning and permitting for the Property, including evidence of support from the local jurisdiction as necessary

4) **Title Policy / Survey –** Most recent issued policy of title insurance, together with copies of all listed exceptions, and current draft policy of title insurance as well as most recent survey

5) **Property Reports –** Environmental reports, property condition reports, zoning reports, ADA reports, geotechnical reports and similar reports relating to the condition of the Property, including those generated by third parties
6) **Taxes** – Current Property tax bills and assessor's statements of current assessed value
7) **Contracts / Leases** – Copies of existing service contracts, leases, subleases and licenses affecting the property, including notices of any uncured defaults
8) **Notices** – Copies of all written notices of violations of laws, regulations, permits, CC&Rs or agreements relating to the Property

TENANT DILIGENCE

1) General Company Information
   a. Entity structure chart, including all subs, affiliates, parent companies and ultimate beneficial owners
   b. Organizational documents for Tenant / Guarantor
   c. Schedule of banks with which Tenant / Guarantor has accounts
   d. List of currently held dispensary, processing, and cultivation licenses and a list of licenses to be acquired / locations where a license is being applied for

2) Financial Information
   a. Most recent, detailed financial statements for Guarantor, including income statements, statements of cash flows and balance sheets
   b. Copies of most recent equity financing documents and capitalization table
   c. All loan/credit agreements, security documents, letters of credit, indemnity letters and guarantees to which Tenant / Guarantor (or any of the entities in 1.a.) is a party (including intercompany loans)
   d. Current financial projections, business plans and internal budgets
   e. All documents pursuant to which Tenant / Guarantor is a guarantor or is otherwise contingently liable for the obligations of another entity
   f. Most recent investor presentations or other materials provided to investors

3) Management Information
   a. Schedule of officers (and their titles), directors and advisors
   b. Biographies on officers and directors, including reasonable detail regarding management's and the Board's experience in the cannabis industry

INSURANCE / LEGAL [FOR PROPERTY, GUARANTOR and TENANT]
   a. Schedule of insurance policies, including broker, limits, retentions and coverage bases
   b. Any notice of cancellation, termination or non-renewal or denial of liability under any policy
   c. Loss information for the past 5 years under any insurance policy
   d. All pending or threatened litigation and other claims (judicial, administrative and arbitration) by or against Tenant or Seller or to which the Tenant or Seller is a party
   e. All judgments or decrees to which the company or any of its properties is subject

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   f. All notices and correspondence received from any governmental agency alleging any violation of law, rule or regulation, including those relating to any applicable state or local cannabis law, rule or regulation
   g. Any litigation concluded during the past 3 years with a description of the disposition

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SCHEDULE 2.0

ENVIRONMENTAL DISCLOSURE STATEMENT

[***]

SCHEDULE 3.0

EXCLUDED PROPERTY

1. Cannabis

2. Cannabis products or derivatives of or from cannabis, including, but not limited to, cannabis infused oil, extracts, edibles, topicals, ingestibles, inhalables, and salves.

3. Cannabis licenses, business licenses, business tax receipts, or any similar licenses allowing Tenant to operate the Property for the Permitted Use (as defined in the Lease).

4. Specialty lighting, fertigation, benching, racking, extraction, chillers and processing systems and equipment (as opposed to base building systems) relating to Tenant's cannabis operations.

5. All copyrights, trademarks and all other intellectual property owned by Seller.

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this "Amendment") is entered into effective as

of the 24th day of May 2022, by and between WHITE HAVEN RE, LLC, a Pennsylvania limited liability company ("Seller"), and IIP-PA 9 LLC, a Delaware limited liability company ("Buyer").

RECITALS

A. WHEREAS, Seller and Buyer are parties to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of April 19, 2022 (the "Existing PSA"), where Seller has agreed to sell to Buyer, and Buyer has agreed to purchase from Seller, Seller's right, title and interest in certain real property located at 411 Susquehanna Street, White Haven, Pennsylvania 18661, as more particularly described therein; and

B. WHEREAS, Buyer's third party reports, including a phase I environmental assessment, zoning report and survey, and the Preliminary Title Report for the Property were all timely ordered following the Effective Date, but due to unforeseen delays have not yet been received by the Parties; and

C. WHEREAS, the Parties have agreed to extend the Investigation Period to provide additional time for the Preliminary Title Report and other reports to be completed and delivered to Buyer; and

D. WHEREAS, in accordance with Section 15.4 of the Existing PSA, Seller and Buyer desire to modify and amend the Existing PSA only in respects and on the conditions hereinafter stated.

AGREEMENT

NOW, THEREFORE, Seller and Buyer, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Existing PSA unless otherwise defined herein. The Existing PSA, as amended by this Amendment, is referred to collectively herein as the "Agreement." From and after the date hereof, the term "Agreement," as used in the Existing PSA, shall mean the Existing PSA, as amended by this Amendment.

2. Investigation Period. The first sentence of Section 4.1 of the Existing PSA is hereby amended and restated in its entirety to read as follows:

> "During the time period commencing upon the Effective Date of this Agreement and terminating at 11:00 p.m. Eastern Time on June 17, 2022 (the "Investigation Period"), subject to the terms and conditions of this Agreement, Buyer shall have the right to conduct and complete an investigation of all matters pertaining to the Property and Buyer's purchase thereof including, without limitation, the matters described in this Section 4.1."

3. Effect of Amendment. Except as modified by this Amendment, the Existing PSA and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Amendment and the Existing PSA, the terms herein contained shall supersede and control the obligations and liabilities of the parties.

4. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Seller and Buyer. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof.

5. Authority. Each of Seller and Buyer guarantees, warrants and represents that the individual or individuals signing this Amendment have the power, authority and legal capacity to sign this Amendment on behalf of and to bind all entities, corporations, partnerships, limited liability companies or other organizations on whose behalf such individual or individuals have signed.

6. Counterparts; Facsimile and PDF Signatures. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile, electronic or portable document format (PDF) signature on this Amendment shall be equivalent to, and have the same force and effect as, an original signature.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Seller and Buyer have executed this Amendment as of the date and year first above written.

SELLER:

WHITE HAVEN RE, LLC, a Pennsylvania limited liability company

By: Baker Technologies, Inc., a Delaware corporation, its sole member

By: */s/Gary F. Santo, Jr.*
Name: Gary F. Santo, Jr.
Title: President

BUYER:

IIP-PA 9 LLC,
a Delaware limited liability company

By: */s/Brian Wolfe*
Name: *Brian Wolfe*
Title: *Vice President, General Counsel and Secretary*

Exhibit 4.1

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT (as amended from time to time, this "Agreement"), dated as of January 7, 2019, is entered into by and among Jimmy Jang, L.P., a Delaware limited partnership (the "Partnership"), TILT Holdings Inc., a British Columbia company ("TILT"), and the holders of Units (as defined below) from time to time party hereto (each, a "Holder").

W I T N E S S E T H:

WHEREAS, the parties hereto desire to provide for the exchange of Partnership Interests for Common Shares (as defined below), in each case, on the terms and subject to the conditions set forth herein;

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

ARTICLE 1
DEFINITIONS AND USAGE

Section 1.01 Definitions.

(a) The following terms shall have the following meanings for the purposes of this Agreement:

"Applicable Law" means, with respect to any Person, any federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority or Regulatory Agency that is binding upon or applicable to such Person or its assets, as amended unless expressly specified otherwise.

"Board" means the board of directors of TILT.

"Business Day" means a day, other than a Saturday, Sunday or other day on which commercial banks located in Vancouver, British Columbia or New York, New York are authorized or required by Applicable Law to close.

"CDS" means the Canadian Depository for Securities Limited.

"Common Shares" means the common shares in the capital of TILT, without par value.

"Code" means the Internal Revenue Code of 1986, as amended and in effect from time to time, as interpreted by the applicable regulations promulgated thereunder.

"DTC" means The Depository Trust Company.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exchange Date" means the date of receipt of the Notice of Exchange by TILT and the Partnership, unless otherwise set forth in the applicable Notice of Exchange, in which case the "Exchange Date" means either (i) the date specified in such Notice of Exchange or (ii) the date upon which the contingencies described in such Notice of Exchange are satisfied, as applicable.

"Exchange Rate" means the number of Common Shares for which one Partnership Interest is entitled to be exchanged under this Agreement. On the date of this Agreement, the Exchange Rate shall be one, subject to adjustment pursuant to Section 3.03 of this Agreement.

"Exchanging Holder" means a Holder effecting an Exchange pursuant to this Agreement.

"Governmental Authority" means any:

(a) federal, provincial, state, municipal, local or other governmental or public department, central bank, court or other agency, commission, board, bureau, agency or instrumentality, domestic or foreign, having jurisdiction to exercise executive, legislative, judicial, taxation, regulatory or administrative powers of or pertaining to government;

(b) any subdivision or authority of any of the foregoing; or

(c) any quasi-governmental, judicial or administrative body having jurisdiction to exercise any regulatory, expropriation or taxing authority over any party hereto under or for the account of any of the foregoing.

"LP Agreement" means the Limited Partnership Agreement of the Partnership, dated on or about the date hereof, by and among the General Partner (as defined therein), TILT and each other party thereto, as amended from time to time.

"Non-Party Partner" means each partner of the Partnership who is not a party hereto as of the date of this Agreement.

"Partnership Interest" means one Unit together with one Right.

"Person" means an individual, a corporation, a partnership, a limited liability company, a trust, an incorporated or unincorporated association, a joint venture, a joint stock company or any other entity or body.

"Regulatory Agency" means the SEC, the Financial Industry Regulatory Authority, Inc., the Financial Services Authority, any non-U.S. regulatory agency and any other regulatory authority or body (including any state or provincial securities authority and any self-regulatory organization) with jurisdiction over the Partnership, TILT or any of their respective Affiliates.

"Right" means a right to acquire Common Shares.

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

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Units" has the meaning assigned to it in the LP Agreement.

(b) Capitalized terms used but not defined herein shall have the meaning ascribed thereto in the LP Agreement.

(c) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Agreement	Preamble
Partnership	Preamble
e-mail	Section 5.03
Exchange	Section 3.01
Exchange Agent	Section 3.02(a)
Holder	Preamble
Notice of Exchange	Section 3.02(a)
Permitted Transferee	Section 5.01
TILT	Preamble
TILT Offer	Section 3.04

Section 1.02 Other Definitional and Interpretative Provisions. The words "hereof," "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles and Sections are to Articles and Sections of this Agreement unless otherwise specified. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation," whether or not they are in fact followed by those words or words of like import. "Writing," "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to "law," "laws" or to a particular statute or law shall be deemed also to include any Applicable Law. Except to the extent otherwise expressly provided herein, all references to any Holder shall be deemed to refer solely to such Person in its capacity as such Holder and not in any other capacity.

ARTICLE 2
ISSUANCE OF RIGHTS

Section 2.01 TILT and each Holder each agrees and acknowledges that one Right is hereby issued by TILT to such Holder for each Unit held by such Holder.

Section 2.02 Upon the surrender of Partnership Interests by each Holder in accordance with the terms and conditions hereof, TILT will issue to such Holder the number of Common Shares calculated pursuant to Section 3.01.

Section 2.03 Any Rights surrendered by a Holder to TILT upon the terms and subject to the conditions hereof shall be deemed to be cancelled by TILT upon receipt.

Section 2.04 Each Holder agrees and acknowledges that the Rights being issued to such Holder:

(a) have not been registered under the Securities Act, the securities laws of any state or any other applicable securities laws and are being issued in reliance upon exemptions from the registration requirements of the Securities Act and such laws;

(b) are being acquired for investment only and may not be offered for sale, pledged, hypothecated, sold, assigned or transferred at any time except in compliance with (i) the Securities Act, any applicable securities laws of any state and any other applicable securities laws; (ii) the terms and conditions of this Agreement; and (iii) any other terms and conditions agreed to in writing between TILT and such Holder. Notwithstanding the foregoing, the Rights may be transferred by a Holder to such Holder's family member or trust for the benefit of the Holder if the transferee agrees in writing to be subject to the terms hereof to the same extent as if the transferee were an original Holder hereunder (a "Permitted Transfer") unless such Permitted Transfer would prevent the Partnership from being treated as a publicly traded partnership; and

(c) may not be transferred except with the written consent of TILT and in compliance with Applicable Laws, including in compliance with the registration requirements under the Securities Act or an exemption thereto, this Agreement, and any other terms and conditions agreed to in writing by TILT and such Holder, and purchasers and other transferees of such Rights will be required to bear the risk of their investment or acquisition indefinitely.

Section 2.05 The Rights are being issued in non-certificated form; provided, that TILT may issue certificates to a Holder representing the Rights held by such Holder and such certificates may include any information or legends as determined in the discretion of TILT.

ARTICLE 3
EXCHANGE

Section 3.01 Exchange of Partnership Interests for Common Shares. Subject to Section 3.02(e) and the LP Agreement, each Holder shall be entitled at any time and from time to time upon the terms and subject to the conditions hereof, to surrender Partnership Interests to TILT, or the Partnership on behalf of TILT, if so desired by TILT, in an amount that includes no fewer than the lesser of (a) when aggregated with all Partnership Interests exchanged by such Holder and its Affiliates on the applicable Exchange Date, 5,000 Partnership Interests (subject to adjustment as provided in Section 3.03) and (b) all of the Partnership Interests held by such Holder in exchange (such exchange, an "Exchange") for the delivery by TILT, or the Partnership on behalf of TILT, if so desired by TILT, to such Holder of a number of Common Shares that is equal to the product of the number of Partnership Interests surrendered multiplied by the Exchange Rate. Subject to Section 3.02(e) and the terms of the LP Agreement, the right to effect an Exchange hereunder may be exercised by any Holder at any time and from time to time from and after the date of this Agreement.

Section 3.02 Exchange Procedures; Notices and Revocations.

(a) A Holder may exercise the right to effect an Exchange as set forth in Section 3.01 by delivering a written notice of exchange in respect of the Partnership Interests to be Exchanged substantially in the form of Exhibit A hereto (the "Notice of Exchange"), duly executed by such Holder or such Holder's duly authorized

attorney, to TILT and the Partnership at the address set forth in Section 5.03 during normal business hours, or if any agent for the Exchange is duly appointed and acting (the "Exchange Agent"), to the office of the Exchange Agent during normal business hours. If Partnership Interests are then represented by certificates, certificate(s) representing at least the number of Partnership Interests being exchanged, with instrument(s) of transfer reasonably acceptable to TILT and the Partnership and executed in blank, shall be delivered by the Exchanging Holder to TILT and the Partnership at the address set forth in Section 5.03 during normal business hours or to the offices of the Exchange Agent during normal business hours. If such certificates have been lost, the Exchanging Holder may deliver, in lieu of such certificate(s), an affidavit of lost certificates. TILT shall take such actions as may be required, including the issuance and sale of Common Shares to or for the account of the Partnership for the delivery to the Exchanging Holder of a number of Common Shares that is equal to the product of the number of Partnership Interests surrendered multiplied by the Exchange Rate, to ensure the performance of the Partnership of its obligations under this Article III.

(b) Contingent Notice of Exchange and Revocation by Holders.

(i) Notwithstanding anything herein to the contrary, a Holder may withdraw or amend a Notice of Exchange, in whole or in part, prior to the effectiveness of the Exchange, at any time prior to 5:00 p.m. New York time, on the Business Day immediately preceding the Exchange Date (or any such later time as may be required by Applicable Law) by delivery of a written notice of withdrawal to TILT and the Partnership or the Exchange Agent, specifying (1) the number of withdrawn Partnership Interests, (2) if any, the number of Partnership Interests as to which the Notice of Exchange remains in effect and (3) if the Holder so determines, a new Exchange Date or any other new or revised information permitted in the Notice of Exchange.

(ii) Each Exchange shall be deemed to be effective immediately prior to the close of business on the Exchange Date. As promptly as practicable on or after the Exchange Date, TILT, or the Partnership on behalf of TILT, shall deliver or cause to be delivered to the Exchanging Holder the number of Common Shares deliverable upon such Exchange, registered in the name of such Holder.

(iii) The Common Shares issued upon an Exchange shall bear a legend in substantially the following form:

THE TRANSFER OF THESE SECURITIES HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION, AND MAY NOT BE SOLD OR TRANSFERRED WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) OTHER THAN IN CERTAIN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (OR OTHER APPLICABLE LAW). THESE SECURITIES MAY BE TRANSFERRED ONLY (A) WITHIN THE UNITED STATES IN ACCORDANCE WITH RULE 144 UNDER THE SECURITIES ACT, OR ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND (B) OUTSIDE THE UNITED STATES IN A TRANSACTION COMPLYING WITH THE PROVISIONS OF RULE 904 UNDER THE SECURITIES ACT.

(c) If (i) any Common Shares may be sold pursuant to a registration statement that has been declared effective by the SEC, (ii) all of the applicable conditions of Rule 144 are met, or (iii) the legend (or a portion thereof) otherwise ceases to be applicable, TILT, upon the written request of the Holder thereof, shall promptly provide such Holder or its respective transferees, without any expense to such Persons (other than applicable transfer taxes and similar governmental charges, if any) with new certificates (or evidence of book-entry share) for securities of like tenor not bearing the provisions of the legend with respect to which the restriction has terminated. In connection therewith, such Holder shall provide TILT with such information in its possession as TILT may reasonably request in connection with the removal of any such legend.

(d) TILT, the Partnership and each exchanging Holder shall bear their own respective expenses in connection with the consummation of any Exchange by such Holder, whether or not any such Exchange is ultimately consummated; provided, however, that TILT will pay any transfer taxes, stamp taxes or duties, or other similar taxes in connection with, or arising by reason of, any Exchange; provided, further, that if any Common Shares are to be delivered in a name other than that of the Holder that requested the Exchange (or CDS, DTC or a nominee for the account of a participant of CDS or DTC that will hold the shares for the account of such Holder), then such Holder and/or the Person in whose name such shares are to be delivered shall pay to TILT or the Partnership, as applicable, the amount of any transfer taxes, stamp taxes or duties, or other similar taxes in connection with, or arising by reason of, such Exchange or shall establish to the reasonable satisfaction of TILT and the Partnership that such tax has been paid or is not payable.

(e) Notwithstanding anything to the contrary in this Article III, a Holder shall not be entitled to effect an Exchange (and, if attempted, any such Exchange shall be void *ab initio*), and TILT and the Partnership shall have the right to refuse to honor any request to effect an Exchange, at any time or during any period, if TILT or the Partnership shall reasonably determine that such Exchange (i) would be prohibited by any Applicable Law (including the unavailability of any requisite registration statement filed under the Securities Act or any exemption from the registration requirements thereunder, or any exemption from the prospectus and registration requirements under applicable Canadian securities laws) or (ii) would not be permitted under (x) the LP Agreement, (y) other agreements with TILT, the Partnership or any of their respective controlled Affiliates to which such Exchanging Holder may be party or (z) any written policies of TILT, the Partnership or any of the Partnership's subsidiaries related to unlawful or inappropriate trading applicable to its directors, officers or other personnel to which the Exchanging Holder is subject.

Section 3.03 Adjustment.

(a) The Exchange Rate shall be adjusted accordingly if there is any subdivision (by any stock or unit split, stock or unit dividend or distribution, reclassification, reorganization, recapitalization or otherwise) or combination (by reverse stock or unit split, reclassification, reorganization, recapitalization or otherwise) of the Units that is not accompanied by a substantively identical subdivision or combination of Common Shares. If there is any reclassification, reorganization, recapitalization or other similar transaction in which Common Shares are converted or changed into another security, securities or other property, then upon any subsequent Exchange, an Exchanging Holder shall be entitled to receive the amount of such security, securities or other property that such Exchanging Holder would have received if such Exchange had occurred immediately prior to the effective date of such reclassification, reorganization, recapitalization or other similar transaction, taking into account any adjustment as a result of any subdivision (by any split, dividend or distribution, reclassification, reorganization, recapitalization or otherwise) or combination (by reverse split, reclassification, reorganization, recapitalization or otherwise) of such security, securities or other property that occurs after the effective time of such reclassification, reorganization, recapitalization or other similar transaction. For the avoidance of doubt, if there is any reclassification, reorganization, recapitalization or other similar transaction in which Common Shares are converted or changed into another security, securities or other property, this Section 3.03(a) shall continue to be applicable with respect to such security or other property. This Agreement shall apply to, and all references to "Units" and "Rights" shall be deemed to include, any security, securities or other property of TILT or the Partnership which may be issued in respect of, in exchange for or in substitution of Partnership Interests by reason of stock or unit split, reverse stock or unit split, stock or unit dividend or distribution, combination, reclassification, reorganization, recapitalization, merger, exchange (other than an Exchange) or other transaction.

(b) This Agreement shall apply to the Partnership Interests held by the Holders and their Permitted Transferees as of the date hereof, as well as any Partnership Interests hereafter acquired by a Holder and his or her or its Permitted Transferees.

Section 3.04 Tender Offers and Other Events with Respect to TILT. In the event that a tender offer, share exchange offer, issuer bid, take-over bid, recapitalization or similar transaction with respect to Common Shares (a "TILT Offer") is proposed by TILT or is proposed to TILT or its shareholders and approved by the Board or is otherwise effected or to be effected with the consent or approval of the Board, the Holders of Partnership Interests shall be permitted to participate in such TILT Offer by delivery of a Notice of Exchange (which Notice of Exchange shall be effective immediately prior to the consummation of such TILT Offer (and, for the avoidance of doubt, shall be contingent upon such TILT Offer and not be effective if such TILT Offer is not consummated)). In the case of a TILT Offer proposed by TILT, TILT will use its reasonable best efforts expeditiously and

in good faith to take all such actions and do all such things as are necessary or desirable to enable and permit the Holders of Partnership Interests to participate in such TILT Offer to the same extent or on an economically equivalent basis as the holders of Common Shares without discrimination; provided, that without limiting the generality of this sentence, TILT will use its reasonable best efforts expeditiously and in good faith to ensure that such Holders may participate in each such TILT Offer without being required to Exchange Partnership Interests. For the avoidance of doubt, in no event shall the Holders of Partnership Interests be entitled to receive in such TILT Offer aggregate consideration for each Partnership Interest that is greater than the consideration payable in respect of each Common Share in connection with a TILT Offer.

Section 3.05 Common Shares to be Issued.

(a) TILT shall at all times reserve and keep available out of its authorized but unissued Common Shares, solely for the purpose of issuance upon an Exchange, the maximum number of Common Shares as shall be deliverable upon Exchange of all then-outstanding Partnership Interests; provided, that nothing contained herein shall be construed to preclude TILT or the Partnership from satisfying its obligations in respect of an Exchange by delivery of Common Shares that are held in the treasury of TILT or by delivery of purchased Common Shares (which may or may not be held in the treasury of TILT).

(b) TILT agrees that if it becomes a reporting company under the Exchange Act, it will take such steps as may be required to cause to qualify for exemption under Rule 16b-3(d) or (e), as applicable, under the Exchange Act, and to be exempt for purposes of Section 16(b) under the Exchange Act, any acquisitions from, or dispositions to, TILT of equity securities of TILT (including derivative securities with respect thereto) and any securities that may be deemed to be equity securities or derivative securities of TILT for such purposes that result from the transactions contemplated by this Agreement, by each officer or director of TILT, including any director by deputization. The resolutions authorizing such transactions shall be approved by either TILT's Board or a committee thereof composed solely of two or more Non-Employee Directors (as defined in Rule 16b-3 under the Exchange Act) of TILT.

Section 3.06 Distributions. No Exchange shall impair the right of the Exchanging Holder to receive any distributions payable on the Partnership Interests so exchanged in respect of a record date that occurs prior to the Exchange Date for such Exchange. No adjustments in respect of dividends or distributions on any Partnership Interests will be made on the Exchange of any Partnership Interest, and if the Exchange Date with respect to a Partnership Interest occurs after the record date for the payment of a dividend or other distribution on Partnership Interests but before the date of the payment, then the registered Holder of the Partnership Interest at the close of business on the record date will be entitled to receive the dividend or other distribution payable on the Partnership Interest on the payment date notwithstanding the Exchange of the Partnership Interests or a default in payment of the dividend or distribution due on the Exchange Date, and, for the avoidance of doubt, no Exchanging Holder shall have the right to receive any distributions (including tax distributions) on any exchanged Partnership Interest with a record date that occurs from and after any Exchange Date. For the avoidance of doubt, no Exchanging Holder shall be entitled to receive, in respect of a single record date, distributions or dividends both on Partnership Interests exchanged by such Holder and on Common Shares received by such Holder in such Exchange.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

Section 4.01 Representations and Warranties of TILT and of the Partnership.

(a) Each of TILT and the Partnership represents and warrants that (i) as applicable, it is a corporation duly incorporated in the State of Nevada and continued into the Province of British Columbia and is existing in good standing under the laws of the Province of British Columbia, and a limited partnership duly formed in the State of Delaware and is existing in good standing under the laws of the State of Delaware, (ii) it has all requisite corporate or limited partnership power, as applicable, and authority to enter into and perform this Agreement and to consummate the transactions contemplated hereby and, in the case of TILT, to issue Common Shares in accordance with the terms hereof, (iii) the execution and delivery of this Agreement by it and the consummation by it of the transactions contemplated hereby (including, in the case of TILT, the issuance of Common Shares) have been duly authorized by all necessary corporate or limited partnership action on its part, as applicable, and (iv) this Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with its terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

(b) Each of TILT and the Partnership represents that it does not have any contracts, other agreements, duties or obligations that are inconsistent with its duties and obligations under this Agreement and covenants that, except as expressly permitted by this Agreement or the LP Agreement, it will not enter into any contracts or other agreements or undertake or acquire any other duties or obligations that are inconsistent with such duties and obligations.

Section 4.02 Representations and Warranties of the Holders. Each Holder, severally and not jointly, represents and warrants that (i) if it is not a natural person, that it is duly incorporated or formed and, to the extent such concept exists in its jurisdiction of organization, is in good standing under the laws of such jurisdiction, (ii) it has all requisite legal capacity and authority to enter into and perform this Agreement and to consummate the transactions contemplated hereby, (iii) if it is not a natural person, the execution and delivery of this Agreement by it of the transactions contemplated hereby have been duly authorized by all necessary corporate or other entity action on the part of such Holder and (iv) this Agreement constitutes a legal, valid and binding obligation of such Holder enforceable against it in accordance with its terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally. Additionally, each Holder, severally and not jointly, (i) represents and warrants that it is aware of the restrictions on Transfer (as defined in the LP Agreement) contained in Section 7.3 of the LP Agreement and (ii) agrees and acknowledges that such restrictions also apply to the Rights.

ARTICLE 5
MISCELLANEOUS

Section 5.01 Additional Holders.

(a) To the extent that a Holder validly transfers any or all of such Holder's Partnership Interests to another Person in a transaction in accordance with, and not in contravention of, the LP Agreement, then such transferee (each, a "Permitted Transferee") shall have the right, in connection with such transaction, to execute and deliver a joinder to this Agreement, substantially in the form of Exhibit B hereto, whereupon such Permitted Transferee shall become a Holder hereunder.

(b) To the extent the Partnership issues Units and Rights in the future, then the holder of such Units and Rights shall have the right to execute and deliver a joinder to this Agreement, substantially in the form of Exhibit B hereto, whereupon such holder shall become a Holder hereunder; provided, however, that TILT may delay the initial exercisability of the Exchange right by such new Holder to the extent TILT in its sole discretion deems appropriate to facilitate compliance with the Securities Act.

(c) From and after the date hereof, each Non-Party Partner shall have the right to execute and deliver a joinder to this Agreement, substantially in the form of Exhibit B hereto, whereupon such Non-Party Partner shall become a Holder for all purposes hereunder.

Section 5.02 Further Assurances. Each party hereto agrees to execute, acknowledge, deliver, file and record such further certificates, amendments, instruments and documents, and to do all such other acts and things, as may be required by law or as, in the reasonable judgment of TILT and the Partnership, may be necessary or advisable to carry out the intent and purposes of this Agreement.

Section 5.03 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission and electronic mail ("e-mail") transmission, so long as a receipt of such e-mail is requested and received by non-automated response). All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. on a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed to have been received on the next succeeding Business Day in the place of receipt. All such notices, requests and other communications to any party hereunder shall be given to such party as follows:

(a) if to TILT or the Partnership to:

Jimmy Jang, L.P.
2399 Blake Street, Suite 100
Denver, CO 80205
Attention: Geoff Hamm
Telephone: [***]
Email: [***]

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

O'Melveny & Myers LLP
Two Embarcadero Center, 28th Floor
San Francisco, CA 94111
Attention: Brophy Christensen, Esq.
Telephone: [***]
Email: [***]

(b) if to any other Holder, to the address and other contact information set forth in the records of TILT or the Partnership from time to time, or to such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto.

Section 5.04 Binding Effect. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any Person other than the parties hereto and their respective successors and assigns; provided, however, that each Non-Party Partner and their respective successors and assigns are intended beneficiaries of Section 5.01(c), this Section 5.04 and Section 5.09, with the right to enforce such provisions against the Partnership and TILT as though such Non-Party Partners (and their respective successors and assigns) were parties hereto.

Section 5.05 Waiver of Jury Trial; Consent to Jurisdiction. EACH PARTY HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. Each party hereby irrevocably submits to the exclusive jurisdiction of the federal courts located in the State of Delaware or the Delaware Court of Chancery for the purpose of adjudicating any dispute arising hereunder. Each party hereby irrevocably and unconditionally waives and agrees not to plead or claim in any such court any objection to such jurisdiction, whether on the grounds of hardship, inconvenient forum or otherwise. Each party further agrees that service of any process, summons, notice or document by registered mail to such party's respective address set forth in Section 5.03 shall be effective service of process for any action, suit or proceeding with respect to any matters to which it has submitted to jurisdiction in this Section 5.05.

Section 5.06 Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Section 5.07 Entire Agreement. This Agreement and, as applicable, the LP Agreement, constitute the entire agreement between the parties with respect to the subject matter of this Agreement and supersede all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement. Except as provided in Section 5.04, nothing in this Agreement shall create any third-party beneficiary rights in favor of any Person or other party hereto.

Section 5.08 Severability. If any term or other provision of this Agreement is held to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions is not affected in any manner materially adverse to any party. Upon a determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 5.09 Amendment. This Agreement may only be amended or modified, in whole or in part, at any time and from time to time by a written instrument signed by (i) TILT, (ii) the Partnership and (iii) the Holders of Units and Rights holding a majority of the then outstanding Units and Rights of the Partnership. In the event that this Agreement is amended, whether or not the prior written consent of any Holder is required under the foregoing sentence, TILT or the Partnership shall provide a copy of such amendment to all Holders. Notwithstanding anything to the contrary in this Agreement (including this Section 5.09), (a) the execution and delivery of a joinder to this Agreement pursuant to Section 5.01 shall not require the consent of any Holder or any other party hereto and shall not be deemed to be an amendment or modification to this Agreement and (b) Section 5.01(c), clause (iii) of Section 5.04 and this Section 5.09 may only be amended or modified, in whole in part, at any time and from time to time with the consent of the holders of a majority of the issued and outstanding Units and Rights held by Partners other than the Non-Party Partners.

Section 5.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of law rules of such State that would result in the application of the laws of a jurisdiction other than the State of Delaware.

Section 5.11 Tax Treatment. This Agreement shall be treated as part of the LP Agreement as described in Section 761(c) of the Code and Sections 1.704-1(b)(2)(ii)(h) and 1.761-1(c) of the Treasury Regulations promulgated thereunder. As required by the Code and the Treasury Regulations, the parties shall report any Exchange consummated hereunder as a taxable sale of the Units by a Holder to TILT, and no party shall take a contrary position on any income tax return or amendment thereof.

Section 5.12 Independent Nature of Holders' Rights and Obligations. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder under hereunder. The decision of each Holder to enter into to this Agreement has been made by such Holder independently of any other Holder. Nothing contained herein, and no action taken by any Holder pursuant hereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Holders are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated hereby.

Section 5.13 Specific Enforcement. The parties hereto acknowledge that the remedies at law of the other parties for a breach or threatened breach of this Agreement would be inadequate and, in recognition of this fact, any party to this Agreement, without posting any bond, and in addition to all other remedies that may be available, shall be entitled to equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy that may then be available.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

TILT HOLDINGS INC.

By: /s/ Alexander Coleman
Name: Alexander Coleman
Title: Chief Executive Officer

JIMMY JANG, L.P.

By: Jimmy Jang Holdings Inc., its general partner

By: /s/ Geoff Hamm
Name: Geoff Hamm
Title: Title: Senior Vice President, Operations

[Signature Page to the Exchange Agreement]

EXHIBIT A

FORM OF
NOTICE OF EXCHANGE

c/o [address]
Attn: [____]
Facsimile: [____]
Email: [____]

Reference is hereby made to the Exchange Agreement, dated as of January 7, 2019 (as amended from time to time, the "Exchange Agreement"), by and among Jimmy Jang, L.P., a Delaware limited partnership (the "Partnership"), TILT Holdings Inc., a British Columbia company ("TILT"), and the holders of Units (as defined therein) and Rights (as defined therein) from time to time party thereto (each, a "Holder"). Capitalized terms used but not defined herein shall have the meanings given to them in the Exchange Agreement.

The undersigned Holder hereby surrenders to TILT (or the Partnership, if applicable) effective as of the Exchange Date and, in the case of a contingent exchange, subject to the occurrence of the contingency set forth below, the number of Partnership Interests set forth below in Exchange for the Common Shares to be issued in its name as set forth below, in accordance with the terms of the Exchange Agreement.

Legal Name of Holder: [ ]

Address: [ ]

[ ]

[ ]

Number of Partnership Interests to be Exchanged: [ ][1]

Timing: Exchange Date (if other than close of business on the date of receipt by TILT and the Partnership): [ ]

The undersigned hereby represents and warrants that (i) the undersigned has full legal capacity to execute and deliver this Notice of Exchange and to perform the undersigned's obligations hereunder; (ii) this Notice of Exchange has been duly executed and delivered by the undersigned and is the legal, valid and binding obligation of the undersigned enforceable against it in accordance with the terms thereof or hereof, as the case may be, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and the availability of equitable remedies; (iii) the Partnership Interests subject to this Notice of Exchange are being surrendered to TILT (or the Partnership, if applicable) free and clear of any pledge, lien, security interest, encumbrance, equities or claim; and (iv) no consent, approval, authorization, order, registration or qualification of any third party or with any court or governmental agency or body having jurisdiction over the undersigned or the Partnership Interests subject to this Notice of Exchange is required to be obtained by the undersigned for the surrender of such Partnership Interests to TILT, or the Partnership, as the case may be.

1 Note to Holder: Any Exchange must include, at a minimum, the lesser of (i) 5,000 Partnership Interests (subject to adjustment as provided in Section 3.03 of the Exchange Agreement) and (ii) all of the vested Partnership Interests of the undersigned Holder.

The undersigned hereby irrevocably constitutes and appoints any officer of TILT or the Partnership as the attorney of the undersigned, with full power of substitution and resubstitution in the premises, to do any and all things and to take any and all actions that may be necessary to surrender to TILT (or the Partnership, if applicable) the Partnership Interests subject to this Notice of Exchange and to deliver to the undersigned the Common Shares to be delivered in Exchange therefor.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Notice of Exchange to be executed and delivered by the undersigned or by its duly authorized attorney.

By: _____
Name:
Title:

EXHIBIT B

FORM OF
JOINDER AGREEMENT

This Joinder Agreement (this "Joinder Agreement") is a joinder to the Exchange Agreement, dated as of January 7, 2019 (as amended from time to time, the "Agreement"), by and among Jimmy Jang, L.P., a Delaware limited partnership (the "Partnership"), TILT Holdings Inc., a British Columbia company ("TILT"), and the holders of Units (as defined therein) and Rights (as defined therein) from time to time party thereto (each, a "Holder"). Capitalized terms used but not defined in this Joinder Agreement shall have the meanings given to them in the Agreement. This Joinder Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law rules of such State that would result in the application of the laws of any other State. In the event of any conflict between this Joinder Agreement and the Agreement, the terms of this Joinder Agreement shall control.

The undersigned, having acquired Units, hereby joins and enters into the Agreement. By signing and returning this Joinder Agreement to TILT and the Partnership, the undersigned (i) accepts and agrees to be bound by and subject to all of the terms and conditions of and agreements of a Holder contained in the Agreement, with all attendant rights, duties and obligations of a Holder thereunder and (ii) makes each of the representations and warranties of a Holder set forth in Section 4.02 of the Agreement as fully as if such representations and warranties were set forth herein. The parties to the Agreement shall treat the execution and delivery hereof by the undersigned as the execution and delivery of the Agreement by the undersigned and, upon receipt of this Joinder Agreement by TILT and by the Partnership, the signature of the undersigned set forth below shall constitute a counterpart signature to the signature page of the Agreement.

Name: [ ]

Address for Notices: [ ]

[ ]

[ ]

With Copies to: [ ]

[ ]

[ ]

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Joinder Agreement to be executed and delivered by the undersigned or by its duly authorized attorney.

By: _____
Name:
Title:

Exhibit 10.1

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

LOAN AGREEMENT

This Loan Agreement dated as of August 24, 2021, is entered into by and between CGSF Group LLC (formerly known as CGV Group LLC) ("Borrower") and SFNY Holdings, Inc. ("Lender").

RECITALS

WHEREAS, Borrower has requested Lender to lend it up to the sum of Eighteen Million and No/100 Dollars ($18,000,000.00) (the "Loan Amount") the proceeds of which are for Borrower's use funding Borrower's Loan Commitment Amount, as such term is defined in that certain Amended and Restated Loan Agreement (as may be amended, supplemented, modified and/or restated from time to time, the "CGSF Loan Agreement"), dated as of the date hereof, by and between the Shinnecock Indian Nation, a federally recognized Indian tribe, and Little Beach Harvest LLC, a wholly-owned corporation of the Nation, as borrowers and Borrower, as lender.

WHEREAS, Lender is willing to lend the Loan Amount to Borrower upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. DEFINITIONS; LOAN AND TERMS OF PAYMENT.

1.1 Definitions. As used in this Agreement, the following terms shall have the following respective definitions:

"Business Day" means each day other than a Saturday, a Sunday, a United States federal holiday, or other day on which commercial banks in New York are not open for business.

"Closing Date" means the date of this Agreement.

"Event of Default" means any event specified in Article 8 hereof.

"Indebtedness" means (a) all indebtedness for borrowed money and (b) all obligations evidenced by notes, bonds, debentures or similar investments.

"Insolvency Proceeding" means any proceeding commenced by or against any person or entity under any provision of the United States Bankruptcy Code, as amended, or under any other bankruptcy or insolvency law, including assignments for the benefit of creditor, formal or informal moratoria, compositions, extension generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"Lender Expenses" means all reasonable costs or expenses (including reasonable attorneys' fees and expenses) incurred in connection with the preparation, negotiation, administration, and enforcement of the Loan Documents; and Lender's reasonable attorneys' fees and expenses incurred in amending, enforcing or defending the Loan Documents (including fees and expenses of appeal), incurred before, during and after an Insolvency Proceeding or Event of Default, whether or not suit is brought.

"Lien" means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

"Loan Documents" means, collectively, this Agreement, the Note and any other agreement entered into in connection with this Agreement, all as amended or extended from time to time.

"Maturity Date" shall mean the fifteenth anniversary of the Closing Date.

"Note" is defined in Section 1.2(c).

"Obligations" means all debt, principal, interest, Lender Expenses and other amounts owed to Lender by Borrower pursuant to this Agreement or any other agreement, whether absolute or contingent, due or to become due, now existing or hereafter arising, including any interest that accrues after the commencement of an Insolvency Proceeding and including any debt, liability, or obligation owing from Borrower to others that Lender may have obtained by assignment or otherwise.

"Person" means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, association, corporation, institution, public benefit corporation, joint stock company, estate, entity or governmental agency.

1.2 Credit Extensions

(a) SFNY Loan. Subject to and upon the terms and conditions of this Agreement, on the Closing Date, Lender shall make advances to the Borrower in an aggregate principal amount outstanding at any one time not to exceed the Loan Amount, and the Borrower may borrow under this Section 1.2(a), repay or prepay such advances, and reborrow under this Section 1.2(a). The amounts loaned to the Borrower pursuant to the credit facility described in this Section 1.2(a) are referred to herein as the "SFNY Loan".

(b) Repayment. Interest and principal shall be payable in an amount and at such times as Borrower, as lender, shall have received payment under the CGSF Loan Agreement but in any event all Obligations shall be due and payable on the Maturity Date.

(c) Promissory Note. The SFNY Loan shall be evidenced by a promissory note (the "Note") in the principal amount of $18,000,000 and in form and substance satisfactory to Lender.

1.3 Interest Rates, Payments, and Calculations.

(a) Interest Rate. Except as set forth in Section (b), the SFNY Loan shall bear interest at a rate equal to 9.00% per annum.

(b) Payments. Borrower promises to pay to the order of Lender, in lawful money of the United States of America, the principal amount of the SFNY Loan as provided in this Agreement plus interest on the unpaid principal amount of such SFNY Loan at rates in accordance with the terms hereof. All payments shall be free and clear of any taxes, withholdings, duties, impositions or other charges, to the end that Lender will receive the entire amount of any Obligations payable hereunder, regardless of the source of payment.

1.4 Term. This Agreement shall become effective on the Closing Date and shall continue in full force and effect for so long as any Obligations remain outstanding.

2. CONDITIONS OF LOANS.

2.1 Conditions Precedent to SFNY Loan. The obligation of Lender to make the SFNY Loan is subject to the conditions precedent that Lender shall have received, in form and substance satisfactory to Lender, and, as appropriate, executed by Borrower, the following:

(a) this Agreement;

(b) the Note;

(c) the CGSF Loan Agreement, executed and delivered by the parties thereto;

(d) All corporate and other legal proceedings and all instruments and documents in connection with the transactions contemplated by this Agreement and other Loan Documents (including certified organizational documents, resolutions and incumbency certificates) shall be reasonably satisfactory in form and substance to the Lender and its counsel, and the Lender and its counsel shall have received all information and copies of all documents and records of all corporate and other legal proceedings which the Lender or its counsel has requested, such documents where appropriate to be certified by proper corporate, governmental or other authorities, and in form and substance satisfactory to the Lender;

(e) All corporate, governmental and judicial consents, approvals and waivers and other third party consents, approvals and waivers required to be obtained by the Lender or the Borrower in connection with the entry into, or performance of, this Agreement and the other Loan Documents, shall have been obtained and, if applicable, become final and nonappealable, and shall remain in full force and effect, without the imposition of any conditions that are not acceptable to the Lender;

(f) The Lender shall have received a borrowing notice specifying the amount of such intended borrowing; and

(g) Borrower shall from time to time execute and deliver to Lender, at the reasonable request of Lender, all other documents that Lender may reasonably request, in form reasonably satisfactory to Lender in order to fully consummate all of the transactions contemplated under the Loan Documents.

3. [RESERVED].

4. REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Lender that:

4.1 Status. The Borrower is a duly organized and validly existing limited liability company in good standing under the laws of the State of Delaware. The Borrower has the power and authority to own its property and assets and to transact the business in which it is engaged.

4.2 Power and Authority; Enforceability. The Borrower has the power to execute, deliver and carry out the terms and provisions of the Loan Documents, and the Borrower has taken all necessary action (including any consent of shareholders required by applicable law or by its organizational documents) to authorize the execution, delivery and performance of the Loan Documents. The Loan Documents constitute the authorized, valid and legally binding obligations of Borrower, enforceable against it in accordance with their respective terms, except as such enforceability may be limited by applicable debtor relief laws and by general principles of equity.

4.3 No Conflict. The execution, delivery, and performance of the Loan Documents will not constitute an event of default under any material agreement to which Borrower is a party or by which Borrower is bound. Borrower is not in default under any material agreement to which it is a party or by which it is bound.

4.4 Litigation. There are no actions or proceedings pending by or against Borrower before any court or administrative agency in which an adverse decision could have a Material Adverse Effect.

4.5 Solvency, Payment of Debts. Borrower is solvent and able to pay its debts (including trade debts) as they mature.

4.6 Taxes. Borrower has filed or caused to be filed all tax returns required to be filed, and have paid, or have made adequate provision for the payment of, all taxes reflected therein.

4.7 Full Disclosure. No representation, warranty or other statement made by Borrower in any certificate or written statement furnished to Lender contains any untrue statement of a or omits to state a material fact necessary in order to make the statements contained in such certificates or statements not misleading.

5. AFFIRMATIVE COVENANTS.

The Borrower covenants that from the Closing Date of this Agreement until the SFNY Loan has been fully paid and no Obligations remain, it will:

5.1 Existence. Borrower shall at all times preserve and keep in full force and effect its limited liability company existence and its good standing in all states in which it is formed or required to qualified to do business.

5.2 Compliance with Law. The Borrower shall comply with all applicable laws, and obtain or maintain all permits, franchises and other governmental authorizations and approvals necessary for the ownership, acquisition and disposition of its properties and the conduct of its business the failure of which could reasonably be

expected to result in a material adverse change.

5.3 Taxes. Borrower shall make due and timely payment or deposit of all material federal, state, and local taxes, assessments, or contributions required of it by law.

5.4 Further Assurances. At any time and from time to time Borrower shall execute and deliver such further instruments and take such further action as may reasonably be requested by Lender to effect the purposes of this Agreement.

6. EVENTS OF DEFAULT.

Any one or more of the following events shall constitute an Event of Default under this Agreement.

6.1 Payment Default. If Borrower fails to pay, when due, any of the Obligations hereunder beyond any applicable periods for cure thereof;

6.2 Insolvency or Bankruptcy. If Borrower becomes insolvent, or if an Insolvency Proceeding is commenced by Borrower, or if an Insolvency Proceeding is commenced against Borrower and is not dismissed or stayed within forty-five (45) days;

7. LENDER'S RIGHTS AND REMEDIES.

7.1 Rights and Remedies. Upon the occurrence and during the continuance of any Event of Default, Lender may, at its election, without notice of its election and without demand, do any one or more of the following, all of which are authorized by Borrower:

(a) Declare all Obligations, whether evidenced by this Agreement, by any of the other Loan Documents, or otherwise, immediately due and payable (provided that upon the occurrence of an Event of Default described in Section 6.2, all Obligations shall become immediately due and payable without any action by Lender).

(b) Do such acts as Lender considers necessary or reasonable to protect its security interest in the Collateral.

7.2 Remedies in General. In the event of acceleration pursuant to Section 7.1, all principal and interest, premium, fees, and other amounts shall thereupon become and be immediately due and payable, without presentation, demand, protest, notice of protest or other notice of dishonor of any kind, all of which are hereby expressly waived by the Borrower; and the Lender may proceed to protect and enforce its rights under the Loan Documents in any manner or order it deems expedient without regard to any equitable principles of marshalling or otherwise. In addition to all other rights hereunder or under applicable law, the Lender shall have the right to institute proceedings in equity or other appropriate proceedings for the specific performance of any covenant or agreement made in any of the Loan Documents or for an injunction against the violation of any of the terms of any of the Loan Documents or in aid of the exercise of any power granted in any of the Loan Documents or by Law or otherwise. All rights and remedies given by this Agreement, the Note and the other Loan Documents are cumulative and not exclusive of any of such rights or remedies or of any other rights or remedies available to the Lender, and no course of dealing between Borrower, on one hand, and the Lender, on the other hand, or any delay or omission in exercising any right or remedy shall operate as a waiver of any right or remedy, and every right and remedy may be exercised from time to time and as often as shall be deemed appropriate by the Lender.

7.3 Demand; Protest. In the case of an Event of Default, Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees at any time held by Lender on which Borrower may in any way be liable.

8. NOTICES; ADDRESS FOR PAYMENT.

Unless otherwise provided in this Agreement, all notices or demands by any party relating to this Agreement or any other agreement entered into in connection herewith shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by a recognized overnight delivery service, certified mail, postage prepaid, return receipt requested, or by email to Borrower or to Lender, as the case may be, at its addresses set forth below:

If to Borrower: CGSF Group LLC
c/o TILT Holdings, Inc.
2801 E. Camelback Rd., Suite 180
Phoenix, AZ 85016
Attn: Legal
Email: [***]

If to Lender: SFNY Holdings, Inc.
c/o TILT Holdings, Inc.
2801 E. Camelback Rd., Suite 180
Phoenix, AZ 85016
Attn : Legal
Email: [***]

The parties hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other.

All payments shall be made to Lender's address for notice under this Section, or such other address as Lender may specify from time to time pursuant to this Section.

9. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE.

9.1 Governing Law. This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York.

9.2 Jurisdiction. Each party hereto irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description,

whether in law or equity, whether in contract or in tort or otherwise, against the Lender, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York, and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Borrower or its properties in the courts of any jurisdiction.

9.3 Waiver of Venue. Borrower irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 9.2 of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

10. GENERAL PROVISIONS.

10.1 Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and permitted assigns of each of the parties; provided, however, that neither this Agreement nor any rights hereunder may be assigned by Borrower without Lender's prior written consent, which consent may be granted or withheld in Lender's sole discretion. Lender shall have the right without the consent of or notice to Borrower to sell, transfer, negotiate, or grant participation in all or any part of, or any interest in, Lender's obligations, rights and benefits hereunder or under any Loan Document.

10.2 Indemnification. Borrower shall defend, indemnify and hold harmless Lender and its agents and representatives against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Agreement; and (b) all losses or Lender's Expenses in any way suffered, incurred, or paid by Lender as a result of or in any way arising out of, following, or consequential to transactions between Lender and Borrower under this Agreement (including without limitation reasonable attorneys' fees and expenses), except for losses caused by Lender's willful misconduct or intentional breach of this Agreement.

10.3 Time of Essence. Time is of the essence for the performance of all obligations set forth in this Agreement.

10.4 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

10.5 Amendments in Writing, Integration. Neither this Agreement nor the Loan Documents can be amended or terminated orally. All prior agreements, understandings, representations, warranties, and negotiations between the parties hereto with respect to the subject matter of this Agreement and the Loan Documents, if any, are merged into this Agreement and the Loan Documents.

10.6 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement.

10.7 Survival. All covenants, representations and warranties made in this Agreement shall continue in full force and effect so long as any Obligations remain outstanding. The obligations of Borrower to indemnity Lender with respect to the expenses, damages, losses, costs and liabilities described in Section 10.2 shall survive until all applicable statute of limitations periods with respect to actions that may be brought against Lender have run.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed as of the date first above written.

CGSF GROUP LLC

By: Standard Farms New York, LLC
Its: Manager

By: */s/ Gary F. Santo, Jr.*
Name: Gary F. Santo, Jr.
Title: Authorized Signatory

SFNY HOLDINGS, INC.

By: */s/ Gary F. Santo, Jr.*
Name: Gary F. Santo, Jr.
Title: Authorized Signatory

Exhibit 10.2

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

This Agreement dated for reference October 27, 2021.

BETWEEN:

SANTE VERITAS THERAPEUTICS INC.,
a British Columbia corporation having a
registered office at Suite 2400, 745 Thurlow Street,
Vancouver, British Columbia

(the "**Vendor**")

AND:

1120419 B.C. LTD.
a British Columbia corporation having a
registered office at 4520 Franklin Avenue,
Powell River, British Columbia

(the "**Purchaser**")

RECITALS:

A. The Vendor is the owner of certain tangible and intangible assets which relate to, or are used or held for use in connection the operation of a cannabis growing facility (the "**Business**") located in Powell River, British Columbia.

B. The Vendor has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Vendor, the aforesaid assets on the terms and conditions contained herein.

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

1. **PURCHASE AND SALE**

Upon the terms and subject to the conditions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor, as of October 27, 2021 (the "**Closing Date**") all legal and beneficial right, title and interest in the tangible and intangible assets, including chattels, equipment, furnishings, leasehold improvements, machinery, supplies, plans, licensing information which relate to, or are used or held for use in connection with the Business and are presently located on the premises at 6270 Yew Street, Powell River, B.C. all of which are more particularly described in Schedule A to this Agreement (collectively, the "**Purchased Assets**").

2. **PURCHASED ASSETS "AS IS WHERE IS"**

Subject to the express representations made by the Vendor herein, the Purchased Assets are conveyed by the Vendor to the Purchaser "as is" and "where is", with no representations or warranties as to merchantability, condition or fitness for use.

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3. **PURCHASE PRICE AND PAYMENT**

Subject to the provisions herein, the purchase price for the Purchased Assets is $900,000.00 (the "**Purchase Price**"), and shall be paid and satisfied as follows:

(a) $75,000.00 by lawyer's trust cheque delivered to the Vendor's lawyers on the Closing Date; and

(b) the balance of the purchase price by the forgiveness and release from liability those amounts claimed to be owed by the Vendor to the Purchaser and other contractors as more particularly described in Schedule B to this Agreement (collectively, the "**Existing Liabilities**");

4. **ALLOCATION OF PURCHASE PRICE**

The Purchase Price shall be allocated among the Purchased Assets for all purposes (including tax and financial accounting) as shown on the allocation schedule set forth on Schedule C to this Agreement (the "**Allocation Schedule**"). The Allocation Schedule shall be prepared in accordance with applicable law. Purchaser and Vendor shall file all returns, declarations, reports, information returns and statements and other documents relating to taxes (including amended returns and claims for refund) in a manner consistent with the Allocation Schedule.

5. **SOCIAL SERVICES TAX / GOODS AND SERVICES TAX**

The Purchaser will be liable for and shall pay all provincial sales taxes, registration charges and transfer fees properly payable upon and in connection with the sale and transfer of the Purchased Assets by the Vendor to the Purchaser (the "**Transfer Taxes**"), including all applicable goods and services tax imposed under Part IX of the *Excise Tax Act* (Canada) and any applicable provincial sales tax imposed under the *Provincial Sales Tax Act* (British Columbia). Subject to Section 6(b), the Purchaser shall pay the applicable GST and PST to Vendor on Closing concurrent with the payment of the Purchase Price.

6. **TAX ELECTIONS**

The Vendor and the Purchaser agree:

(a) to jointly elect in the prescribed manner and at the prescribed time in their returns pursuant subsection 13(4.2) of the *Income Tax Act* (Canada), and the corresponding provisions of applicable provincial legislation, to have such provisions apply in respect of the purchase and sale of the Purchased Assets; and

(b) at closing, to make the elections provided for by s. 167 of the *Excise Tax Act*.

7. **COVENANT TO PAY TRANSFER TAXES**

The Purchaser agrees to promptly pay all Transfer Taxes, or other taxes, duties, claims or charges imposed on and/or related to the sale of the Purchased Assets to the Purchaser under this Agreement by any tax authority or other governmental agency and to defend, indemnify and hold the Vendor harmless from and against any such taxes, duties, claims, or charges and any penalties and interest charged thereon for payment thereof by any tax authority or other governmental agency. To the extent that a payment made hereunder is deemed to be inclusive of GST or similar taxes pursuant to section 182 of the ETA or similar legislation to be inclusive of GST or a similar tax, the amount payable shall be grossed up accordingly. Purchaser is registered under subdivision d of Division V of Part IX of the *Excise Tax Act (Canada)* with registration number 711862920 RT0001. The Purchaser shall self-assess and remit the applicable GST imposed under Part IX of the *Excise Tax Act (Canada)* (the "**ETA**"), in respect of the real property Purchased Assets, to the Receiver General of Canada as required by subsection 228(4) of the ETA. The Vendor will, by virtue of paragraph 221(2)(b) of the ETA, not be required to collect GST from the Purchaser in respect of the real property Purchased Assets.

8. **INDEMNIFICATIONS**

The Purchaser agrees to defend, indemnify and hold harmless Vendor, any parent, subsidiary or affiliate of Vendor, including TILT Holdings Inc. ("TILT"), and any director, officer, employee, stockholder, agent or attorney of Vendor or of any parent, subsidiary or affiliate of Seller, including TILT, from and against and in respect of any Loss which arises out of or results from:

(a) any breach by Purchaser of any covenant, or the inaccuracy or untruth of any representation or warranty of Purchaser made herein;

(b) the use of the Purchased Assets after the Closing;

(c) applicable Transfer Taxes and any interest and penalties charged thereon, assessed against Vendor by any governmental authority if such Transfer Taxes should have been payable by the Purchaser or as a result of the Vendor failing to collect or the Purchaser failing to pay or remit any Transfer Taxes.

The Vendor agrees to defend, indemnify and hold harmless the Purchaser, any parent, subsidiary or affiliate of the Purchaser, and any director, officer, employee, agent or attorney of the Purchaser or of any parent, subsidiary or affiliate of the Purchaser (collectively, the "Vendor Indemnitees") from and against and in respect of any Loss which arises out of or results from:

(a) any breach by the Vendor of any covenant, or the inaccuracy or untruth of any representation or warranty of the Vendor made herein; and

(b) any applicable Transfer Taxes and any interest and penalties charged thereon, assessed against the Purchaser by any governmental authority as a result of the Vendor failing to pay or remit such Transfer Taxes, provided such Transfer Taxes were paid or remitted by the Purchaser to the Vendor.

For the purpose of this Section 8 and when used elsewhere in this Agreement, "Loss" shall mean and include any and all liability, loss, damage, claim, expense, cost, fine, fee, penalty, obligation or injury including, without limitation, those resulting from any and all actions, suits, proceedings, demands, assessments, judgments, award or arbitration, together with reasonable costs and expenses including the reasonable attorneys' fees and other legal costs and expenses relating thereto.

9. **PURCHASED ASSETS "AS IS WHERE IS"**

The Vendor is selling and the Purchaser is acquiring all right, title and interest in and to the Purchased Assets "as is" and "where is", with no representations or warranties as to merchantability, fitness or usability or in any other regard (except for the limited representations and warranties specifically set forth below) and the Vendor does not agree to defend, indemnify or hold harmless Purchaser, or any parent, subsidiary or affiliate of Purchaser, or any director, officer, employee, shareholder, agent or attorney of Purchaser or of any parent, subsidiary or affiliate of Purchaser from and against and in respect of any Loss which arises out of or results from the transaction described herein; provided, however, that nothing in this Section 9 shall relieve Vendor of any liability for breach of this Agreement (including the representations and warranties specifically set forth below).

10. **VENDOR REPRESENTATIONS**

The Vendor represents and warrants to the Purchaser as representations and warranties that are true as at the date hereof, and will be true at the Closing Date, and that are to continue and to survive the purchase of the Purchased Assets, that:

(a) the Vendor is duly incorporated, validly existing, and in good standing with respect to the filing of annual reports under the law of British Columbia has full power, authority and capacity to enter into this Agreement and to carry out the transactions contemplated herein;

(b) all necessary corporate action on the part of the directors and shareholders of the Vendor has been taken to authorize and approve the execution and delivery of this Agreement and the completion of the transactions contemplated herein;

(c) to the Vendor's knowledge after reasonable inquiry, the Vendor is the sole legal and beneficial owner of the Purchased Assets and has a good marketable title to the Purchased Assets free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances and other claims except for the Existing Liabilities;

(d) except for the Existing Liabilities, to the knowledge of the Vendor, there is no litigation or administrative or governmental proceeding or inquiry pending, or threatened against or relating to the Assets, nor does the Vendor know of any reasonable basis for any such action, proceeding or inquiry;

(e) the Vendor sells, assigns, transfers and conveys all of its right, title and interest in and to the Assets to the Purchaser "as is" and "where is", with no representations or warranties as to merchantability, fitness or use; and

(f) the Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act*.

11. **PURCHASER REPRESENTATIONS**

The Purchaser represents and warrants to the Vendor as representations and warranties that are true as at the date hereof, and will be true at the Closing Date, and that are to continue and to survive the purchase of the Purchased Assets, that:

(a) the Purchaser is duly incorporated, validly existing, and in good standing with respect to the filing of annual reports under the law of British Columbia has full power, authority and capacity to enter into this Agreement and to carry out the transactions contemplated herein;

(b) all necessary corporate action on the part of the directors and shareholders of the Purchaser has been taken to authorize and approve the execution and delivery of this Agreement and the completion of the transactions contemplated herein;

(c) except for the Existing Liabilities, there is to the knowledge of the Purchaser no litigation or administrative or governmental proceeding or inquiry pending against or relating to the Purchased Assets, or which would prevent, enjoin or otherwise delay the transactions contemplated by this Agreement, nor does the Purchaser know of any reasonable basis for any such action, proceeding or inquiry;

(d) the Purchaser is acquiring the Purchased Assets "as is" and "where is", and has conducted its own independent investigation, review and analysis as to merchantability, condition and fitness for use of the Purchased Assets and has relied solely upon its own investigation and the express representations and warranties of the Vendor set forth in this Agreement in proceeding with the transactions contemplated herein;

(e) neither the Vendor or any other person has made any representation or warranty as to the Purchased Assets, except as expressly set forth in section 9 of this Agreement; and

(e) the Purchaser is not a non-resident of Canada within the meaning of the *Income Tax Act*.

12. **SURVIVAL OF REPRESENTATIONS**

All representations and warranties made by Purchaser herein, or in any certificate, schedule or exhibit delivered pursuant hereto, shall survive the Closing for a period of two (2) years after the Closing. All representations and warranties made by Vendor herein, or in any certificate, schedule or exhibit delivered pursuant hereto, shall survive the Closing for a period of three (3) months after the Closing.

13. **CONFIDENTIALITY**

Each Party agrees to keep in strict confidence all information regarding the final terms of this Agreement. The provisions of this paragraph shall not apply to disclosure to a Party's legal, accounting or other professional advisors under the same condition of confidentiality, or to any information which is or shall become part of the public domain (unless through a breach of this Agreement), or which is obtained from third parties with a right to disclose such information free of any obligation of confidentiality. A Party is permitted to disclose any such confidential information if required to do so by law (including any order of a court or regulatory authority); provided, however, the disclosing Party shall promptly notify the other Party of any such requirement and shall limit the disclosure of such confidential information to the extent reasonably possible.

14. **PUBLIC ANNOUNCEMENTS**

The parties hereto shall not issue any report, statement or press release or otherwise make any public statement with respect to this Agreement and the transactions contemplated hereby without prior consultation with and approval of the other parties, except as required by law, and the Purchaser acknowledges that TILT may be required to disclose this Agreement and the transactions contemplated hereby in accordance with applicable laws.

15. **PURCHASER'S CONDITIONS PRECEDENT**

The obligation of the Purchaser to complete the transactions contemplated herein on the Closing Date is subject to the following conditions (the "**Purchaser's Conditions**") being satisfied or waived on or before 5:00 p.m. on October 27, 2021:

(a) the Purchaser having arranged for the release and discharge of the Existing Liabilities; and

(b) the Purchaser having entered into an agreement with Meridian 125W Cultivation Ltd. with respect to the acquisition of the Purchased Assets or the assignment of this Agreement.

The Purchaser's Conditions are for the Purchaser's sole benefit and may be waived unilaterally by the Purchaser, at the Purchaser's election and if such Purchaser's Conditions are not satisfied or waived within the time herein provided then the Purchaser's obligation to purchase the Purchased Assets will be at an end, provided that the Purchaser shall remain bound by the confidentiality provisions of section 11 hereof.

16. **VENDOR'S CONDITION PRECEDENT**

The obligation of the Vendor to complete the transactions contemplated herein on the Closing Date is subject to the following condition (the "**Vendor's Condition**") being satisfied or waived on or before 5:00 p.m. on October 27, 2021:

(a) the Vendor having arranged for the satisfactory release and discharge of the Vendor's obligations under the lease agreement between the Vendor and the City of Powell River dated for reference November 15, 2016, as amended on July 7, 2017;

(b) the Vendor being satisfied with the form and substance of the release and discharge of the Existing Liabilities provided by the Purchaser in part satisfaction of the Purchase Price.

The Vendor's Condition is for the Vendor's sole benefit and may be waived unilaterally by the Vendor, at the Vendor's election and if such Vendor's Condition is not satisfied or waived within the time herein provided then the Vendor's obligation to sell the Purchased Assets will be at an end, provided that the Vendor shall remain bound by the confidentiality provisions of section 11 hereof.

17. **TIME AND PLACE OF CLOSING**

Subject to the terms and conditions of this Agreement, the purchase and sale of the Purchased Assets will be completed at a closing to be held at 11:00 a.m., local time in Vancouver, British Columbia, on the Closing Date at the offices of the Purchaser's solicitors or at such other time and date agreed upon in writing between the parties.

18. **FINALIZATION OF ASSET LIST**

Three days prior to the Closing, or at such earlier timed as the parties may agree, representatives of the Vendor and the Purchaser will jointly conduct a physical inspection of

the Purchased Assets and record in writing an itemized list of Purchased Assets which will be signed by the Vendor and the Purchaser or their representatives and shall constitute the final list of Purchased Assets conveyed by the Vendor to the Purchaser.

19. **DOCUMENTS TO BE DELIVERED BY THE VENDOR**

At the closing the Vendor will deliver or cause to be delivered to the Purchaser:

(a) a Bill of Sale in the form set out in Schedule D, and all such transfers and assignments, in form and content satisfactory to the Purchaser's counsel, appropriate to effectively vest a good and marketable title to the Purchased Assets in the Purchaser to the extent contemplated by this Agreement;

(b) possession of the Purchased Assets;

(c) the elections under s. 167 of the *Excise Tax Act* as contemplated in section 5 hereof; and

(d) certified copies of those resolutions of the shareholders and directors of the Vendor required to be passed to authorize the execution, delivery and implementation of this Agreement and of all documents to be delivered by the Vendor under this Agreement.

20. **DOCUMENTS TO BE DELIVERED BY THE PURCHASER**

At the closing the Vendor will deliver or cause to be delivered to the Purchaser:

(a) lawyer's trust cheque for that portion of the Purchase Price payable in cash;

(b) the release and discharge of the Existing Liabilities, in a form reasonably satisfactory to the Vendor's solicitors; and

(c) the elections under s. 167 of the *Excise Tax Act* as contemplated in section 4 hereof; and

(d) certified copies of those resolutions of the shareholders and directors of the Purchaser required to be passed to authorize the execution, delivery and implementation of this Agreement and of all documents to be delivered by the Purchaser under this Agreement.

21. **AS-IS SALE; DISCLAIMERS; RELEASE**

PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING VENDOR SHALL SELL AND CONVEY ALL OF ITS RIGHT, TITLE AND INTEREST IN AND TO THE PURCHASED ASSETS TO PURCHAER AND VENDOR SHALL ACCEPT THE PURCHASED ASSETS "AS IS, WHERE IS, WITH ALL FAULTS". PURCHASER HAS NOT RELIED AND WILL NOT RELY ON, AND VENDOR AND ITS AFFILIATES, INCLUDING TILT, DO NOT MAKE, HAVE NOT MADE (AND HEREBY EXPRESSLY DISCLAIM) AND ARE NOT LIABLE FOR OR BOUND BY, ANY EXPRESS, IMPLIED OR STATUTORY WARRANTIES, GUARANTEES, STATEMENTS, REPRESENTATIONS OR INFORMATION, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT AND ANY WARRANTIES THAT MAY ARISE FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE PERTAINING TO THE PURCHASED ASSETS OR RELATING THERETO MADE OR FURNISHED BY VENDOR OR ITS AFFILIATES OR REPRESENTATIVES, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, EXCEPT AS EXPRESSLY STATED HEREIN. BUYER ALSO ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE PURCHASED ASSETS ARE BEING SOLD "AS IS, WHERE IS, WITH ALL FAULTS."

22. **INSPECTIONS AND INVESTIGATIONS**

PURCHASER ACKNOWLEDGES TO VENDOR THAT PURCHASER HAS HAD THE OPPORTUNITY TO CONDUCT PRIOR TO CLOSING SUCH INSPECTIONS AND INVESTIGATIONS OF THE PURCHASED ASSETS AS BUYER DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE PURCHASED ASSETS AND ITS ACQUISITION THEREOF. PURCHASER FURTHER WARRANTS AND REPRESENTS TO VENDOR THAT PURCHASER IS RELYING SOLELY ON ITS OWN REVIEW AND OTHER INSPECTIONS AND INVESTIGATIONS IN THIS TRANSACTION AND NOT UPON THE INFORMATION PROVIDED BY OR ON BEHALF OF VENDOR, OR ITS AFFILIATES, INCLUDING TILT, AGENTS, EMPLOYEES OR REPRESENTATIVES WITH RESPECT THERETO. PURCHASER HEREBY ASSUMES THE RISK THAT ADVERSE MATTERS INCLUDING, BUT NOT LIMITED TO, LATENT OR PATENT DEFECTS, ADVERSE PHYSICAL OR OTHER ADVERSE MATTERS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S REVIEW AND INSPECTIONS AND INVESTIGATIONS.

23. **NOTICES**

All notices, directions, or other instruments required or permitted to be given to the parties hereto shall be in writing and shall be delivered to the address of the party to whom it is directed as set below:

to the Vendor:	Sante Veritas Therapeutics Inc. 2801 E.Camelback Rd. #180 Phoenix, AZ 85018
	Attention: Legal Department
	Email: [***]
with a copy to: (which shall not constitute notice)	McCarthy Tetrault LLP 745 Thurlow Street, Suite 2400 Vancouver, BC V6E 0C5

and

to the Purchaser:	1120419 B.C. Ltd. 4520 Franklin Avenue Powell River, BC V8A 3E3

Attention: Chris Orlinis

Email: [***]

Every such notice shall be deemed to have been given:

(a) when delivered by hand (with written confirmation of receipt);

(b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested);

(c) on the date sent by email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or

(d) on the third (3rd) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this section 9.05).

24. **CHANGE OF ADDRESS**

Either Party may change the address for notice shown in this agreement by delivering notice to the other Party of the new address, and such change will take effect 1 day after the notice is delivered.

25. **FURTHER ASSURANCES**

This agreement constitutes the legal transfer by the Vendor of title to the Purchased Assets to the Purchaser as of the Effective Date. The Vendor shall, from time to time as and when requested by the Purchaser, and at the expense of the Purchaser, do, execute and cause to be made, done and executed all such further documents, assignments and assurances that may be necessary and that may be reasonably required by the Purchaser for more completely and effectively vesting the Purchased Assets in the Purchaser and whether for the purpose of registration or otherwise. The parties hereby agree that they will execute all such documents, instruments and agreements and perform such further acts and supply to any federal or provincial taxing authority such information as may be necessary from time to time to carry out the terms and intent of this agreement.

26. **ASSIGNMENT**

The Purchaser may assign and transfer all, but not less than all, of its rights and interest under this Agreement to Meridian 125W Cultivation Ltd., provided that (a) notice of such assignment is delivered to the Vendor; and (b) the Purchaser remains jointly and severally liable with Meridian 125W Cultivation Ltd. for all of obligations of the Purchaser hereunder.

27. **SURVIVAL OF CERTAIN OBLIGATIONS**

Notwithstanding the assignment or termination of this Agreement, The obligations with respect to confidentiality set out in sections 12 and 13 herein shall such assignment or termination and continue in full force and effect.

28. **EXPENSES**

All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses

29. **MODIFICATION**

This agreement may not be modified or amended except by an instrument in writing signed by the parties hereto or their respective successors or assigns.

30. **ENUREMENT**

This agreement and all of its terms and provisions shall be binding upon and enure to the benefit of the parties hereto and their respective successors, assigns, heirs and legal representatives.

31. **SEVERABILITY**

Should any part of this agreement be declared or held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this agreement which shall continue in full force and effect and be construed as if this agreement had been executed without any such invalid or unenforceable portion and it is hereby declared the intention of the parties hereto that this agreement would have been executed without reference to any portion that may for any reason be hereafter declared or held invalid or unenforceable.

32. **LEGAL COUNSEL**

Each party hereto acknowledges having been advised to obtain independent legal advice prior to signing this Agreement and by signing this Agreement that party represents to the other parties that it did obtain whatever independent legal advice deemed appropriate by that party.

33. **LIMITED RECOURSE**

This Agreement may only be enforced against, and any claim, action, suit or other legal proceeding based upon, arising out of or related to this Agreement, or the negotiation, execution or performance of this Agreement, may only be brought against the entities that are expressly named as parties hereto and then only with respect to the specific obligations set forth herein with respect to such party. No past, present or future director, officer, employee, incorporator, manager, member, partner, stockholder, affiliate, agent, attorney or other representative of any party hereto or of any affiliate of any party hereto, or any of their successors or permitted assigns, shall have any liability for any obligations or liabilities of any party hereto under this Agreement or for any claim, action, suit or other legal proceeding based on, in respect of or by reason of the transactions contemplated hereby.

The parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from intentional fraud on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement shall be pursuant to the indemnification provisions set forth in Section 8. In furtherance of the foregoing, each party hereby waives, to the fullest extent permitted under law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other parties hereto and their affiliates and each of their respective representatives arising under or based upon any law, except pursuant to the indemnification provisions set forth in Section 8. Nothing in this Section 33 shall limit any person's right to seek and obtain any equitable relief to which such person shall be entitled.

34. **GOVERNING LAW**

This agreement shall be governed by and be construed in accordance with the laws of the Province of British Columbia and of Canada as applicable therein.

35. **ARBITRATION**

Any controversy, dispute, disagreement, or claim arising out of, relating to or in connection with this Agreement or any breach thereof, including any question regarding its existence, validity, or termination (each, a "**Dispute**"), shall be referred to, and finally and conclusively resolved by, binding arbitration. The following provisions shall govern any arbitration hereunder:

(a) The place of arbitration shall be Vancouver, British Columbia, Canada and the law applicable to the substance of any Dispute shall be the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

(b) Except to the extent the Parties agree otherwise in writing, the arbitration will be conducted in accordance with the Arbitration Act, S.B.C. 2020, c. 2 (the "Act"), the Vancouver International Arbitration Centre Domestic Arbitration Rules(the "Rules") and this Agreement.

(c) Notwithstanding the Rules, the Vancouver International Arbitration Centre (the "Centre") shall not administer the arbitration. Rules calling for the Centre to administer the arbitration shall not apply.

(d) An arbitration shall be commenced by delivering a notice to the other Party demanding arbitration under this Agreement, which notice must be delivered in accordance with the notice provisions of this Agreement and must contain a concise description of the matter in dispute.

(e) The arbitration will be conducted by a single arbitrator. If, within twenty (20) days of the delivery of a notice demanding arbitration, the parties cannot agree on a suitable arbitrator, an arbitrator shall be selected in accordance with sections 14 and 28 of the Rules.

(f) The language of the arbitration, including the hearings, documentation and award, shall be English.

(g) A party may seek to enforce an arbitral award in any court having jurisdiction.

(h) The Parties shall equally share the fees of the arbitrator and any applicable facility fees.

(i) The Parties shall each bear their own legal costs and expenses of the arbitration.

(j) Any decision of the arbitrator shall be final and binding on the Parties and their respective successors and assigns. Rules related to an Optional Arbitration Appeal shall not apply.

(k) The arbitration procedures, hearings, documents and award shall remain strictly confidential between the parties.

36. **SCHEDULES**

The following Schedules attached hereto are incorporated herein and form part of this Agreement:

A - Purchased Assets;
B – Existing Liabilities
C – Allocation
D – Bill of Sale

37. **HEADINGS**

The headings of the clauses of this agreement are inserted for convenience of reference only and shall not constitute a part hereof.

38. **TIME OF ESSENCE**

Time shall be of the essence of this agreement.

39. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts and by facsimile or other electronic means, each of which shall together, for all purposes, constitute one and the same instrument, binding on the parties, and each of which shall together be deemed to be an original, notwithstanding that all of the parties are not signatory to the same counterpart.

IN WITNESS WHEREOF this agreement was duly executed by the parties to take effect as of the day and year first above written.

SANTE VERITAS THERAPEUTICS INC.
by its authorized signatory:

/s/ Gary Santo

Name: Gary Santo
Title: Director

1120419 B.C. LTD.
by its authorized signatory:

/s/ Chris Orlinis
Name: Chris Orlinis
Title: President

SCHEDULE "A"

Purchased Assets

[*]

Excluded Assets

For greater certainty, the parties acknowledge that the following do not form a part of and are excluded from the Purchased Assets being transferred under this agreement.

1. Books and records held in storage by Iron Mountain.

2. All assets currently located at Vendor's office location on Marine Ave., Powell River, British Columbia and more particularly described below.

SCHEDULE "B"

Existing Liabilities

[***]

SCHEDULE "C"

Allocation of Purchase Price

Equipment	$	75,000.00
Leasehold Improvements	$	825,000.00

SCHEDULE "D"

Bill of Sale

BILL OF SALE (ABSOLUTE)

This Bill of Sale is made the27th day of October, 2021.

BETWEEN:

SANTE VERITAS THERAPEUTICS INC.

(the "Vendor")

AND:

MERIDIAN 125W CULTIVATION LTD.

(the "Purchaser")

WHEREAS:

A. The Vendor is the owner of the chattels (hereinafter called the "Chattels") described in the Schedule hereto.

B. The Purchaser has agreed to purchase the Chattels from the Vendor.

NOW THIS BILL OF SALE WITNESSES THAT*:* in consideration of $10.00 and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by all parties.

1. The Vendor hereby warrants and agrees with the Purchaser that:

   (a) the Vendor has title to the Chattels and good right to sell them to the Purchaser;

   (b) the Purchaser shall hold the Chattels for the Purchaser's own use and benefit, without any claim or demand of the Vendor or any other person;

   (c) the Vendor shall indemnify the Purchaser against any charge or encumbrance which may be presently existing upon the Chattels, except such as may be set forth in the Schedule; and

   (d) the Vendor shall execute such further assurances of the Chattels as the Purchaser may reasonably require.

2. This Bill of Sale shall enure to the benefit of and be binding upon the parties hereto and their respective personal representatives, successors and assigns, as the case may be.

IN WITNESS WHEREOF the Vendor has executed this Bill of Sale effective the day and year first above written

SANTE VERITAS THERAPEUTICS INC.
Per:

Gary Santo, Director

MERIDIAN 125W CULTIVATION LTD.
Per:

Sanjay Sharma, Director

SCHEDULE

To Bill of Sale dated October 27th, 2021 respecting the tangible assets used by Sante Veritas Therapeutics Inc. in the business located at 6270 Yew Street, Powell River, British Columbia V8A 4K1 (the "Premises").

All equipment as listed in the attached Equipment List, and leasehold improvements at the Premises, as more particularly described in that Asset Purchase Agreement dated October 27th, 2021 among, inter alia, the Vendor and Sanjay Sharma, later assigned to the Purchaser, and all addendums thereto.

The purchase price of the Chattels shall be $900,000.00 to be allocated as follows:

Equipment: $75,000.00
Leasehold Improvements: $825,000.00

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

SENIOR SECURED NOTE PURCHASE AGREEMENT

This Senior Secured Note Purchase Agreement (this "**Agreement**"), dated as of November 1, 2019, is entered into by and among JIMMY JANG, L.P., a Delaware limited partnership ("**Jimmy Jang**"), BAKER TECHNOLOGIES, INC., a Delaware corporation ("**Baker**"), COMMONWEALTH ALTERNATIVE CARE, INC., a Massachusetts corporation ("**CAC**"), JUPITER RESEARCH, LLC, an Arizona limited liability company ("**Jupiter**"), and each of the undersigned parties executing this agreement as a Borrower (collectively, with their respective successors and assigns, and together with Jimmy Jang, Baker, CAC and Jupiter, collectively, the " **Borrowers**" and each a "**Borrower**"), TILT HOLDINGS INC., a British Columbia corporation (the "**Parent**"), NR 1, LLC, a Delaware limited liability company, as noteholder representative (the "**Note holder Representative**") on behalf of the purchasers (each, individually a "**Purchaser**," and collectively, the "**Purchasers**") named on the Schedule of Purchasers attached hereto (the "**Schedule of Purchasers**"), and the PURCHASERS. For greater certainty, the term "**Purchasers**" on any given date shall mean the holders of Notes (as herein defined) as of such date of determination.

WHEREAS, the Borrowers wish to issue and sell to the Purchasers, and the Purchasers wish to purchase from the Borrowers, up to U.S. Thirty-Five Million and No/100 Dollars (U.S. $35,000,000.00) in senior secured promissory notes.

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 is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Capitalized terms not otherwise defined in this Agreement will have the meanings set forth in this Section 1.

1.1 "**Accounts Payable**" means the accounts payable of the Borrowers and material Subsidiaries outstanding as of the date of the Initial Closing.

1.2 "**Additional Closing**" has the meaning set forth in Section 3.2 of this Agreement.

1.3 "**Additional Notes**" has the meaning set forth in Section 3.2 of this Agreement.

1.4 "**Additional Purchasers**" has the meaning set forth in Section 3.2 of this Agreement.

1.5 "**Affiliate**" shall mean, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the specified Person. For the purposes of this definition, "**Control**" shall mean the possession, directly or indirectly, of more than fifty percent (50%) of the voting equity interests and the right to exercise same. The terms "**Controlling**" and "**Controlled**" have meanings correlative thereto.

1.6 "**Agreement**" has the meaning set forth in the preamble to this Agreement.

1.7 "**Applicable Securities Legislation**" means, at any time, all securities laws and the respective rules and regulations under such laws together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other applicable regulatory instruments of the securities regulatory authorities applicable to the Parent or to which it is subject.

1.8 "**Baker**" has the meaning set forth in the preamble to this Agreement.

1.9 "**Board**" means the Board of Directors of the Parent.

1.10 "**Borrowers**" has the meaning set forth in the preamble to this Agreement.

1.11 "**Business Day**" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close in Boston, Massachusetts.

1.12 "**CAC**" has the meaning set forth in the preamble to this Agreement.

1.13 "**Canadian Security Agreement**" means that certain Security Agreement entered into by the Parent and the Noteholder Representative.

1.14 "**Change of Control**" means (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, as amended, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of thirty-five percent (35%) or more of the Equity Interests of the Parent entitled to vote for members of the board of directors or equivalent governing body of the Parent on a fully-diluted basis (and taking into account all such Equity Interests that such "person" or "group" has the right to acquire pursuant to any option right); or (ii) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Parent cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (excluding, in the case of both clause (ii) and clause (iii), any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors), in each case other to the extent occurring in accordance with the terms of this Agreement.

1.15 "**Closing**" has the meaning set forth in Section 3.2 of this Agreement.

1.16 "**Commission**" means the United States Securities and Exchange Commission. 1.17 "**Common Stock**" means the Parent's common shares, without par value.

1.18 "**Confidential Information**" has the meaning given to such term in Section 6.19 of this Agreement.

1.19 "**Consideration**" means the total purchase price for, being the aggregate principal amount of, the Notes purchased hereunder. The cash Consideration means that portion of the Consideration received by the Borrowers in cash at the Closing.

1.20 "**Constating Documents**" means: (a) with respect to a corporation, its constitution, articles or certificate of incorporation, amalgamation or continuance or other similar documents and its by-laws (if any); and (b) with respect to a limited liability company or limited partnership, its articles or certificate of formation or limited partnership, as the case may be, and its limited liability company or limited partnership agreement, as the case may be, in each case as amended or supplemented from time to time.

1.21 "**DACA Bank**" has the meaning given to such term in Section 6.15 of this Agreement.

1.22 "**DACAs**" mean the deposit account control agreements entered into or to be entered into in respect of the bank accounts of the Parent, the Borrowers and the Guarantors in favor of the Noteholder Representative for the benefit of the Noteholder Representative and the Purchasers, in form and substance reasonably satisfactory to the Noteholder Representative and the Noteholder Representative, and "DACA" means any one of them.

1.23 "**Disposition**" means the sale, transfer, license, lease or other disposition of any Collateral (as defined in the Security Agreements) by any Loan Party (including any Equity Interests owned by such Person).

1.24 "**Disqualification Event**" has the meaning given to such term in Section 4.16 of this Agreement.

1.25 "**DTC**" has the meaning given to such term in Section 10.14(c) of this Agreement.

1.26 "**Equity Interests**" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

1.27 "**Escrow Agent**" shall mean McCarthy Tetrault or such other party reasonably acceptable to the Parent and the Noteholder Representative.

1.28 "**Event of Default**" has the meaning given to such term in Section 9.1 of this Agreement.

1.29 "**Exchange**" means the Canadian Securities Exchange.

1.30 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

1.31 "**FCPA**" has the meaning given to such term in Section 4.20 of this Agreement.

1.32 "**Financial Statements**" has the meaning given to such term in Section 4.19 of this Agreement.

1.33 "**Governmental Authority**" means any national, supranational, federal, state, county, provincial, local, municipal or other government or political subdivision thereof, whether domestic or foreign, and any agency, authority, commission, ministry, instrumentality, regulatory body, court, tribunal, arbitrator, central bank or other Person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to any such government.

1.34 "**Guarantor(s)**" means the Parent and each Subsidiary executing a Guaranty. For greater certainty all Subsidiaries of the Parent, direct and indirect existing now or in the future, other than Immaterial Subsidiaries shall be required to enter into Guarantees on forms equal to the then existing Guarantees.

1.35 "**Guaranty**" means, collectively, those certain Guarantees executed and delivered by any Guarantor from time to time party hereto, as amended, restated, supplemented or otherwise modified from time to time.

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

1.37 "**Immaterial Subsidiary**" means a Subsidiary of the Parent that at all times during and throughout the term of this Agreement (a) has total assets equal to less than of two percent (2%) of the consolidated total assets of the Parent and its Subsidiaries or total revenues equal to less than of two percent (2%) of the consolidated total revenues of the Parent and its Subsidiaries (based upon and as of the date of delivery of the most recent consolidated financial statements of the Parent); and (b) does not own Equity Interests in any Subsidiary that is not an Immaterial Subsidiary; provided that the total assets or total revenues of all the Subsidiaries that are Immaterial Subsidiaries shall not exceed ten percent (10%) of the consolidated total assets or total revenues, as the case may be, of the Parent and its Subsidiaries.

1.38 "**Initial Closing**" has the meaning set forth in Section 3.1 of this Agreement.

1.39 "**Initial Majority Purchasers**" has the meaning set forth in Section 3.1 of this Agreement.

1.40 "**Indebtedness**" of any Person means, without duplication, (a) all indebtedness for borrowed money, whether or not evidenced by bonds, debentures, notes or similar instruments, (b) obligations with respect to capital leases, (c) all obligations to pay the deferred purchase price of property or services (including, without limitation, third party vendor services) (other than trade payables incurred in the ordinary course of such Person's business), (d) all indebtedness secured by a Lien on the property of such Person, whether or not such indebtedness shall have been assumed by such Person, (e) all obligations, contingent or otherwise, with respect to the face amount of all letters of credit (whether or not drawn) and banker's acceptances issued for the account of such Person, (f) all derivative obligations of such Person, (g) all contingent liabilities in respect of any of the foregoing Indebtedness, (h) any of the foregoing Indebtedness of any partnership or joint venture of which such Person is a general partner or joint venturer, (i) any guarantee of any of the foregoing Indebtedness of others, and (j) all obligations to make any payment in connection with any warrants or any other Equity Interests including any put, redemption and mandatory dividends, of such Person or any Affiliate thereof.

1.41 "**Indemnitee**" has the meaning set forth in Section 10.1(b) of this Agreement.

1.42 "**Information Certificate**" has the meaning given to such term in Section 4 of this Agreement.

1.43 "**Interest Reserve**" shall mean an unrestricted cash reserve in an amount equal to (i) one (1) quarter's interest payments under the Notes issued pursuant to this Agreement if the aggregate proceeds received from the sale of the Notes at the Initial Closing are greater than or equal to U.S. Twenty Five Million and No/100 Dollars (U.S. $25,000,000.00) but less than U.S. Thirty Million and No/100 Dollars (U.S. $30,000,000.00) or (ii) two (2) quarters' interest payments under the Notes issued pursuant to this Agreement if the aggregate proceeds received from the sale of the Notes at the Initial Closing and any Additional Closing are greater than or equal to than U.S. Thirty Million and No/100 Dollars (U.S. $30,000,000. 00).

1.44 "**Inventory**" means all of the Borrowers' and each other Loan Party's present and hereafter acquired inventory (as defined in the Uniform Commercial Code) including all merchandise and inventory in all stages of production (from raw materials through work-in-process to finished goods), and all additions, substitutions and replacements thereof, wherever located, together with all goods and materials used or usable in manufacturing, processing, packaging or shipping of the foregoing, and all proceeds of any of the foregoing.

1.45 "**Jimmy Jang**" has the meaning set forth in the preamble to this Agreement.

1.46 "**Jupiter**" has the meaning set forth in the preamble to this Agreement.

1.47 "**Jupiter Credit Facility**" means an asset-backed credit facility, with Jupiter Research as the borrower, obtained on commercially reasonable terms and with the prior written consent of the Noteholder Representative (which consent will not be unreasonably withheld, conditioned or delayed).

1.48 "**Jupiter Note Purchase Agreement**" means the Junior Secured Note Purchase Agreement of even date with this Agreement by and among Jupiter and [***] [***], [***], [***], [***] and [***].

1.49 "**Laws**" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law; provided, however, that the term "Laws" expressly excludes the Controlled Substances Act, 21 USC 801 et seq., as it applies to marijuana (including any implementing regulations, orders, rules, decrees and schedules in effect at the relevant time) and any other U.S. federal laws, rules, regulation ordinance, order, code, judgment, decree, directive, injunction, writ or similar action or decision regarding marijuana, generally, or which is predicated upon a violation of the Controlled Substances Act as it applies to marijuana.

1.50 "**Lien**" means, with respect to any property, any security interest, mortgage, pledge, lien, claim, charge or other encumbrance.

1.51 "**Loan Documents**" means, collectively, this Agreement, the Notes, the Guarantees, the Security Agreements, the Pledge Agreement, the Warrants and each other agreement, instrument, document and certificate executed and delivered to, or in favor of, Noteholder Representative and the Purchasers in connection with this Agreement.

1.52 "**Loan Parties**" means, collectively, the Borrowers, Parent and each other Guarantor.

1.53 "**Lockbox Account**" has the meaning set forth in Section 6.15 of this Agreement.

1.54 "**Lockbox Agreement**" means such lockbox agreement as may be entered by CAC, the Noteholder Representative and a bank in respect of CAC's operating account after the date of this Agreement.

1.55 "**Lockbox Bank**" has the meaning set forth in Section 6.15 of this Agreement.

1.56 "**Material Adverse Effect**" means a material adverse effect on (a) the business, assets, properties, operations or financial condition of the Loan Parties taken as a whole, or (b) the consummation of the issuance of the Notes; or (c) the ability of any Borrower or any other Loan Party to perform its Obligations pursuant to this Agreement or any other Loan Document, (d) the validity, binding effect or enforceability against any Borrower or any other Loan Party of any Loan Document to which it is a party or (e) the rights or remedies available to, or conferred upon, the Noteholder Representative or any Purchaser under any Loan Documents; provided, however, that in no event shall there be a Material Adverse Effect as a result of the fact or effect of the Controlled Substances Act, 21 USC 801 et seq., as it applies to marijuana (including any implementing regulations, orders, rules, decrees and schedules in effect at the relevant time) and any other U.S. federal laws, rules, regulation ordinance, order, code, judgment, decree, directive, injunction, writ or similar action or decision regarding marijuana, generally, or which is predicated upon a violation of the Controlled Substances Act as it applies to marijuana.

1.57 "**Maturity Date**" means, with respect to each Note issued under this Agreement, the date that is thirty-six (36) months following the date of this Agreement.

1.58 "**NI 45-106**" means National Instrument 45-106 "Prospectus Exemptions".

1.59 "**Noteholder Representative**" has the meaning set forth in the preamble to this Agreement.

1.60 "**Noteholder Representative Fee**" means a per annum amount equal to 1.25% of the aggregate principal amount of Notes outstanding, payable to the Noteholder Representative with respect to the first year following the Initial Closing Date at the Initial Closing and each Additional Closing out of Closing proceeds with respect to the Notes issued and sold in each such Closing, and thereafter quarterly in advance commencing on the first anniversary of the Initial Closing Date.

1.61 "**Notes**" means the one or more promissory notes issued to each Purchaser pursuant to Section 2 of this Agreement, the form of which is attached hereto as Exhibit A.

1.62 "**NR Observer**" has the meaning given to such term in Section 6.19 of this Agreement.

1.63 "**Obligations**" means and includes all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Loan Parties to Purchasers and the Noteholder Representative of every kind and description, now existing or hereafter arising under or pursuant to the terms of this Agreement, the Notes and the other Loan Documents, including, without limitation, all interest, fees, charges, expenses, indemnification obligations, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Loan Parties, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the

commencement of a proceeding under Title 11 of the United States Code (11 U. S. C. Section 101 et seq.), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding.

1.64 "**Parent**" has the meaning set forth in the preamble to this Agreement.

1.65 "**Payoff Letter**" means that certain payoff letter dated October 28, 2019 from Bio Alpha Venture LLC and Goldrath Alpha Venture LLC.

1.66 "**Permit**" means all permits, licenses, registrations, certificates, orders, approvals, authorizations, consents, waivers, franchises, variances and similar rights issued by or obtained from any Governmental Authority or any other Person.

1.67 "**Permitted Dispositions**" means (a) Dispositions of Inventory in the ordinary course of business, (b) Disposition of damaged, surplus, worn-out or obsolete personal property, (c) Dispositions of property (other than Equity Interests of any Subsidiary) in the ordinary course of business, to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property with a Person that is not an Affiliate of a Loan Party and (ii) the proceeds of such Dispositions are applied to the purchase price of such replacement property within a commercially reasonable time, (d) the unwinding of hedging or swap contracts entered into in the ordinary course of business, (e) non-exclusive licenses or sublicenses of intellectual property and leases or subleases of real property, in each case granted to Persons that are not Affiliates of a Loan Party in the ordinary course of business not interfering with, or impairing, in any material respect the conduct of any Loan Party's business or ability to fulfill its Obligations, and (f) Dispositions of property by the Parent or a Subsidiary of the Parent to another Loan Party.

1.68 "**Permitted Indebtedness**" means (i) Indebtedness arising under this Agreement and the other Loan Documents, (ii) purchase money Indebtedness of up to $500,000 per annum in aggregate across all Loan Parties for the purpose of financing all or any part of the purchase price of property, plant or equipment used in the business of a Loan Party, provided (A) the amount of such indebtedness shall not exceed such purchase price, (B) such indebtedness shall not be secured by any other asset other than the specific asset being financed, and (C) such indebtedness shall be incurred within sixty (60) days after the acquisition of such asset, (iii) the endorsement of negotiable instruments for deposit or collection in the ordinary course of business, (iv) to the extent constituting Indebtedness, obligations in respect of any cash management arrangement and obligations in respect of netting services, overdraft protections and other customary bank products in connection with deposit accounts, so long as such obligations are incurred in the ordinary course of business; (v) Indebtedness in respect of letters of credit or bankers acceptances issued at the request of the Borrowers or any other Loan Party in the ordinary course of business not to exceed $500,000 in the aggregate at any one time, (vi) Indebtedness in respect of leases, statutory obligations, surety, stay, customs, bid and appeal bonds, performance bonds and performance and completion and return of money guaranties, government contracts and similar obligations incurred in the ordinary course of business, not to exceed in the aggregate $500,000 at any time outstanding, (vii) unsecured Indebtedness owed to any Person providing workers' compensation, health, disability or other standard employee benefits (including contractual and statutory benefits), pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business and in each case so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such benefits for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year, (viii) subordinated Indebtedness owing to another Loan Party not to exceed in the aggregate $500,000 at any given time, (ix) Indebtedness under the Jupiter Credit Facility, up to a maximum of $10,000,000, (x) Permitted Subordinated Debt, (xi) other subordinated Indebtedness in an aggregate principal amount not to exceed U.S. Five Hundred Thousand and No/100 Dollars (U.S. $500,000.00) at any one time outstanding; and (xii) such other Indebtedness that is consented to by the Noteholder Representative.

1.69 "**Permitted Liens**" means (i) Liens for taxes not yet delinquent or Liens for taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established; (ii) Liens in respect of property or assets imposed by law which were incurred in the ordinary course of business, such as carriers', warehousemen's, materialmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings (and which proceedings are sufficient to prevent imminent foreclosure of such liens); (iii) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, and other Liens to secure the performance of tenders, statutory obligations, contract bids, government contracts, performance and return of money bonds and other similar obligations, incurred in the ordinary course of business, whether pursuant to statutory requirements, common law or consensual arrangements; (iv) Liens in favor of the Purchasers relating to the Private Placement; (v) Liens securing the Jupiter Credit Facility; (vi) Liens securing the Jupiter Note Purchase Agreement; (vii) any Liens that are expressly subordinate to the Obligations in form and substance satisfactory to the Noteholder Representative; and (viii) any other Liens that are consented to by the Noteholder Representative

1.70 "**Permitted Subordinated Debt**" means Indebtedness under the Jupiter Note Purchase Agreement and shall include any other Indebtedness of a Loan Party approved in writing by the Noteholder Representation on terms reasonably acceptable to the Noteholder Representative and subject to a Subordination Agreement.

1.71 "**Person**" means and includes an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity or a governmental authority.

1.72 "**Pledge Agreement**" means the Pledge Agreement dated the date hereof made by Parent in favor of the Noteholder Representative for the benefit of the Purchasers.

1.73 "**Post-Closing Obligations**" means the post-closing obligations set forth in Section 8.4 of this Agreement.

1.74 "**Private Placement**" means the private placement of Notes under this Agreement.

1.75 "**Purchasers**" has the meaning set forth in the preamble to this Agreement.

1.76 "**Questionnaire**" has the meaning given to such term in Section 5.5 of this Agreement.

1.77 "**Regulation D**" means Rule 506 of Regulation D.

1.78 "**Related Parties**" shall mean, with respect to any Person, such Person's Affiliates, stockholders, partners and other holders of Equity Interests of such Persons and the managers, administrators, trustees, partners, directors, officers, employees, agents, advisors or other representatives of such Person and such Person's Affiliates.

1.79 "**Representation Letter**" has the meaning given to such term in Section 5.17 of this Agreement.

1.80 "**Required Purchasers**" means, at any time, Purchasers holding more than fifty per cent (50%) of the aggregate principal amount of the outstanding Notes at such time.

1.81 "**Responsible Officer**" means, as applied to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, president, vice president (or the equivalent thereof), chief financial officer or treasurer.

1.82 "**Schedule of Purchasers**" has the meaning set forth in the preamble to this Agreement.

1.83 "**Securities Act**" means the exemption from securities registration afforded by Section 4(2) of the Securities Act of 1933, as amended.

1.84 "**Security Agreements**" means, collectively, those certain security agreements executed and delivered by any Loan Party from time to time party hereto, as amended, restated, supplemented or otherwise modified from time to time including without limitation, the U.S. Security Agreement, the Canadian Security Agreement, the Pledge Agreement and the Lockbox Agreement.

1.85 "**Solvent**" means, at any time with respect to any Person, that at such time the assets and properties of such Person at a fair valuation are greater than the liabilities of such Person.

1.86 "**Statutory Lien**" means, with respect to any property, any mechanics', workmen's, repairmen's, laborer's, materialmen's, suppliers', warehousemen's liens or similar Liens arising by operation of law and not constituting a Permitted Lien.

1.87 "**Subordination Agreement**" means (i) that certain Subordination and Intercreditor Agreement by and among the Noteholder Representative, on behalf of and for the benefit of the Purchasers, and [Redacted], [Redacted], [Redacted], [Redacted], [Redacted] [Redacted] and (ii) any other subordination agreement with respect to Permitted Subordinated Debt that the Noteholder Representative may approve.

1.88 "**Subsidiary**" means, with respect to any Person, any corporation, partnership, limited liability company, association or other business entity of which such Person owns, directly or indirectly, more than fifty percent (50%) of the voting securities thereof. Except when the context requires otherwise, the term "Subsidiary" shall be deemed to refer to a Subsidiary of the Parent.

1.89 "**Taxes**" means all income, stamp or other taxes, duties, levies, imposts, charges, assessments, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, and all interest, penalties or similar liabilities with respect thereto.

1.90 "**Term Sheet**" means the term sheet dated October 10, 2019 in respect of the Private Placement.

1.91 "**Trading Affiliates**" has the meaning given to such term in Section 5.10 of this Agreement.

1.92 "**U.S. Security Agreement**" means that certain Security Agreement entered into by the Borrowers, the Guarantors and the Noteholder Representative.

1.93 "**Warrants**" means those certain Warrants delivered to the Purchasers at each Closing for the purchase of Common Stock of the Parent.

1.94 "**Warrant Shares**" means the shares of Common Stock issuable upon exercise of or otherwise pursuant to such Warrants.

1.95 "**White Haven Debt**" means all of the outstanding indebtedness and obligations, including principal, interest, fees, expenses and any prepayment premium, owing under (i) that certain Loan Agreement, dated as of April 29, 2019, by and among Standard Farms LLC, a Pennsylvania limited liability company, White Haven RE LLC, a Pennsylvania limited liability company, the Guarantors (as defined therein), Bio Alpha Venture LLC, a Pennsylvania limited liability company, and Goldrath Alpha Venture LLC, a Delaware limited liability company, and the Lenders (as defined therein), which as of October 31, 2019 was U.S. Twenty Million Three Hundred Five Thousand Two Hundred Nine and 50/100 Dollars (U.S. $20,305,209.50).

2. Terms of the Notes and Warrants; Fees.

2.1 Purchase and Sale of Notes and Warrants. In exchange for the Consideration paid by each Purchaser, the Borrowers will sell and issue to such Purchaser one or more Notes and Warrants. Each Note will have an original principal amount equal to the Consideration paid by such Purchaser for such Note, as set forth opposite such Purchaser's name on the Schedule of Purchasers. Each Purchaser will receive a Warrant to purchase eighteen (18) shares of Parent Common Stock for every US$10 principal amount of the Note purchased by such Purchaser. These Warrants will have an exercise price of CDN$0.33.

2.2 Security. The Note and the Obligations of the Borrowers hereunder and the obligations of the Loan Parties under this Agreement and the other Loan Documents will be (a) secured by a security interest in all of the assets of the Loan Parties, as more fully set forth in the Security Agreements and (b) guaranteed, as set forth in the Guarantees.

2.3 Interest; Payment. The Notes shall provide that the outstanding principal amount of the Notes will be due and payable by the Borrowers on the Maturity Date. Interest on the Notes will be computed and payable as provided in the terms thereof. Notwithstanding anything contained herein to the contrary, at any time, the Borrowers may prepay the Notes, in full or in part, without penalty (together with any reasonable transaction costs incurred by the Purchasers in connection with such prepayment) on a pro rata basis. The Parent shall deliver to the Noteholder Representative a written notice of their intention to prepay all or a portion of the Notes, which notice shall state the amount of the prepayment and the prepayment date. Any prepayment shall be accompanied by all accrued and unpaid interest on the principal amount being prepaid.

2.4 Taxes. Any and all payments by the Borrowers under this Agreement or under the Notes or by the Guarantors under the Guarantees shall be made free and clear of and without deduction or withholding for any Taxes except as required by applicable Laws. If any of the Borrowers or the Guarantors shall be required to deduct or withhold any Taxes from or in respect of any amount payable under this Agreement or under the Notes or any other Loan Document, then the relevant Borrower or Guarantor shall make such deduction or withholding and shall pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Laws, and the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including

such deductions and withholdings applicable to additional sums payable under this Section) the applicable Purchaser receives an amount equal to the sum it would have received had no such deduction or withholding been made.

3. Closing.

3.1 Closing. Each Closing of the sale of Notes and Warrants in return for the Consideration paid by each Purchaser participating therein will take place remotely via the exchange of documents and signatures. The initial Closing will occur on the date of this Agreement, or at such other time and place as the Borrowers and the Purchasers purchasing a majority-in-interest of the aggregate principal amount of the Notes to be sold at such initial Closing (the "**Initial Majority Purchasers**") agree upon orally or in writing (which time and place are designated as the "**Initial Closing**"). At each Closing, each Purchaser participating therein will deliver such Purchaser's allocable portion of the Consideration to the Borrowers and the Borrowers will deliver to each such Purchaser one or more executed Notes and Warrants in return therefor. The aggregate principal amount of Notes that shall be issued and sold under this Agreement at the Initial Closing, and accordingly the aggregate cash Consideration for such Notes, shall be at least U.S. Twenty Five Million and No/100 Dollars (U.S. $25,000,000. 00).

3.2 Additional Closing. At such time and place as the Noteholder Representative may elect (which time and place are designated as the "**Additional Closing**"; provided that the Additional Closing shall be held no more than forty-five (45) days following the date of the Initial Closing), in each case in the sole and absolute discretion of the Noteholder Representative, the Company shall sell, on the same terms and conditions as those contained in this Agreement, up to an additional principal amount of Notes equal to (i) U.S. Thirty-Five Million and No/100 Dollars (U.S. $35,000,000.00) minus (ii) the aggregate principal amount of all Notes sold at the Initial Closing (collectively, the "**Additional Notes**") together with Warrants representing the same coverage provided for at the Initial Closing, to one or more purchasers approved by the Noteholder Representative (the "**Additional Purchasers**") that are "accredited investors" (as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act); provided that each Additional Purchaser shall become a party to this Agreement by executing and delivering to the Company a counterpart signature page to this Agreement. Any Additional Purchaser so acquiring Additional Notes shall be considered a " **Purchaser**" for purposes of this Agreement, and any Additional Notes so acquired by such Additional Purchaser shall be considered "**Notes**" for purposes of this Agreement and all other agreements contemplated hereby. The Schedule of Purchasers shall be updated to reflect the Additional Notes purchased at each such Additional Closing and the Additional Purchasers. The term " **Closing**" shall be defined to include the Initial Closing and the Additional Closing unless otherwise specified.

3.3 Noteholder Register. The Noteholder Representative will maintain a register of noteholders and will update the same from time to time.

4. Representations and Warranties of the Borrowers. In connection with the transactions contemplated by this Agreement, the Borrowers, jointly and severally, hereby represent and warrant as of each Closing, to the Purchasers as follows, except as set forth on that certain Information Certificate provided to the Noteholder Representative by Borrowers (the "**Information Certificate**"):

4.1 Due Organization; Qualification and Good Standing. Each Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all requisite corporate, company or partnership (as applicable) power and authority to carry on its business as now conducted. Each Borrower is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify or to be in good standing would have a Material Adverse Effect. Schedule 4.1 sets forth the name of, the ownership interest of the applicable Loan Party in, the jurisdiction of incorporation or organization of, and the type of each Subsidiary, if any, of the Borrowers and the other Loan Parties.

4.2 Authorization and Enforceability. All corporate, company or partnership (as applicable) action has been taken on the part of the Loan Parties necessary for the authorization, execution and delivery of this Agreement and the Loan Documents.

4.3 Binding Obligations. Each Loan Document constitutes the legal, valid and binding obligation of the Parent and each other Loan Party, as applicable, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

4.4 No Conflicts. The execution, delivery and performance by the Borrowers of the Loan Documents to which it is a party and the consummation by the Borrowers of the transactions contemplated hereby or thereby do not (i) violate any provision of the certificate or articles of incorporation, bylaws or other organizational or charter documents of the Borrowers or any Loan Party, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Borrowers or any Loan Party or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Borrower or Subsidiary debt or otherwise) or other written understanding to which the Borrowers or any Loan Party are a party or by which any property or asset of the Borrowers or any Loan Party are bound, or affected, or (iii) except for Federal Cannabis Laws, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Borrower or any Loan Party is subject (including federal and state securities laws and regulations and the rules and regulations, assuming the correctness of the representations and warranties made by the Purchasers herein, of any self-regulatory organization to which the Borrowers or their securities are subject), or by which any property or asset of the Borrowers or any Loan Party are bound or affected, except in the case of clause (ii) or clause (iii) such as would not have a Material Adverse Effect.

4.5 Binding Obligations. Each Loan Document constitutes the legal, valid and binding obligation of the Parent and each other Loan Party, as applicable, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies.

4.6 Governmental Approvals. The execution, deliver and performance by the Parent and each other Loan Party, as applicable, of this Agreement and the other Loan Documents to which the Borrowers are or are to become a party and the transactions contemplated hereby and thereby do not require the approval or consent of or filing with, any governmental agency or authority other than those already obtained and other than any approval or consent in connection with or pursuant to Federal Cannabis Laws.

4.7 Filings, Consents and Approvals. No Borrower nor any other Loan Party is equired to obtain any material consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by such Borrower or such Loan Party of the Loan Documents (including the issuance of the Notes), other than (i) filings required by applicable state securities laws, (ii) the filing of a Notice of Sale of Securities on Form D with the Commission under Regulation D of the Securities Act, and (iii) those contemplated by the Loan Documents or already obtained.

4.8 Issuance of the Notes. The Notes have been duly authorized and, when issued and paid for in accordance with the terms of the Loan Documents, will be

duly and validly issued, fully paid and nonassessable and free and clear of all Liens, other than restrictions on transfer provided for in the Loan Documents or imposed by applicable securities laws, and shall not be subject to preemptive or similar rights. The Warrants have been duly authorized and, when issued in accordance with the terms of the Loan Documents, will be duly and validly issued, free and clear of all Liens, other than restrictions on transfer provided for in the Loan Documents or imposed by applicable securities laws, and shall not be subject to preemptive or similar rights of stockholders. The Warrant Shares issuable upon exercise of the Warrants have been duly authorized and, when issued and paid for in accordance with the terms of the Loan Documents and the Warrants will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens, other than restrictions on transfer provided for in the Loan Documents or imposed by applicable securities laws, and shall not be subject to preemptive or similar rights of stockholders. Assuming the accuracy of the representations and warranties of the Purchasers in this Agreement, the Notes, the Warrants and the Warrant Shares will be issued in compliance with all applicable federal and state securities laws. As of the Closing, the Parent shall have reserved from its duly authorized capital stock not less than one hundred percent (100%) of the maximum number of shares of Common Stock issuable upon exercise of the Warrants (without taking into account any limitations on the exercise of the Warrants set forth in the Warrants).

4.9 Taxes; Governmental Charges. Each Loan Party has timely filed or caused to be timely filed all material federal, state, province and foreign income tax returns which are required to be filed, and has paid or cause to be paid all taxes as shown on such returns or on any assessments received by it to the extent that such taxes have become due, except for such taxes and assessments as are being contested in good faith in appropriate proceedings and reserved for in accordance with IFRS.

4.10 Absence of Financing Statements. Except as set forth onSchedule 4.10 hereto, none of the Loan Parties is subject to any Liens other than Permitted Liens and there are no acts, circumstances or conditions known to the Loan Parties that may result in any Liens other than Permitted Liens. The Liens granted to the Purchasers and the Noteholder Representative pursuant to the Loan Documents are fully perfected first priority Liens in and to the collateral described therein, subject only to Permitted Liens.

4.11 Solvency. Each Loan Party is Solvent.

4.12 Permits. Each Borrower has all franchises, permits, licenses and any similar authority necessary for the conduct of its business as now being conducted by it, the lack of which would have a Material Adverse Effect, and each Borrower is not in default in any material respect under any of such franchises, permits, licenses or other authority.

4.13 Capitalization. Each Borrower is a wholly-owned direct or indirect subsidiary of the Parent. Except as set forth on the Information Certificate, there are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal or similar rights) or agreements, orally or in writing, to purchase or acquire from a Borrower any Equity Interests of such Borrower or any securities convertible into or exchangeable for Equity Interests of such Borrower.

4.14 Litigation. Except as set forth in the Information Certificate, there is no action, suit, proceeding or investigation pending or, to the Borrowers' knowledge, currently threatened in writing against any Loan Party that questions the validity of the Loan Documents or the right of any Loan Party to enter into the Loan Documents, or to consummate the transactions contemplated thereby, or that might result, if determined adversely to any Borrower, in a Material Adverse Effect, or in any material change in the current equity ownership of any Borrower.

4.15 Intellectual Property. To each Borrower's knowledge, it owns or possesses or believes it can acquire on commercially reasonable terms sufficient legal rights to all patents, patent applications, trademarks, trademark applications, service marks, service mark applications, tradenames, copyrights, trade secrets, domain names, mask works, information and proprietary rights and processes, similar or other intellectual property rights, subject matter of any of the foregoing, tangible embodiments of any of the foregoing, licenses in, to and under any of the foregoing, and any and all such cases as are necessary to such Borrower in the conduct of such Borrower's business as now conducted and as presently proposed to be conducted without any known conflict with, or infringement of, the rights of others. No Borrower is aware of having received any communications alleging that such Borrower has violated, or by conducting its business, would violate any of the patents, trademarks, service marks, tradenames, copyrights, trade secrets, mask works or other proprietary rights or processes of any other person.

4.16 Bad Actor Disqualification. No "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Securities Act (a "**Disqualification Event**") is applicable to the Borrowers or, to the Borrowers' knowledge, any person listed in the first paragraph of Rule 506(d)(1), except for a Disqualification Event as to which Rule 506(d)(2)(ii–iv) or (d)(3), is applicable.

4.17 Certain Transactions. Except as set forth in the Information Certificate, no Borrower is indebted, directly or indirectly, to any of its directors, officers or employees or, to the Borrowers' knowledge, to their respective spouses or children or to any Affiliate of any of the foregoing, other than in connection with expenses or advances of expenses incurred in the ordinary course of business or for other customary employee benefits made generally available to all employees.

4.18 Leased Property. With respect to the property and assets such Borrower leases, each Borrower is in material compliance with such leases and, to its knowledge, holds a valid leasehold interest.

4.19 Financial Statements. Each Borrower has delivered to the Purchasers its unaudited financial statements as of June 30, 2019 and for the six-month period then ended (collectively, the "**Financial Statements**"). The Financial Statements have been prepared in accordance with IFRS applied on a consistent basis throughout the periods indicated. Except as set forth in the Financial Statements, none of the Loan Parties has any Indebtedness other than (i) Permitted Indebtedness and (ii) Indebtedness of a type or nature not required under IFRS to be reflected in the Financial Statements. The Financial Statements fairly present in all material respects the financial condition and operating results of each Borrower as of the dates, and for the periods, indicated therein. Each Borrower maintains and will continue to maintain a standard system of accounting. Since June 30, 2019, no event or circumstance which could reasonably be expected to result in a Material Adverse Effect has occurred.

4.20 Foreign Corrupt Practices Act. No Borrower nor to Borrowers' knowledge, any of such Borrower's directors, officers, employees or agents have, directly or indirectly, made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any "foreign official" (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**")), foreign political party or official thereof or candidate for foreign political office for the purpose of (i) influencing any official act or decision of such official, party or candidate, (ii) inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign governmental authority, or (iii) securing any improper advantage, in the case of (i), (ii) and (iii) above in order to assist such Borrower or any of its Affiliates in obtaining or retaining business for or with, or directing business to, any person. No Borrower nor to Borrowers' knowledge, any of such Borrower's directors, officers, employees or agents have made or authorized any bribe, rebate, payoff, influence payment, kickback or other unlawful payment of funds or received or retained any funds in violation of any law, rule or regulation. Neither any Borrower nor, to the Borrowers' knowledge, any of its officers, directors or employees are the subject of any allegation, voluntary disclosure, investigation, prosecution or other enforcement action related to the FCPA or any other anti-corruption law.

4.21 Finance Lender Representations. Each Borrower's Board of Directors, Board of Managers, manager, managing member, General Partner or equivalent governing body, person or entity, as the case may be, has approved the Loan Documents based upon a reasonable belief that the transactions contemplated thereby are appropriate for such Borrower after reasonable inquiry concerning such Borrower's financing objectives and financial situation.

4.22 Disclosure. Each Borrower has made available to the Purchasers all the information reasonably available to such Borrower that any Purchaser has requested for deciding whether to acquire its Note. No representation or warranty of any Borrower contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. It is understood that this representation is qualified by the fact that the Borrowers have not been requested to deliver a private placement or similar memorandum or any written disclosure of the types of information customarily furnished to purchasers of securities.

5. Representations, Warranties and Acknowledgements of the Purchasers. In connection with the transactions contemplated by this Agreement, each Purchaser participating in a Closing, severally and not jointly, hereby represents, warrants and acknowledges as of such Closing to the Borrowers and the Parent as follows:

5.1 Authorization. Each Purchaser has full power and authority (and, if such Purchaser is an individual, the capacity) to enter into this Agreement and to perform all obligations required to be performed by it hereunder. This Agreement, when executed and delivered by each Purchaser, will constitute such Purchaser's valid and legally binding obligation, enforceable in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and any other laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

5.2 Purchase Entirely for Own Account. Each Purchaser acknowledges that this Agreement is made with such Purchaser in reliance upon such Purchaser's representation to the Borrowers, which such Purchaser confirms by executing this Agreement, that the Notes will be acquired for investment for such Purchaser's own account, not as a nominee or Noteholder Representative (unless otherwise specified on such Purchaser's signature page hereto), and not with a view to the resale or distribution of any part thereof, and that such Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, each Purchaser further represents that such Purchaser does not have any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such Person or to any third person, with respect to the Notes. If other than an individual, each Purchaser also represents it has not been organized solely for the purpose of acquiring the Notes.

5.3 No Conflicts. The execution, delivery and performance by such Purchaser of this Agreement and the consummation by such Purchaser of the transactions contemplated hereby and thereby will not (i) result in a violation of the organizational documents of such Purchaser, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which such Purchaser is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to such Purchaser, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Purchaser to perform its obligations hereunder.

5.4 Investment Intent. Such Purchaser understands that the Notes and the Warrants are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Notes and the Warrants and, upon exercise of the Warrants, will acquire the Warrant Shares issuable upon exercise thereof as principal for its own account and not with a view to, or for distributing or reselling such Notes or any part thereof in violation of the Securities Act or any applicable state securities laws; provided, however, that by making the representations herein, such Purchaser does not agree to hold any of the Notes for any minimum period of time and reserves the right, subject to the provisions of this Agreement, at all times to sell or otherwise dispose of all or any part of such Notes, Warrants or Warrant Shares pursuant to an effective registration statement under the Securities Act or under an exemption from such registration and in compliance with applicable federal and state securities laws. Such Purchaser is acquiring the Notes and the Warrants hereunder in the ordinary course of its business. Such Purchaser does not presently have any agreement, plan or understanding, directly or indirectly, with any Person to distribute or effect any distribution of any of the Notes (or any securities which are derivatives thereof) or the Warrants to or through any person or entity; such Purchaser is not a registered broker-dealer under Section 15 of the Exchange Act or an entity engaged in a business that would require it to be so registered as a broker-dealer.

5.5 Purchaser Status. At the time such Purchaser was offered the Notes, it was, on each date on which it purchases Notes it will be, and on each date on which it exercises the Warrants it will be, an "accredited investor" as defined in Rule 501(a) under the Securities Act. Each Purchaser shall complete, execute and deliver to Borrowers and Parent an investor questionnaire (in form acceptable to Borrowers and Parent, a "**Questionnaire**") in which it shall, among other things, specifically represent and warrant that it qualifies as an accredited investor under Rule 501 of Regulation D, and in all respects, as of the Closing.

5.6 Residency. Such Purchaser has, if an entity, its principal place of business or, if an individual, its primary residence in the jurisdiction set forth immediately below such Purchaser's name on the signature pages hereto.

5.7 General Solicitation. Such Purchaser is not purchasing the Notes or the Warrants as a result of any advertisement, article, notice or other communication regarding the Notes published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general advertisement.

5.8 Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Notes and the Warrants, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Notes and the Warrants and, at the present time, is able to afford a complete loss of such investment.

5.9 Access to Information. Such Purchaser acknowledges that it has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Borrowers concerning the terms and conditions of the offering of the Notes and the merits and risks of investing in the Notes; (ii) access to information about the Borrowers and the Loan Parties and their respective financial condition, results of operations, business, properties, management and prospects (other than material non-public information) sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Borrowers possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment. Neither such inquiries nor any other investigation conducted by or on behalf of such Purchaser or its representatives or counsel shall modify, amend or affect such Purchaser's right to rely on the truth, accuracy and completeness of the Borrower's and each other Loan Party's representations and warranties contained in the Loan Documents. Such Purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed decision with respect to its acquisition of the Notes.

5.10 Certain Trading Activities. Other than with respect to the transactions contemplated herein, since the earlier to occur of (i) the time that such Purchaser was first contacted by the Borrowers or any other Person regarding the transactions contemplated hereby and (ii) the tenth day prior to the date of this Agreement, neither the Purchaser nor any Affiliate of such Purchaser which (x) had knowledge of the transactions contemplated hereby, (y) has or shares discretion relating to such Purchaser's investments or trading or information concerning such Purchaser's investments, including in respect of the Notes, and (z) is subject to such Purchaser's review or input concerning such Affiliate's investments or trading (collectively, " **Trading Affiliates**") has directly or indirectly, nor has any Person acting on behalf of or pursuant to any

understanding with such Purchaser or Trading Affiliate, effected or agreed to effect any transactions in the securities of the Borrowers (including, without limitation, any Short Sales involving the Borrowers' securities). Notwithstanding the foregoing, in the case of a Purchaser and/or Trading Affiliate that is, individually or collectively, a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's or Trading Affiliate's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's or Trading Affiliate's assets, the representation set forth above shall apply only with respect to the portion of assets managed by the portfolio manager that have knowledge about the financing transaction contemplated by this Agreement. Other than to other Persons party to this Agreement, disclosures to potential co-investors or as otherwise consented to by the Borrowers, such Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction).

5.11 Brokers and Finders. No Person will have, as a result of the transactions contemplated by this Agreement, any valid right, interest or claim against or upon any Purchaser for any commission, fee or other compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of any Purchaser.

5.12 Independent Investment Decision. Such Purchaser has independently evaluated the merits of its decision to purchase Notes pursuant to the Loan Documents, and such Purchaser confirms that it has not relied on the advice of any other Purchaser's business and/or legal counsel in making such decision. Such Purchaser understands that nothing in this Agreement or any other materials presented by or on behalf of the Borrowers to the Purchaser in connection with the purchase of the Notes constitutes legal, tax or investment advice. Such Purchaser has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Notes. Such Purchaser understands that the Noteholder Representative has acted solely as the Noteholder Representative of the Borrowers in this placement of the Notes and such Purchaser has not relied on the business or legal advice of the Noteholder Representative or any of its agents, counsel or Affiliates in making its investment decision hereunder, and confirms that none of such Persons has made any representations or warranties to such Purchaser in connection with the transactions contemplated by the Loan Documents.

5.13 Reliance on Exemptions. Such Purchaser understands that the Notes being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Borrowers are relying in part upon the truth and accuracy of, and such Purchaser's compliance with, the representations, warranties, agreements, acknowledgements and understandings of such Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of such Purchaser to acquire the Notes.

5.14 No Governmental Review. Such Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Notes or the fairness or suitability of the investment in the Notes nor have such authorities passed upon or endorsed the merits of the offering of the Notes.

5.15 Offering Documents. Such Purchaser has not relied upon any investor presentation. Other than the Term Sheet, such Purchaser has not received or been provided with, nor has it requested, any offering memorandum, prospectus, sales or advertising literature, or any other document describing or purporting to describe the business and affairs of the Loan Parties which has been prepared for delivery to, and review by, prospective purchasers in order to assist them in making an investment decision in respect of the Notes.

5.16 No Prospectus. No securities commission or similar regulatory authority has reviewed or passed on the merits of the Notes, the Warrants or the Warrant Shares; there is no government or other insurance covering the Notes, the Warrants or the Warrant Shares; there are risks associated with the purchase of the Notes; and there are restrictions on the Purchaser's ability to resell the Notes, the Warrants and the Warrant Shares and it is the responsibility of the Purchaser to find out what those restrictions are and to comply with them before selling the securities.

5.17 Accredited Investor. (i) Unless it is purchasing the Notes under Section 5.19, the Purchaser is purchasing the Notes as principal for its own account, not for the benefit of any other person, for investment only and not with a view to the resale or distribution of all or any of the Notes and the Purchaser (A) is an "accredited investor", as such term is defined in NI 45-106 or as defined in section 73.3(1) of the *Securities Act* (Ontario); (B) was not created and is not being used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106; (C) will concurrently execute and deliver at or before the Closing a representation letter ("**Representation Letter**") in standard form pursuant to which it shall specifically represent and warrant that one or more of the accredited investor categories pursuant to NI 45-106 correctly, and in all respects, describes the Purchaser.

5.18 Acting on Behalf of Beneficial Purchaser. If such Purchaser is not purchasing the Notes as principal, it is duly authorized to enter into this Agreement and to execute and deliver all documentation in connection with the purchase on behalf of each beneficial purchaser, each of whom is purchasing as principal for its own account, not for the benefit of any other person, and not with a view to the resale or distribution of all or any of the Notes, it acknowledges that the Borrowers and/or the Parent may be required by law to disclose to certain regulatory authorities the identity of each beneficial purchaser of Notes for whom it may be acting, and it shall complete a Representation Letter on behalf of each beneficial purchaser.

5.19 Offshore Purchasers. If such Purchaser or any other purchaser for whom it is acting hereunder is resident in or otherwise subject to the applicable securities laws of a jurisdiction outside of Canada and the United States, there are prospectus and registration exemptions in such other jurisdiction such that the purchase of Notes by such Purchaser shall not trigger a requirement in such other jurisdiction for the Borrowers or the Parent to file a prospectus, registration statement or similar document. Any such Purchaser shall execute and deliver a Representation Letter as if it is a resident of Canada and a Questionnaire.

5.20 Filings. If required by applicable securities laws, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Purchaser will execute, deliver, file and otherwise assist the Loan Parties in filing, such reports, undertakings and other documents with respect to the issue of the Notes, the Warrants and the Warrant Shares;

6. Affirmative Covenants.

6.1 Notice Requirements. The Borrowers shall promptly deliver to the Noteholder Representative (i) after any officer of Parent or another Loan Party knows that any Event of Default under any term or provision of the Loan Documents, written notice of the occurrence of any such Event of Default, including a statement of a Responsible Officer setting forth details of such Event of Default and the action which any Borrower or any other Loan Party has taken or proposes to take with respect thereto; and (ii) written notice of any litigation, legal or governmental proceedings or dispute pending or threatened against any Loan Party (A) involving amounts in excess of U.S. $250,000.00, (B) seeking to enjoin, either directly or indirectly, the execution, delivery or performance by any Borrower and any other Loan Party of the Loan Documents or the transactions contemplated thereby, or (C) would reasonably be expected to result in a Material Adverse Effect.

6.2 Government Charges and Other Claims. Each Borrower and each other Loan Party shall pay and discharge when due all Taxes, levies, assessments, fees, claims or other charges imposed by any Governmental Authority upon or relating to (i) such Borrower or such Loan Party, (ii) employees, payroll, income or gross receipts of such Borrower or such Loan Party, (iii) the ownership or use of any assets by such Borrower or such Loan Party or (iv) any other aspect of such Borrower or such Loan Party to the date upon which penalties accrue thereon, except as may be contested in good faith by the appropriate procedures and for which adequate reserves in accordance

with IFRS have been set aside.

6.3 Use of Proceeds. The Borrowers shall use the proceeds from the issue and sale of the Notes at the Initial Closing (i) to pay off and terminate the White Haven Debt in its entirety, (ii) to pay those Accounts Payable mutually agreed with the Noteholder Representative, (iii) to pay actual and invoiced costs and expenses, not to exceed U.S. $500,000.00 in the aggregate, of Duane Morris LLP (U.S. counsel to the Borrowers) and Norton Rose Fulbright Canada LLP (Canadian counsel to the Borrowers) relating to the negotiation and documentation of the Loan Documents and the closing of the transactions contemplated by the Loan Documents and including fees incurred in prior finance transactions that did not close, (iv) to pay actual and invoiced costs and expenses of Reitler, Kailas & Rosenblatt LLC (U.S. counsel to the Noteholder Representative) relating to the negotiation and documentation of the Loan Documents and the closing of the transactions contemplated by the Loan Documents, (v) to fund the Interest Reserve with the Escrow Agent, (vi) to fund Jupiter's working capital requirements in the amount of $2,000,000, and (vii) to fund the Noteholder Representative Fee.

6.4 Warrant Shares. The Parent shall, so long as any of the Warrants are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued capital stock, solely for the purpose of effecting the exercise of the Warrants, one hundred percent (100%) of the number of shares of Common Stock issuable upon exercise of the Warrants (without taking into account any limitations on the exercise of the Warrants set forth in the Warrants).

6.5 Books and Records; Inspection. Each of the Parent and the Subsidiaries will keep books and records in accordance with IFRS which accurately reflect in all material respects all of its business affairs and transactions. From time to time upon reasonable notice to the Parent, the Parent will permit any officer or employee of or Noteholder Representative designated by, the Noteholder Representative to visit and inspect any of the properties of the Parent or any Loan Party, examine the Parent's or any Loan Party's corporate books or financial records, and discuss the affairs, finances and accounts of the Parent or any Loan Party with the Parent's officers or certificate public accountants, provided that such visits and inspections shall be made only during business hours and so as not to interfere unreasonably with the business and operations of the Parent. The Noteholder representative and any employee, representative or agent of the Noteholder Representative seeking to visit or inspect any of the Properties of a Loan Party agrees that it shall comply with any applicable laws and regulations, including any requirement that such individuals be subject to a background check in advance. All confidential or proprietary information provided to or obtained by the Purchasers under this Section or under this Agreement shall be held in strict confidence by the Purchasers. All information provide to the Purchasers pursuant hereto shall be deemed "confidential and proprietary information unless (i) the Parent indicates otherwise in writing, (ii) the information was or becomes generally available to the public other than as a result of a disclosure in violation of this Section by any Purchaser or its representatives, (iii) the information was or becomes available to the Purchasers or its representatives on a non-confidential basis from a source other than the Parent, provided the source was not bound by a confidentiality agreement in respect thereof preventing disclosure to the Purchaser(s) or their representatives, (iv) the information was in the possession of the Purchaser(s) prior to being furnished by or on behalf of the Parent, and not subject to any confidentiality obligations to the Parent or any Loan Party or (v) the information is independently developed by the Purchaser(s) without reference to and not based upon, in whole or in part, any information which otherwise constitutes "confidential or proprietary information."

6.6 Future Guarantors, Security, Etc. The Parent and each Subsidiary (other than Immaterial Subsidiaries) will execute any documents, financing statements, agreements and instruments, and take all further action that is required under applicable Law, or that Noteholder Representative or Noteholder Representative may reasonably request, in order to grant, preserve, protect and perfect the validity and first priority (subject to Permitted Liens) of the Liens created or intended to be created by the Loan Documents. Prior to or upon acquiring or organizing any new Subsidiary that is not an Immaterial Subsidiary the Parent shall cause such Subsidiary to execute a supplement (in form and substance satisfactory to Purchasers) to the Guaranty and each other applicable Loan Document in favor of Purchasers. In addition, from time to time, each of the Parent and the Subsidiaries (other than Immaterial Subsidiaries) will, at its cost and expense, to the extent legally permissible, promptly secure the Obligations, and their respective obligations pursuant to the Loan Documents, by pledging or creating, or causing to be pledged or created, perfected Liens with respect to such of its assets and properties as Noteholder Representative or Noteholder Representative shall designate, it being agreed that it is the intent of the parties that the Obligations shall be secured by, among other things, all the assets of the Parent and the Subsidiaries (other than Immaterial Subsidiaries) (including personal property acquired subsequent to the date hereof) and equity of the Subsidiaries (other than Immaterial Subsidiaries). Immediately upon a Subsidiary failing to be an Immaterial Subsidiary it shall satisfy the above covenants. For greater certainty, as the first ranking priority of the Liens created or intended to be created by the Loan Documents may be effected by a change in location of any assets of the Parent or any Subsidiaries that are not Immaterial Subsidiaries, the Parent and all Subsidiaries shall not, at any time have property outside of the jurisdictions where the security interest of the Noteholder Representative shall have first ranking application, with a value in excess of U.S. $250,000.00 in the aggregate. Further, no Loan Party (i) shall change its name, or jurisdiction or organization without giving thirty (30) days prior written notice to the Noteholder Representative and (ii) shall have deposits in any bank account domiciled in the United States of America in excess of U.S. $250,000.00 where such bank account is not subject to a DACA in favor of the Noteholder Representative.

6.7 Permits. Each of the Borrowers and each other Loan Party will obtain, maintain and preserve, and take all necessary action to timely renew, and keep in full force and effect all Permits and accreditations which are material and necessary in the proper conduct of its business.

6.8 Compliance with Laws. Each of the Borrowers and each other Loan Party will comply with the requirements of all Laws applicable to it or to its business or property, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

6.9 Maintenance of Listing. The Parent shall maintain: (i) the listing of its Common Stock on the Exchange or any other Canadian stock exchange, and (ii) its status as a "reporting issuer" under Applicable Securities Legislation in at least one reporting jurisdiction.

6.10 Maintenance of Property. The Loan Parties will at all times maintain, reserve, protect and keep or cause to be maintained, preserved, protected and kept, the property of the Loan Parties in good repair, working order and condition (ordinary wear and tear excepted) in all material respects and consistent with past practice.

6.11 Filling of Securities Documents; Financial Reporting.

(a) The Parent shall timely file all documents that must be publicly filed or sent to its shareholders pursuant to Applicable Securities Legislation within the time prescribed by such Applicable Securities Legislation.

(b) The Parent agrees to furnish to the Noteholder Representative (for distribution to the Purchasers):

(i) as soon as available but in any event, within one hundred and twenty (120) days after the end of each fiscal year of the Parent, audited annual financial statements of the Parent for such year which present fairly the Parent's consolidated and consolidating financial condition including the balance sheet of the Parent as at the end of such fiscal year and a statement of cash flows and income statement for such fiscal year, all on a consolidated basis (and consolidating basis which shall not be required to be audited), setting forth in the consolidated and consolidating statements in comparative form, the corresponding figures as at the end of and for the previous fiscal year, all in reasonable detail, including all supporting schedules, and audited and accompanied by a report and opinion of independent public accountants of recognized standing and satisfactory to the Noteholder Representative, which report and opinion shall be prepared in accordance with generally accepted accounting principles; and

(ii)as soon as available but in any event within thirty (30) days after the end of each month, the Parent's unaudited, internally prepared monthly consolidated and consolidating financial statements, along with year-to-date information, including a balance sheet, income statement and statement of cash flows with respect to the periods measured, all in reasonable detail (including without limitation a separate breakout of sales, a free cash flow report and a profit and loss statement for CAC) and satisfactory in form, substance and scope to the Noteholder Representative and certified by an authorized financial or accounting Responsible Officer of the Parent (or any other Responsible Officer reasonably satisfactory to the Noteholder Representative) as presenting fairly the financial position (on a consolidated basis, if applicable) of the Parent as of the date indicated and the results of their operations and changes in financial position (on a consolidated basis if applicable) for the period indicated in conformity with IFRS, consistently applied (except for such inconsistencies which may be disclosed in such report).

(iii) Within a reasonable time following any request therefor, such other information regarding the operations, business affairs and financial condition of any Loan Party or any Subsidiary, or compliance with the terms of this Agreement, as the Noteholder Representative may reasonably request.

6.12 Maintenance of Insurance. Each of the Borrowers and each other Loan Party (other than Immaterial Subsidiaries) shall maintain policies of insurance with financially sound and reputable carriers, and in such amounts and covering such risks as are usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Parent operates, in each case of at least the same type and coverages as maintained as of the date of this Agreement; (ii) within 30 days following the Initial Closing and on each anniversary of the Initial Closing deliver to the Noteholder Representative certificates of insurance; and (iii) promptly at the request of the Noteholder Representative, deliver to the Noteholder Representative all certificates and reports prepared in connection with such insurance. The Parent agrees that its Board of Directors shall undertake a comprehensive review of its insurance policies and coverages promptly following the Initial Closing, and annually thereafter, to determine suitability at such times and whether to increase coverages. The Parent agrees to cause the Noteholder Representative to be named as a loss payee on its insurance policies. In addition, the Parent agrees it will not reduce the level or scope of its insurance policies, not renew, terminate or cancel any insurance coverage in place or remove the Noteholder Representative as a loss payee thereunder, in each case prior to fulfillment of the Obligations under the Notes and thereafter for a period of at least six years without the prior consent of the Noteholder Representative.

6.13 Maintenance of Office. The Borrowers will maintain its chief executive office at the locations set forth in the Information Certificate, or at such other place in the United States or Canada as the Parent or a Borrower shall designate in writing to the Noteholder Representative, where notices, presentations and demands to or upon the Loan Parties in respect of the Loan Documents to which the Loan Party is a party may be given or made.

6.14 Existence. The Parent will and shall cause each of its Subsidiaries to preserve and maintain its legal existence and all of its rights, privileges, licenses, contracts and property and assets used or useful to its business except to the extent failure to do so would not reasonably be expected to result in a Material Adverse Effect.

6.15 Lockbox Account. So long as any Obligations remain outstanding, (i) CAC shall use reasonable commercial efforts to establish and maintain its primary operating accounts (individually and/or collectively as the context may require, the "**Lockbox Account**") with a bank reasonably acceptable to the Noteholder Representative (the "**Lockbox Bank**") which shall be pledged to the Noteholder Representative, and which Lockbox Account shall be subject to springing dominion and control of the Noteholder Representative under the Lockbox Agreement. Upon the occurrence and during the continuance of an Event of Default, the Noteholder Representative shall have the sole right to authorize withdrawals (whether by CAC or any other Person), in accordance with instructions given by the Noteholder Representative to Lockbox Bank pursuant to the Lockbox Agreement and all costs and expenses for establishing and maintaining the Lockbox Account shall be paid by CAC. In addition, upon the request of the Noteholder Representative of a Loan Party, such Loan Party shall use commercially reasonable efforts to enter into one or more DACA's with the bank(s) at which it maintains its primary operating accounts (or, as may be reasonably requested, move such operating accounts to one or more other banks willing to enter into such DACA(s)) (each such bank, a "**DACA Bank**"), whereby the subject bank account shall be subject to springing dominion and control of the Noteholder Representative under the Lockbox Agreement. Upon the occurrence and during the continuance of an Event of Default, the Noteholder Representative shall have the sole right to authorize withdrawals (whether by the relevant Loan Party or any other Person), in accordance with instructions given by the Noteholder Representative to the relevant DACA Bank pursuant to the relevant DACA and all costs and expenses for implementing the DACAs shall be paid by the Borrowers.

6.16 Further Assurances. The Parent and each of the Borrowers will cooperate with the Noteholder Representative and execute such further instruments and documents as the Noteholder Representative shall reasonably request to effectuate the terms of this Agreement and the other Loan Documents.

6.17 Interest Reserve. At the Initial Closing, the Borrowers shall deposit funds in an amount equal to the Interest Reserve as of such Initial Closing, with the Escrow Agent, to be held by the Escrow Agent and disbursed pursuant to the Escrow Agreement. The Borrowers agree to promptly deposit additional funds upon the sale of any additional Notes or the disbursement of any portion of the Escrow Reserve to the Noteholders to ensure that at all times such Escrow Reserve represents two quarters' interest under the then outstanding Notes.

6.18 Independent Board Committee; Additional Board Seats. It shall be a condition to the Initial Closing that the Board shall have appointed Jane Batzofin and Mark Coleman as additional directors on the Board, each of whom shall serve on the Board as independent directors. In the event that the Board reasonably determines, based solely on background checks or applicable Canadian Stock Exchange rules and regulations, that either of them is unsuitable, or in the event of the resignation, death or disability of either such director (or any successor thereto) or if either such director is not elected to serve as director at an Annual General Meeting or Special General Meeting of stockholders of the Parent, then the Board shall, consistent with its duty of care, appoint another individual approved by the Noteholder Representative to serve as an independent director in lieu or replacement thereof. The Parent shall ensure that the directors serving as independent directors pursuant to this Section 6.18 are nominated to continue to serve as directors of the Parent at each meeting of stockholders at which directors of the Parent are elected. The Board shall not take any of the following actions without the affirmative vote or consent of each of such independent directors and, in the event that there are no such independent directors serving on the Board at any time, the consent of the Noteholder Representative:

(a) Except as otherwise provided herein, payment of any account payable outstanding on the date hereof in excess of $250,000;

(b) Incurring any liabilities or obligations, including any individual account payable, in excess of $250,000 outside of the ordinary course of business;

(c)Entering into any agreement, contract, arrangement or understanding, written or oral, that provides for the purchase of goods or services in excess of $250,000, including license agreements, by any Loan Party from any Person, other than purchase orders for the purchase of goods or services in the ordinary course of business;

(d)Agreeing to any settlement in excess of $250,000 of any dispute, proceeding or litigation, including any of the foregoing related to any account payable;

(e) Changing any of the accounting principles or basis for its financial statements, other than in accordance with any change in applicable law or regulations, and appointing or reappointing the independent auditors of the Parent;

(f) Approving the annual budget for the Loan Parties, which shall be submitted to the Board no later than thirty (30) prior to the commencement of

each fiscal year of the Parent; or

(g)Approving the hiring or termination of any chief executive officer, president, chief financial officer, chief operating officer or other executive officer of Parent.

The foregoing provisions of this Section 6.18 shall remain in full force and effect until the later of (i) the date on which the Obligations have been paid in full and (ii) the date on which a majority of the members of the Board shall consist of "independent" directors, it being agreed and understood that the "independence" of each such director shall be mutually determined by the Board and the Noteholder Representative. Upon the provisions of this Section 6.18 ceasing to be in full force and effect subject to the immediately preceding sentence, and prior to the next election of directors by shareholders of the Parent, each of the independent directors exercising the consent rights set forth hereinabove may be removed by majority vote of the other members of the Board that are deemed independent in accordance with the immediately preceding sentence.

6.19 Board Observation Right. The Parent will permit the Noteholder Representative or its designee (the "**NR Observer**") to attend all meetings of the Company's Board of Directors in a non-voting observer capacity subject to the agreement by the Noteholder Representative or designee, as applicable: (i) to hold in strict confidence and to act in a fiduciary manner with respect to all information and materials that he or she may receive or be given access to in connection with meetings of the Parent's Board of Directors ("**Confidential Information**"), (ii) not to disclose such Confidential Information to any third parties, and (iii) to exercise due care in protecting the confidentiality of any Confidential Information. The NR Observer may be excluded from certain confidential "closed sessions" or "executive sessions" of the Board or any portions of a Board meeting if, in the reasonable judgment of the Board or of the Parent's Chief Executive Officer, there is a competitive conflict of interest with respect to the issue to be discussed, the matters to be discussed are highly sensitive or if the NR Observer's presence would adversely affect the Parent whether by way of adversely affecting the attorney-client privilege between the Parent and its counsel or otherwise. The Company's Board of Director's may meet and communicate informally by telephone or other electronic means from time to time to discuss pending matters without the presence or notice to the NR Observer, provided that the Board does not take or contemplate taking any formal action at such an informal meeting. If the Company's Board of Directors meets on short notice in person or telephonically and the NR observer is not able to attend for any reason, then the Board may proceed with such meeting without the presence of the NR Observer so long as the NR Observer is updated accordingly promptly thereafter.

6.20 Mortgage. If requested by the Noteholder Representative following the Closing, the Parent shall cause Standard Farms, LLC to grant the Noteholder Representative a mortgage, in form and substance reasonably satisfactory to the Noteholder Representative, on the real property located in the Commonwealth of Pennsylvania owned by Standard Farms, LLC.

6.21 Amendment to Constating Documents. As soon as reasonably practicable following the Initial Closing, the Parent shall amend, or cause the amendment of, its or any other Loan Party's Constating Documents to the extent reasonably required by the Noteholder Representative to reflect or further evidence the rights of the Purchasers and the Noteholder Representative and the voting rights set forth in Section 6.18 of this Agreement.

7. Negative Covenants. Parent and the Borrowers covenant and agree with Purchasers that until the Obligations (other than inchoate indemnity obligations) are paid in full, Parent, the Borrowers and the other Loan Parties will perform or cause to be performed the covenants set forth below in all material respects.

7.1 Indebtedness. Other than Permitted Indebtedness, no Loan Party shall incur or permit to exist any Indebtedness.

7.2 Liens. No Loan Party shall create, incur, assume or permit to exist any Lien on or with respect to any of its assets or property of any character, whether now owned or hereafter acquired, except for Permitted Liens.

7.3 Investments, Loans. The Loan Parties will not, and will not permit any of their Subsidiaries to, purchase or acquire (including pursuant to any merger with any Person that was not a wholly owned Subsidiary prior to such merger) any Equity Interests, evidence of Indebtedness or other securities (including any option, warrant, or other right to acquire any of the foregoing) of, make any loans or advances to, or make any investment or any other interest in, any other Person or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person that constitute a business unit, or create or form any Subsidiary.

7.4 Impairment of Rights. Parent will not, and will not permit any of its Subsidiaries to, undertake any action or engage in any transaction or activity to impair the Purchaser's rights hereunder, provided that the foregoing shall not restrict the Parent or any of its Subsidiaries from arranging or entering any refinancing of the Obligations so long as the Obligations are concurrently paid in full with the closing of such refinancing.

7.5 Asset Dispositions. Other than Permitted Dispositions, subject to the Intercreditor Agreement, no Loan Party shall sell, convey, lease, license, assign or otherwise dispose of any assets outside of the ordinary course of business if in an aggregate amount in excess of U.S. $50,000.00 without prior written consent of the Noteholder Representative. Except as otherwise provided in this Agreement or agreed by the Noteholder Representative, the net proceeds of any asset disposition shall be allocated 100% to the prepayment of the Notes.

7.6 Merger or other Corporate Reorganization. No Loan Party shall enter into any reorganization, consolidation, amalgamation, arrangement, winding-up, merger or other similar transaction or convey, lease or dispose of all or substantially all of its assets without the prior written consent of the Noteholder Representative, except that any Subsidiary may merge, amalgamate or consolidate with any other Subsidiary that is a Loan Party, or may sell all or substantially all of its assets to any Subsidiary a Loan Party without the prior written consent of the Noteholder Representative.

7.7 Payments on Indebtedness. No Loan Party shall make any payment or (p)repayment on, purchase, defease, redeem, pay, (p)repay, decrease or otherwise acquire or retire for value, any Indebtedness other than as expressly contemplated hereby and Indebtedness under the Notes in accordance with the provisions of this Agreement, except that outside of the continuance of an Event of Default, each Borrower and each other Loan Party may make (a) regular interest payments on Permitted Indebtedness in accordance with the provisions of the agreements related to such Permitted Indebtedness disclosed to the Purchasers prior to the date hereof, (b) scheduled principal repayments toward Permitted Indebtedness (other than the Jupiter Credit Facility) in accordance with the provisions of the agreements related to such Permitted Indebtedness disclosed to the Purchasers prior to the date hereof, and (c) such other payments of Indebtedness as consented to in writing by the Noteholder Representative. Notwithstanding the previous sentence, no Loan Party shall be permitted to make payment in respect of any shareholder loans, except if such payment is to another Loan Party that is not an Immaterial Subsidiary and no payments may be made toward Permitted Indebtedness if and to the extent such payments would, but for the passage of time, result in an Event of Default under any Loan Document.

7.8 Redemption or Purchase of Equity Interests. No Loan Party shall purchase, redeem, retire or otherwise acquire for cash any securities (equity or other) except that one Loan Party may purchase, redeem or other acquire securities of another Loan Party.

7.9 Amendment to Constating Documents. No Loan Party shall make any amendment to any of its Constating Documents in a manner which may prejudice the

Purchasers, would result in a breach of a Loan Document or Event of Default hereunder or could reasonably be expected to result in a Material Adverse Effect.

7.10 Payment of Dividends. The Loan Parties shall not declare, pay, or provide for any dividends, distributions, or other payments based on share capital except payment by a Loan Party (other than CAC) to another Loan Party.

7.11 Related Party Transactions. No Loan Party shall enter into any transactions with any Affiliate or other non-arm's-length parties (other than other Loan Parties) unless such transaction is for the sale of goods or services in the ordinary course of business upon fair and reasonable terms, no less favorable to such Loan Party than such Loan Party could obtain in a comparable arms-length transaction with an unrelated third party and no Event of Default shall have occurred and remain outstanding at the time such transaction occurs, or would occur immediately after giving effect to such transactions arm's length commercial terms.

7.12 Loans etc. to others No Loan Party shall make any loans, grant any credit or give any guarantee or other financial accommodation or assurance to or for the benefit of any Person, other than credit advanced to customers, distributors and consignees in the ordinary course of business, advances to employees for travel and other reasonable business expense in the ordinary course of business, or intercompany loans to other Loan Parties that are not Immaterial Subsidiaries and provided that any such intercompany loan may not be assigned to any Person who is not a Loan Party. No Loan Party shall loan money to, or otherwise make investment in or provide any financial assistance to any Immaterial Subsidiary.

7.13 Winding Up. No Loan Party other than an Immaterial Subsidiary may enter into or become party or subject to any dissolution, administration, winding-up, reorganization or similar transaction or proceeding.

7.14 Retirement Plans. Except as set forth in the Information Certificate, no Loan Party shall (i) incur any obligation to contribute to any type of retirement plan or (ii) hereafter incur any obligation make a severance payment unless (a) required by applicable Laws, (b) applicable employment contracts entered into on commercially reasonable terms in the ordinary course of business of any Loan Party and on arm's length terms or (c) on commercially reasonable terms in the ordinary course of business and on arm's length terms.

7.15 Change in Nature of Business. The Parent will not, nor will it permit any Subsidiary to, engage in any line of business substantially different from those lines of business conducted by the Loan Parties on the date hereof or any business substantially related thereto or reasonable extensions thereof.

7.16 Amendments of Material Contracts. No Loan Party will amend, modify, cancel or terminate or permit the amendment, modification, cancellation or termination of any material contract if such amendment, modification, cancellation or termination would reasonably be expected to result in a Material Adverse Effect.

7.17 Sale and Leaseback Transactions. The Parent will not, nor will it permit any Subsidiary to, enter into any arrangement, directly or indirectly with any Affiliate, whereby it shall sell or transfer any Property, real or personal, used or useful in its business, whether now owned or hereafter acquired and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purpose as the property sold or transferred.

7.18 No New Listing. The Parent shall not list its Common Stock on any exchange other than the Exchange without prior written notice to the Noteholder Representative.

7.19 Interest Reserve. The Parent shall not direct or permit the disbursement of any portion of the Interest Reserve without the prior written consent of the Noteholder Representative.

8. Closing Conditions.

8.1 Conditions to Obligations of All Parties. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of the following condition:

(a) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any order, writ, judgment, injunction, decree, stipulation, determination or award which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof; provided, however, that the foregoing excludes the existence of any law, rule, regulation, order, writ, judgment, injunction, decree, stipulation, determination or award described in Section 10.13 hereof.

8.2 Conditions to Obligations of Purchasers. The obligations of Purchasers to consummate the transactions contemplated by this Agreement at the Closing shall be subject to the fulfillment or Purchasers' waiver, at or prior to the Closing, of each of the following conditions:

(a) All representations and warranties of the Borrowers and the other Loan Parties contained herein and in the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of the Closing, except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date.

(b) The Borrowers and the other Loan Parties shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by them prior to or on the Closing.

(c) The Borrowers or the other Loan Parties, as the case may be, shall have delivered to the Noteholder Representative and the Purchasers the following executed documents:

(i) the Notes;

(ii) the Guarantees;

(iii) the Security Agreements;

(iv) the Warrants;

(v) the Subordination Agreement;

(vi) the Payoff Letter;

(vii) Legal opinions from U.S. and Canadian counsel to the Borrowers in form and substance satisfactory to the Noteholder Representative; and

(viii) the Jupiter Note Purchase Agreement and related documents.

8.3 Conditions to Obligations of the Borrowers. The obligations of the Borrowers to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or the Borrowers' waiver, at or prior to the Closing, of each of the following conditions

(a) All representations and warranties of the Purchasers contained herein and in the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of the Closing, except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date.

(b) Purchasers shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing.

(c) Purchasers shall have delivered to the Borrowers cash in an amount equal to the cash Consideration, by wire transfer in immediately available funds, to the account designated by the Borrowers in a written notice to Purchasers.

8.4 Post-Closing Obligations. Each of the following conditions shall be satisfied within the time indicated.

(a) Within seven (7) days after the Initial Closing, each of Briteside Holdings LLC, Briteside Modular LLC and Briteside E-Commerce LLC, each a Tennessee limited liability company, shall have been converted to a Delaware limited liability company, and UCC-1 financing statements covering the Collateral and naming the Noteholder Representative as secured party shall have been filed with the Secretary of State of the State of Delaware naming each

(b) Within thirty (30) days after the Initial Closing, the Board of the Parent shall be reconstituted with two (2) additional independent board members in a manner mutually agreeable to the Parent, the Borrowers, and the Noteholder Representative.

(c) Requirements hereunder to enter into DACAs shall be satisfied within sixty (60) days of the Initial Closing;

(d) Within sixty (60) days of the Initial Closing, CAC shall have established the Lockbox Account and entered into the Lockbox Agreement; provided, however, that if CAC shall use its reasonable best efforts to establish such account and in the event that it cannot reasonably find a depository bank willing to provide a lockbox account arrangement on commercially reasonable terms, then CAC shall consult in good faith with the Noteholder Representative regarding a mutually agreeable alternative to the Lockbox Account, and such failure shall not be deemed a default or breach of covenant under this Agreement.

9. Events of Default.

9.1 Each of the following events shall constitute an "Event of Default" under this Agreement:

(a) The failure of the Borrowers to pay any (i) principal payable under this Agreement or any other Loan Document when the same shall be due and payable, or (ii) interest, fees or other amount (other than principal) payable under this Agreement or any other Loan Document when the same shall be due and payable, and the continuance of any such non-payment (in whole or in part) referred to under this clause (ii) for a period of fourteen (14) days.

(b) If any representation, warranty, certification or statement of fact made or deemed made by the Borrowers or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made.

(c) the Loan Parties shall fail to observe or perform any covenant or agreement contained inSections 4.1 or 6.14 (with respect to the legal existence of the Loan Parties); provided, however, that it shall not be an Event of Default if a Loan Party is not in good standing in any jurisdiction unless such failure to maintain its good standing would be reasonably likely to result in a Material Adverse Effect.

(d) any Loan Party shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those referred to in subsections (a), (b) or (c) of this Section) or any other Loan Document, and such failure shall remain unremedied for 30 days after the earlier of (i) any officer of the Borrowers has knowledge of such default, or (ii) notice thereof shall have been given to the Borrowers by the Noteholder Representative.

(e) the failure of any Loan Party or any Subsidiary to make any payment, whether of principal or interest and regardless of amount in respect of any Indebtedness in a principal amount in excess of $10,000, unless such Indebtedness is the subject of a *bona fide* dispute.

(f) Any Loan Party (i) makes a general assignment for the benefit of creditors, (ii) institutes or has instituted against it any proceeding seeking (a) to adjudicate it a bankrupt or insolvent, (b) liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any laws relating to bankruptcy, insolvency, reorganization or relief of debtors, or (c) the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any part of its properties and assets, or (iii) takes any corporate action to authorize any of the above actions; provided that, in the case of any such proceeding instituted against any Loan Party (but not instituted by it), either the proceeding remains dismissed or unstayed for a period of thirty (30) days.

(g) any proceedings are commenced or any application is made for the bankruptcy, insolvency, reorganization, winding-up, liquidation or dissolution or any similar proceedings of any Loan Party or any decree, order or approval for such bankruptcy, insolvency, reorganization, winding-up, liquidation or dissolution is issued or entered, unless such Loan Party in good faith actively and diligently contests such proceedings, decree, order or approval, resulting in a dismissal or stay thereof within ninety (90) days of commencement or anything analogous in any other jurisdiction.

(h) any judgment, writ, warrant of attachment or similar process involving an amount in excess of $250,000 in the aggregate shall be rendered against any of the Borrowers or any of their Subsidiaries, and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect.

(i) any non-monetary judgment or order shall be rendered against any of the Borrowers or any of their Subsidiaries that would reasonably be expected to have a Material Adverse Effect, and there shall be a period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect.

(j) any Loan Party shall seek to terminate its obligation under the Guaranty or Security Agreement or any other Loan Document.

(k) any Lien purported to be created under any Loan Document shall be asserted by any Loan Party not to be a valid and perfected Lien on any material Collateral, with the priority required by the applicable Loan Documents (subject to Permitted Liens).

(l) any Subordination Agreement shall cease to be in full force and effect or the Notes shall cease to constitute "Senior Indebtedness" (or similar term) thereunder.

(m) Any event or circumstance which would reasonably be expected to result in a Material Adverse Effect shall have occurred.

(n) The occurrence of a Change of Control.

then, and in every such event (other than an event with respect to the Borrowers described in subsection (d) or (e) of this Section) and at any time thereafter during the continuance of such event, the Noteholder Representative may, and upon the written request of the Required Purchasers shall, by notice to the Borrowers, take any or all of the following actions, at the same or different times: (i) declare the principal of and any accrued interest on the Notes, and all other Obligations owing hereunder, to be, whereupon the same shall become, due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers, (iii) exercise all remedies contained in any other Loan Document, and (iv) exercise any other remedies available at law or in equity; provided that, if an Event of Default specified in either subsection (d) or (e) shall occur, the principal of the Notes then outstanding, together with accrued interest thereon, and all fees and all other Obligations shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers. If at any time there are insufficient funds to pay fully all amounts of principal, interest, fees and expenses then due hereunder, such funds shall be applied as follows: first, to all fees and reimbursable expenses of the Noteholder Representative then due and payable pursuant to any of the Loan Documents; second, to all interest and fees then due and payable hereunder, pro rata to the Purchasers based on their respective pro rata shares of such interest and fees; and third, to all principal of the Notes then due and payable hereunder, pro rata to the Purchasers based on their respective pro rata shares of such principal.

10. Miscellaneous.

10.1 Expenses; Indemnification.

(a) The Borrowers shall pay (i) all reasonable and documented out-of-pocket costs and expenses of the Noteholder Representative**,** including the reasonable and documented out-of-pocket fees, charges and disbursements of counsel for the Noteholder Representative, in connection with the preparation and administration of the Loan Documents and any amendments, modifications or waivers thereof (whether or not the transactions contemplated in this Agreement or any other Loan Document shall be consummated), including the reasonable fees, charges and disbursements of counsel for the Noteholder Representative, (ii) all reasonable and documented out-of-pocket costs and expenses (including, without limitation, the reasonable fees, charges and disbursements of outside counsel) incurred by the Noteholder Representative in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section, or in connection with the Notes issued hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Notes. Such fees described hereinabove in this Section 10.1(a) are separate from and in addition to the Noteholder Representative Fee.

(b) The Borrowers shall indemnify the Noteholder Representative, each Purchaser and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable documented out-of-pocket fees, charges and disbursements of any counsel for any Indemnitee), asserted against any Indemnitee by any third party or by the Borrowers or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, any other Related Transaction Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Note or the use or proposed use of the proceeds therefrom, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from (x) the gross negligence, bad faith or willful misconduct of an Indemnitee or (y) a claim brought by the Borrowers or any other Loan Party against an Indemnitee for a material breach of such Indemnitee's obligations hereunder or under any other Loan Document.

(c) The Borrowers shall pay, and hold the Noteholder Representative and each of the Purchasers harmless from and against, any and all present and future stamp, documentary, and other similar taxes with respect to this Agreement and any other Loan Documents, any collateral described therein or any payments due thereunder, and save the Noteholder Representative and each Purchaser harmless from and against any and all liabilities with respect to or resulting from any delay or omission to pay such taxes.

(d) The parties hereto mutually agree not to assert, and each hereby waives, any claim against the other, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to actual or direct damages) arising out of, in connection with or as a result of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated therein, any Note or the use of proceeds thereof; provided, that nothing in this clause (d) shall relieve the Borrowers of any obligation they may have to indemnify any Indemnitee against special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

10.2 Noteholder Representative.

(a) Appointment of the Noteholder Representative.

(i) Each Purchaser irrevocably appoints NR 1, LLC, a Delaware limited liability company, as the Noteholder Representative and authorizes it to take such actions on its behalf and to exercise such powers as are delegated to the Noteholder Representative under this Agreement and the other Loan Documents, including the execution and delivery of such Loan Documents other than this Agreement to which the Noteholder Representative is a party (including without limitation the Subordination Agreement and the Security Agreements), in each case on behalf of and for the benefit of the Noteholders, together with all such actions and powers that are reasonably incidental thereto. The Noteholder Representative may perform any of its duties hereunder or under the other Loan Documents by or through any one or more sub-agents or attorneys-in-fact appointed by the Noteholder Representative. The Noteholder Representative and any such sub-agent or attorney-in-fact may perform any and all of its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions set forth in this Section 10.2 shall apply to any such sub-agent, attorney-in-fact or Related Party and shall apply to their respective activities in connection with the Obligations as well as activities as the Noteholder Representative.

(ii) It is understood and agreed that the use of the term "agent" or "representative" herein or in any other Loan Document (or any similar term) with reference to the Noteholder Representative is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law or that the Noteholder Representative will be providing any financial or advisory services. Instead such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Nature of Duties of the Noteholder Representative. The Noteholder Representative shall not have any duties or obligations except those expressly set forth in this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, (a) except as expressly set out in any Loan Document, the Noteholder Representative shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing, (b) the Noteholder Representative shall not have any duty to take any discretionary action or exercise any discretionary powers, except those discretionary rights and powers expressly contemplated by the Loan Documents, (c) the Noteholder Representative shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Noteholder Representative to liability or that is contrary to any Loan Document or applicable law; (d) except as expressly set forth in the Loan Documents, the Noteholder Representative shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrowers or any of their Subsidiaries that is communicated to or obtained by the Noteholder Representative or any of its Affiliates in any capacity and (e) except as may be expressly required under this Agreement, the Noteholder Representative shall not be obligated to seek the consent of or input from the Purchasers in connection with the exercise of his rights and performance of his obligations as the Noteholder Representative under this Agreement. The Noteholder Representative shall not be liable for any action taken or not taken by it, its sub-agents or its attorneys-in-fact with the consent or at the request of the Required Purchasers or, if no such consent or request is applicable, in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final non-appealable judgment. The Noteholder Representative shall not be responsible for the negligence or misconduct of any sub-agents or attorneys-in-fact except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Noteholder Representative acted with gross negligence or willful misconduct in the selection of such sub-agents. The Noteholder Representative shall not be deemed to have knowledge of any Event of Default unless and until written notice thereof (which notice shall include an express reference to such event being an "Event of Default" hereunder) is given to the Noteholder Representative by the Borrowers or any Purchaser, and the Noteholder Representative shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements, or other terms and conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Noteholder Representative. The Noteholder Representative may consult with legal counsel (including counsel for the Borrowers) concerning all matters pertaining to such duties.

(c) Lack of Reliance on the Noteholder Representative. Each of the Purchasers acknowledges that it has, independently and without reliance upon the Noteholder Representative or any other Purchaser and based on such documents and information as it has deemed appropriate, made its own analysis and decision to enter into this Agreement. Each of the Purchasers also acknowledges that it will, independently and without reliance upon the Noteholder Representative or any other Purchaser and based on such documents and information as it has deemed appropriate, continue to make its own decisions in taking or not taking any action under or based on this Agreement, any related agreement or any document furnished hereunder or thereunder.

(d) Certain Rights of the Noteholder Representative. If the Noteholder Representative shall request instructions from the Required Purchasers with respect to any action or actions (including the failure to act) in connection with this Agreement, the Noteholder Representative shall be entitled to refrain from such act or taking such act unless and until it shall have received instructions from such Purchasers, and the Noteholder Representative shall not incur liability to any Person by reason of so refraining. Notwithstanding the foregoing, if the Noteholder Representative shall not have received instructions from the Required Purchasers within five (5) Business Days of its delivery of any such request for instructions made by it to the Purchasers, the Noteholder Representative shall be free to act in its own discretion and not be bound by any instructions from fewer than the Required Purchasers. Without limiting the foregoing, no Purchaser shall have any right of action whatsoever against the Noteholder Representative as a result of the Noteholder Representative acting or refraining from acting hereunder in accordance with the instructions of the Required Purchasers where required by the terms of this Agreement or from acting or refraining from acting hereunder in accordance with the rights granted to it under this Agreement where no such instructions are required.

(e) Reliance by the Noteholder Representative. The Noteholder Representative shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, posting or other distribution) believed by it to be genuine and to have been signed, sent or made by the proper Person. The Noteholder Representative may also rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person and shall not incur any liability for relying thereon. The Noteholder Representative may consult with legal counsel (including counsel for the Borrowers), independent public accountants and other experts selected by it and shall not be liable for any action taken or not taken by it in accordance with the advice of such counsel, accountants or experts.

(f) Indemnification of the Noteholder Representative by Purchasers. The Purchasers shall, jointly and severally, indemnify the Indemnitees against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Purchaser arising out of, in connection with, or as a result of (i) the performance by the Noteholder Representative of its obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or (ii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee. To the extent permitted by applicable law, the Purchasers shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to actual or direct damages) arising out of, in connection with or as a result of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated therein. All amounts due under this Section shall be payable promptly after written demand therefor.

(g) The Noteholder Representative in its Individual Capacity. The Person serving as the Noteholder Representative shall have the same rights and powers under this Agreement and any other Loan Document in its capacity as a Purchaser as any other Purchaser and may exercise or refrain from exercising the same as though it were not the Noteholder Representative; and the terms "Purchasers", "Required Purchasers" or any similar terms shall, unless the context clearly otherwise indicates, include the Noteholder Representative in its individual capacity. The Person acting as the Noteholder Representative and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrowers or any Subsidiary or Affiliates of the Borrowers as if it were not the Noteholder Representative hereunder.

(h) Successor Noteholder Representative.

( ) The Noteholder Representative may resign at any time by giving notice thereof to the Purchasers and the Borrowers. Upon any such resignation, the Required Purchasers shall have the right to appoint a successor Noteholder Representative, subject to approval by the Borrowers provided that no Event of Default shall exist at such time. If no successor Noteholder Representative shall have been so appointed, and shall have accepted such appointment within 30 days after the retiring Noteholder Representative gives notice of resignation, then the retiring Noteholder Representative may, on behalf of the Purchasers, appoint a successor Noteholder Representative, subject to approval by the Borrowers.

(ii) Upon the acceptance of its appointment as the Noteholder Representative hereunder by a successor, such successor Noteholder Representative shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Noteholder Representative, and the retiring Noteholder Representative shall be discharged from its duties and obligations under this Agreement and the other Loan Documents. If, within 45 days after written notice is given of the retiring Noteholder Representative's resignation under this Section 10.2, no successor Noteholder Representative shall have been appointed and shall have accepted such appointment, then on such 45th day (i) the retiring Noteholder Representative's resignation shall become effective, (ii) the retiring Noteholder Representative shall thereupon be discharged from its duties and obligations under the Loan Documents and (iii) the Required Purchasers shall thereafter perform all duties of the retiring Noteholder Representative under the Loan Documents until such time as the Required Purchasers appoint a successor Noteholder Representative as provided above. After any retiring Noteholder Representative's resignation hereunder, the provisions of this Section 10.2 shall continue in effect for the benefit of such retiring Noteholder Representative and its representatives and agents in respect of any actions taken or not taken by any of them while it was serving as the Noteholder Representative.

(i) The Noteholder Representative May File Proofs of Claim.

(i) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Noteholder Representative (irrespective of whether the principal of any Note shall then be due and payable as expressed in the Loan Documents or by declaration or otherwise and irrespective of whether the Noteholder Representative shall have made any demand on the Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(A) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Notes and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Purchasers and the Noteholder Representative (including any claim for the reasonable compensation, expenses, disbursements and advances of the Purchasers and the Noteholder Representative and its agents and counsel and all other amounts due the Purchasers and the Noteholder Representative under the Loan Documents) allowed in such judicial proceeding; and

(B) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same.

(ii) Any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Purchaser to make such payments to the Noteholder Representative and, if the Noteholder Representative shall consent to the making of such payments directly to the Purchasers, to pay to the Noteholder Representative any amount due for the reasonable compensation, expenses, disbursements and advances of the Noteholder Representative and its agents and counsel, and any other amounts due the Noteholder Representative under the Loan Documents.

Nothing contained herein shall be deemed to authorize the Noteholder Representative to authorize or consent to or accept or adopt on behalf of any Purchaser any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Purchaser or to authorize the Noteholder Representative to vote in respect of the claim of any Purchaser in any such proceeding.

(j) Authorization to Execute Other Loan Documents. Each Purchaser hereby authorizes the Noteholder Representative to execute on behalf of all Purchasers all Loan Documents other than this Agreement.

(k) Collateral and Guaranty Matters. The Purchasers irrevocably authorize the Noteholder Representative, at its option and in its discretion:

(i) to release any Lien on any property granted to or held by the Noteholder Representative under any Loan Document (i) upon payment in full of all Obligations (other than contingent indemnification obligations), (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document or (iii) if approved, authorized or ratified in writing in accordance with Section 10.10;

(ii) to enter into each Subordination Agreement, and perform all obligations thereunder, respectively, and to enter into any amendments of such Subordination Agreements which do not materially modify the rights of the Purchasers or the Noteholder Representative thereunder, and agree to be bound by the terms thereof; and

(iii) to release any Loan Party from its obligations under the applicable Security Agreements and Guarantees if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder.

Upon request by the Noteholder Representative at any time, the Required Purchasers will confirm in writing the Noteholder Representative's authority to release its interest in particular types or items of property, or to release any Loan Party from its obligations under the applicable Security Agreements and Guarantees pursuant to this Section 10.2. In each case as specified in this Section 10.2, the Noteholder Representative is authorized, at the Borrowers' expense, to execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the Liens granted under the applicable Security Agreements and Guarantees, or to release such Loan Party from its obligations under the applicable Security Agreements and Guarantees, in each case in accordance with the terms of the Loan Documents and this Section 10.2.

(l) Right to Realize on Collateral and Enforce Guarantee. Anything contained in any of the Loan Documents to the contrary notwithstanding, the Borrowers, the Noteholder Representative and each Purchaser hereby agree that (i) no Purchaser shall have any right individually to realize upon any of the Collateral or to enforce the Security Agreements and Guarantees, it being understood and agreed that all powers, rights and remedies hereunder and under the Security Agreements and Guarantees may be exercised solely by the Noteholder Representative, and (ii) in the event of a foreclosure by the Noteholder Representative on any of the Collateral pursuant to a public or private sale or other disposition, the Noteholder Representative or any Purchaser may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Noteholder Representative, as agent for and representative of the Purchasers (but not any Purchaser or Purchasers in its or their respective individual capacities unless the Required Purchasers shall otherwise agree in writing), shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Noteholder Representative at such sale or other disposition.

10.3 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement will inure to the benefit of, and be binding upon, the respective successors and assigns of the parties; provided, however, that the Borrowers may not assign their obligations under this Agreement without the written consent of the Noteholder Representative. This Agreement is for the sole benefit of the Purchasers and Noteholder Representative and the other parties hereto and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or will confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

10.4 Choice of Law. This Agreement and the Notes, and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute will be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of Commonwealth of Massachusetts.

10.5 Jurisdiction and Venue. ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE INSTITUTED IN THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS, AND EACH PARTY IRREVOCABLY SUBMITS TO THE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

10.6 Counterparts. This Agreement and the other Loan Documents may be executed in counterparts, each of which will be deemed an original, but all of which together will be deemed to be one and the same agreement. Counterparts may be delivered via facsimile, email (including PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method, and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

10.7 Titles and Subtitles. The titles and subtitles used in this Agreement are included for convenience only and are not to be considered in construing or interpreting this Agreement.

10.8 Notices. All notices and other communications given or made pursuant hereto will be in writing and will be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by email or confirmed facsimile; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications will be sent to the respective parties at the addresses shown on the signature pages hereto (or to such email address, facsimile number or other address as subsequently modified by written notice given in accordance with this Section).

10.9 No Finder's Fee. Except as may be determined pursuant to an agreement that the Parent has entered into with Alliance Global Partners, each party represents that it neither is nor will be obligated to pay any finder's fee, broker's fee or commission in connection with the transactions contemplated by this Agreement. Each Purchaser agrees to indemnify and to hold the Borrowers harmless from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of the transactions contemplated by this Agreement (and the costs and expenses of defending against such liability or asserted liability) for which each Purchaser or any of its officers, employees or representatives is responsible. The Borrowers agree to indemnify and hold each Purchaser harmless from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of the transactions contemplated by this Agreement (and the costs and expenses of defending against such liability or asserted liability) for which the Parent or any Borrower or any of their respective officers, employees or representatives is responsible.

10.10 Entire Agreement; Amendments and Waivers. This Agreement, the Notes and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof. The Borrowers' agreements with each of the Purchasers are separate agreements, and the sales of the Notes to each of the Purchasers are separate sales. Notwithstanding the foregoing, any term of this Agreement or the Notes may be amended and the observance of any term of this Agreement or the Notes may be waived (either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Borrowers and the Noteholder Representative. Any waiver or amendment effected in accordance with this Section will be binding upon each party to this Agreement and each holder of a Note purchased under this Agreement then outstanding and each future holder of all such Notes. The right to plead any and all statutes of limitations as a defense to any demands hereunder is hereby waived to the full extent permitted by law.

10.11 Effect of Amendment or Waiver. Each Purchaser acknowledges and agrees that, by the operation of Section 10.11 hereof, the Noteholder Representative will have the right and power to diminish or eliminate all rights of such Purchaser under this Agreement and each Note issued to such Purchaser, provided that such changes shall apply equally to all Purchasers.

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

10.13 Federal Cannabis Laws. The parties acknowledge that as of the date hereof, the production, sale, possession and use of cannabis are illegal under the Controlled Substances Act, 21 USC 801 et seq., as it applies to marijuana ("**CSA**") and that cannabis is currently classified as a Schedule I controlled substance under the CSA. The United States Supreme Court has confirmed that the federal government has the right to regulate and criminalize cannabis, including for medical purposes, and that federal law criminalizing the use of cannabis preempts state laws that legalize its use. The parties hereto understand that while cannabis production is currently legal under the laws of the Commonwealth of Massachusetts and certain other states, they are subject to change and that the production, sale, use and possession of cannabis may remain illegal under federal law for the foreseeable future.

10.14 Transfer Restrictions.

(a) Compliance with Laws. Notwithstanding any other provision of this Section, each Purchaser covenants that the Notes may be disposed of only pursuant to an effective registration statement under, and in compliance with the requirements of, the Securities Act, or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and in compliance with any applicable state and federal securities laws. In connection with any transfer of the Notes other than (i) pursuant to an effective registration statement, (ii) to the Parent or (iii) pursuant to Rule 144 following the applicable holding period, the Parent may require the transferor thereof to provide to the Parent an opinion of counsel selected by the transferor and reasonably acceptable to the Parent, the form and substance of which opinion shall be reasonably satisfactory to the Parent, to the effect that such transfer does not require registration of such transferred Notes under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights of a Purchaser under this Agreement. Notwithstanding the provisions set forth above, no such restriction shall apply to a transfer by a Purchaser that is (A) a partnership transferring to its partners or former partners in accordance with partnership interests, (B) a corporation transferring to a wholly-owned subsidiary or a parent corporation that owns all of the capital stock of the Purchaser, (C) a limited liability company transferring to its members or former members in accordance with their interest in the limited liability company, or (D) an individual transferring to the Purchaser's spouse, children or grandchildren or a trust for the exclusive benefit of an individual Purchaser; *provided* that in each case the transferee will agree in writing to be subject to the terms of this Agreement.

(b) Legends. Certificates evidencing the Notes shall bear any legend as required by the "blue sky" laws of any state and a restrictive legend in substantially the following form, until such time as they are not required as set forth in this Agreement: THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAW OF ANY FOREIGN JURISDICTION OR ANY STATE WITHIN THE UNITED STATES. SUCH SECURITIES MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, OR HYPOTHECATED ABSENT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR COMPLIANCE WITH RULE 144 PROMULGATED UNDER SUCH ACT, OR SUCH FOREIGN OR STATE SECURITIES LAW OR UNLESS THE PARENT HAS RECEIVED AN OPINION OF COUNSEL, SATISFACTORY TO THE PARENT AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

(c) Removal of Legends. The legend set forth above shall be removed and the Parent shall issue a certificate without such legend or any other "restrictive" legend to the holder of the applicable Notes upon which it is stamped or issue to such holder by electronic delivery at the applicable balance account at the Depository Trust Company ("**DTC**"), if (i) such Notes are registered for resale under the Securities Act pursuant to an effective registration statement, (ii) such Notes are sold or transferred pursuant to Rule 144 (assuming the transferor is not an Affiliate of the Parent), or (iii) such Notes are eligible for sale under Rule 144 without any limits or restrictions provided in Rule 144. If any portion of the Warrant is exercised at a time when there is an effective registration statement to cover the resale of the Warrant Shares, or if such Warrant Shares may be sold under Rule 144 without any limits or restrictions provided in Rule 144, then such Warrant Shares shall be issued free of all legends.

(d) Canadian Legends. The Notes, the Warrants and the Warrant Shares shall have attached to them, whether through an electronic book-based system or on certificates that may be issued to evidence such securities, as applicable, a legend setting out resale restrictions under applicable securities laws substantially in the following form (and with the necessary information inserted):

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DATE OF THE CLOSING".

(e) Acknowledgement. Each Purchaser hereunder acknowledges (i) that the Parent's agreement hereunder to remove any legends from the Notes or the Warrant Shares is not an affirmative statement or representation that such Notes or the Warrant Shares are freely tradable and (ii) its primary responsibilities under the Securities Act and accordingly will not sell the Notes, the Warrant Shares or any interest therein without complying with the requirements of the Securities Act.

10.15 Exculpation among Purchasers. Each Purchaser acknowledges that it is not relying upon any person, firm, corporation or stockholder, other than the Borrowers and their respective officers and directors in their capacities as such, in making its investment or decision to invest in the Borrowers. Each Purchaser agrees that no other Purchaser, nor the controlling persons, officers, directors, partners, agents, stockholders or employees of any other Purchaser, will be liable for any action heretofore or hereafter taken or not taken by any of them in connection with the purchase and sale of the Notes.

10.16 Survival. This Agreement, amongst other things, sets out obligations of the Loan Parties in addition to any obligations that may be set out in the Notes or other Loan Documents from time to time. Such obligations are not superseded or replaced by the Notes or any amendment to the Notes, and all obligations set out in this

Agreement are intended to survive the entering into of the Notes.

10.17 Further Assurances. From time to time, the parties will execute and deliver such additional documents and will provide such additional information as may reasonably be required to carry out the terms of this Agreement and the Notes and any agreements executed in connection herewith or therewith.

10.18 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE NOTES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER REPRESENTS AND WARRANTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

10.19 Confidentiality. Purchasers and Noteholder Representative shall hold all nonpublic information regarding the Borrowers or the Parent obtained by Purchasers and Noteholder Representative pursuant hereto in accordance with Purchasers' or Noteholder Representative's, as applicable, customary procedures for handling information of such nature, except that disclosure of such information may be made (i) to Purchasers' and Noteholder Representative's agents, employees, subsidiaries, Affiliates, attorneys, auditors, professional consultants, rating agencies, insurance industry associations and portfolio management services, (ii) by Purchasers or Noteholder Representative as required by law, subpoena, judicial order or similar order and in connection with any litigation, investigation or proceeding, and (iii) by Purchasers or Noteholder Representative as may be required in connection with the examination, audit or similar investigation of such Person. The obligations of Purchasers under this Section shall supersede and replace the obligations of Purchasers under any confidentiality agreement in respect of this transaction executed and delivered by Purchasers prior to the date hereof. For greater certainty and notwithstanding any other term of this Agreement, the Purchasers and the Noteholder Representative may freely share information regarding the Borrowers or the Parent or any Subsidiary among each other.

[SIGNATURE PAGES FOLLOW]

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

BORROWERS:

Address for Notices:
[REDACTED]

BAKER TECHNOLOGIES, INC., a Delaware corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[REDACTED]

COMMONWEALTH ALTERNATIVE CARE, INC., a Massachusetts corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[REDACTED]

JIMMY JANG, L.P., a Delaware limited partnership, by its general partner, JIMMY JANG HOLDINGS INC., a British Columbia corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[REDACTED]

JUPITER RESEARCH, LLC, an Arizona limited liability company, by its Managing Member, BAKER TECHNOLOGIES, INC., a Delaware corporation

Per: */s/ Timothy Conder*

Name: Timothy Conder
Title: Chief Operating Officer

[*Signature Page to Senior Secured Note Purchase Agreement*]

PARENT:

Address for Notices:
[REDACTED]

TILT HOLDINGS INC., a British Columbia corporation

Per: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Interim Chief Executive Officer

[*Signature Page to Senior Secured Note Purchase Agreement*]

NR 1, LLC

By */s/ Mark Silva*
Name: Mark Silva
Title: Attorney-in-fact

Address: [***]
Attn: John F.F. Watkins
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

By */s/ Andre Khury*
Name: 9089900 Canada Inc.
Title: President, Andre Khury

Address: [***]
Email Address: [***]

[*Signature Page to Secured Note Purchase Agreement*]

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

Name: Bernard Abdo

Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

By: */s/ Ornulf Loeberken*
Name: Ornulf Loeberken
Title: Director Acomita Investment Ltd

Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

By: */s/ Blake Bechtel*
Name: Blake Bechtel

Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ Brian Thebault
Name: Brian Thebault

Address: [***]
Email: [***]

[*Signature Page to Secured Note Purchase Agreement*]

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

/s/ Michael J. Bruce
Name: Michael J. Bruce

Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

JOHN BUELTEL'S LIVING REVOCABLE TRUST

By: */s/ John Bueltel*
Name: John Bueltel
Title: Trustee

Address: [***]
Email Address: [***]

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

Collisto Collaborations, LLC

By */s/ Adam Draizin*
Name: Adam Draizin
Title: Manager
Address: [***]
Email Address: [***]

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

/s/ Kent Carson
Name: Kent Carson
Address: [***]
Email address: [***]

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

CHARLOTTES TRUST

By */s/ Nicholas Gleysten*
Name: Nicholas Gleysten
Title: Trustee
Address: [***]
Email Address: [***]

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

/s/ Cheaib Raymond
Name: Cheaib Raymond
Address: [***]
Email: [***]

/s/ Beyrouthy Mylene
Name: Beyrouthy Mylene
Address: [***]
Email: [***]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above

Corner Health, LLC

By */s/ Jane Batzofin*
Name: Jane Batzofin
Title: Co-Manager
Address: [***]
Email Address: [***]

[*Signature Page to Secured Note Purchase Agreement*]

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

CORTLANDT PRIVATE CAPITAL LLC

By */s/ Howard Goldstein*
Name: Howard Goldstein
Title: Managing Partner
Address:
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ Jordan K Geotas
Name: Jordan K Geotas
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

GIRLS NIGHT OUT LLC

By */s/ Nedenia C. Rumbough*
Name: Nedenia C. Rumbough
Title: Manager
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

HIGHLY OPTIMISTIC, LLC

By */s/ William C. Fowler*

JS Capital Management, Inc., Manager
William C. Fowler, President

Address: [***]
Email Address: [***]

[*Signature Page to Secured Note Purchase Agreement*]

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

Investor 7, LLC
By */s/ Mark Silva*
Name: Mark Silva
Title: Attorney-in-fact
Address: [***]
Email Address: [***]

[*Signature Page to Secured Note Purchase Agreement*]

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

JDM CAPITAL TRUST
By */s/ John Mulkey*
Name: John Mulkey
Title: Trustee
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

JP AVIATION MOLDINGS, LLC

By */s/ Jonathan Roulin*
Name: Jonathan Roulin
Title: Sole Member
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ Abraham Keh
Name: Abraham Keh
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

KHK VENTURES, LLC

By */s/ Michael T. Coghlan*
Name: Michael T. Coghlan
Title: Managing Member
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

By */s/ Scott LaRoque*
Name: Scott LaRoque
Title: President
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ Donal Mastrangelo
Name: Donal Mastrangelo
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

By /s/ Tim Murphy
Name: Tim Murphy
Title: Murphy Family Trust
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ George C. Odden

Name: George C. Odden
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

By */s/ Jordan Tritt*
Name: Jordan Tritt
Title: Principal- Partner Opportunity Fund, LLC
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ Jeffrey Pavone
Name: Jeffrey Pavone
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

By */s/ Robert H. Crompton*
Name: Robert H. Crompton
Title Managing Member of RHC 3 LLP
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ Timothy J. Sandker
Name: Timothy J. Sandker
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ Daniel T. Santy
Name: Daniel T. Santy
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ Mark Scatterday
Name: Mark Scatterday
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

Sheldrake Interests LLC

By */s/ Adam Draizin*
Name: Adam Draizin
Title: Manager
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ David Simkins
Name: David Simkins
Address: [***]
Email: [***]

/s/ Lucy Simkins

Address: [***]
Email: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/: Spencer Weed
Name: Spencer Weed
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ Steven A. Weed
Name: Steven A. Weed
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ Spencer Weed
Name: Spencer Weed
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ Abraham Keh
Name: Abraham Keh
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ Blake Bechtel
Name: Blake Bechtel
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ Colin Taylor
Name: Colin Taylor

Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

THE FAMILY TRUST C/U THE LAURE TOSI 2012 LONG-TERM TRUST AGRE

By: */s/ Laurence A. Tosi*
Name: Laurence A. Tosi
Title: Trustee
Address: [***]
Email Address: [***]

[*Signature Page to Secured Note Purchase Agreement*]

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

Ullman Wealth Management Inc. As Trustee For UWM Tactical Multi-Strategy Fund

By /s/ Laurence Ullman
Name: Laurence Ullman
Title: CEO

Address: [***]

Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ Mark Young
Name: Mark Young
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ J. Philip Thebault
Name: J. Philip Thebault
Address: [***]
Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

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

/s/ Roy Lipson
Name: Roy Lipson
Address: [***]

Email Address: [***]

[Signature Page to Secured Note Purchase Agreement]

SCHEDULE OF PURCHASERS

Purchaser	Commitment
[***]	$ 5,000,000
[***]	$ 1,000,000
[***]	$ 500,000
[***]	$ 300,000
[***]	$ 250,000
[***]	$ 250,000
[***]	$ 100,000
[***]	$ 250,000
[***]	$ 200,000
[***]	$ 150,000
[***]	$ 100,011
[***]	$ 50,000
[***]	$ 30,000
[***]	$ 6,500,000
[***]	$ 100,000
[***]	$ 250,000
[***]	$ 225,000
[***]	$ 100,000
[***]	$ 200,000
[***]	$ 100,000
[***]	$ 150,000
[***]	$ 4,000,000
[***]	$ 50,000
[***]	$ 250,000
[***]	$ 25,000
[***]	$ 100,000
[***]	$ 1,000,000
[***]	$ 400,000
[***]	$ 500,000
[***]	$ 100,000
[***]	$ 200,000
[***]	$ 1,618,500
[***]	$ 62, 500
[***]	$ 125, 000
[***]	$ 218,750
[***]	$ 150,000
[***]	$ 50,000
[***]	$ 300,000
[***]	$ 500,000
[***]	$ 50,000
[***]	$ 100,000
[***]	$ 25,605,011

EXHIBIT A

Form of Secured Note

(Please see attached)

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAW OF ANY FOREIGN JURISDICTION OR ANY STATE WITHIN THE UNITED STATES. SUCH SECURITIES MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, OR HYPOTHECATED ABSENT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR COMPLIANCE WITH RULE 144 PROMULGATED UNDER SUCH ACT, OR SUCH FOREIGN OR STATE SECURITIES LAW OR UNLESS THE PARENT HAS RECEIVED AN OPINION OF COUNSEL, SATISFACTORY TO THE PARENT AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED. UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DATE OF THE CLOSING.

PROMISSORY NOTE

No. [] **Date of Issuance**

US$[PRINCIPAL AMOUNT] **[DATE], 2019**

FOR VALUE RECEIVED, JIMMY JANG, L.P., a Delaware limited partnership and BAKER TECHNOLOGIES, INC., a Delaware corporation, JUPITER RESEARCH, LLC., an Arizona limited liability company, and COMMONWEALTH ALTERNATIVE CARE, INC., a Massachusetts corporation, together, joint and severally, the "**Company**"), hereby promises to pay to the order of [PURCHASER NAME] (the "**Holder**"), the principal sum of US$[PRINCIPAL AMOUNT], together with interest thereon from the date of this Note (the "**Effective Date**"). The principal and accrued and unpaid interest of this Note will be due and payable by the Company on the Maturity Date.

This Note is one of a series of Notes issued pursuant to that certain Senior Secured Note Purchase Agreement, dated November 1, 2019, by and among the Company, the Holder and the other parties thereto (the "**Purchase Agreement**"), and capitalized terms not defined herein will have the meanings set forth in the Purchase Agreement. All rights and obligations under this Note are governed by the Purchase Agreement.

1. Interest. Interest will accrue daily at a rate equal to eight percent (8%) per annum calculated by the Noteholder Representative on the basis of a three hundred sixty (360) day year for the actual number of days elapsed (the "**Applicable Interest Rate**") and shall compound quarterly. Interest only on the unpaid principal balance of this Note shall be due and payable in arrears on the first day of each calendar quarter after the Effective Date (each such date, an "**Interest Payment Date**"), with all outstanding principal and accrued and unpaid interest due and payable on the Maturity Date; provided, however, that if an Interest Payment Date is not a Business Day, the Company shall pay interest on the next Business Day following such Interest Payment Date.

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2. Default Interest. During the continuance of an Event of Default, interest will accrue at a rate equal to the Applicable Interest Rate *plus* eight percent (8%) per annum.

3. Payment. All payments will be made in lawful money of the United States of America at the principal office of the Company, or at such other place as the Holder may from time to time designate in writing to the Company. Payment will be credited first to fees payable to the Purchasers (if any) then due and payable, then to reimbursement and indemnity obligations to the Noteholder Representative and the Purchasers (if any, and on a pro rata basis) then due and payable, then to fee obligations of the Noteholder Representative then due and payable, then to accrued interest due and payable, with any remainder applied to principal.

4. Security. This Note is a secured obligation of the Company and the Subsidiaries as more fully set forth in the Security Agreements. The Obligations under this Note are guaranteed by the Guarantors pursuant to the Guarantees.

5. Taxes. Any and all payments by the Company (or any payment by a Guarantor) under this Note shall be made free and clear of and without deduction or withholding for any Taxes except as required by applicable Laws. If the Holder shall be required to deduct or withhold any Taxes from or in respect of any amount payable under this Note, then the Holder shall make such deduction or withholding and shall pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Laws. Any amount deducted or withheld by Holder shall be considered for purposes of this Note to have been paid to the Holder and neither the Company nor the Parent shall have any obligation to pay any additional amounts in respect of amounts so deducted or withheld.

6. Amendments and Waivers; Resolutions of Dispute; Notice. The amendment or waiver of any term of this Note, the resolution of any controversy or claim arising out of or relating to this Note and the provision of notice among the Company and the Holder will be governed by the terms of the Purchase Agreement.

7. Purchase Agreement: This Note is issued in connection with the Purchase Agreement which contains additional terms relevant to the administration of the Notes, the obligations of the Borrowers (amongst others) and the rights of the Holder.

8. Successors and Assigns. This Note applies to, inures to the benefit of, and binds the respective successors and assigns of the parties hereto; provided, however, that the Company may not assign its obligations under this Note without the written consent of the Noteholder Representative. Any transfer of this Note may be effected only pursuant to the Purchase Agreement and by surrender of this Note to the Company and reissuance of a new note to the transferee. The Holder and any subsequent holder of this Note receives this Note subject to the foregoing terms and conditions, and agrees to comply with the foregoing terms and conditions for the benefit of the Company and any other Purchasers (or their respective successors or assigns). No transfer or assignment of the Note is effective unless and until the transferee or assignee executes and delivers to the Noteholder Representative counterpart signature pages to the Purchase Agreement. The assignee or transferee of the Note shall execute any other agreements or documents reasonably required by the Noteholder Representative or the Borrowers.

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9. Officers and Directors not Liable. In no event will any officer or director of the Company or the Parent be liable for any amounts due and payable pursuant to this Note.

10. Limitation on Interest. In no event will any interest charged, collected or reserved under this Note exceed the maximum rate then permitted by applicable law, and if any payment made by the Company under this Note exceeds such maximum rate, then such excess sum will be credited by the Holder as a payment of principal.

11. Choice of Law. This Note will be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the Commonwealth of Massachusetts.

12. Approval. The Company hereby represents that its general partner or board of directors (as applicable), and the Parent's board of directors, in the exercise of their fiduciary duties, has approved the Company's execution of this Note based upon a reasonable belief that the principal provided hereunder is appropriate for the Company after reasonable inquiry concerning the Company's financing objectives and financial situation. In addition, the Company hereby represents that it shall use the principal of this Note in accordance with the Purchase Agreement.

[Signatures on Following Page]

Exhibit 10.6

REDACTED VERSION

THE INDEBTEDNESS EVIDENCED HEREBY IS SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AND INTERCREDITOR AGREEMENT (THE "SUBORDINATION AGREEMENT") DATED AS OF NOVEMBER 1, 2019 AMONG, JIMMY JANG, L.P., A DELAWARE LIMITED PARTNERSHIP, BAKER TECHNOLOGIES, INC., A DELAWARE CORPORATION, COMMONWEALTH ALTERNATIVE CARE, INC., A MASSACHUSETTS CORPORATION, JUPITER RESEARCH, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, THE SUBORDINATED CREDITORS PARTY THERETO, NR 1, LLC, AS NOTEHOLDER REPRESENTATIVE PURSUANT TO THE SENIOR PURCHASE AGREEMENT (AS DEFINED IN THE SUBORDINATION AGREEMENT), AND THE OTHER PERSONS PARTY THERETO, TO THE HOLDERS OF THE SENIOR INDEBTEDNESS (AS DEFINED IN THE SUBORDINATION AGREEMENT); AND EACH HOLDER HEREOF, BY ITS ACCEPTANCE HEREOF, SHALL BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT

JUNIOR SECURED NOTE PURCHASE AGREEMENT

This Junior Secured Note Purchase Agreement (this "**Agreement**"), dated as of November 1, 2019, is entered into among JIMMY JANG, L.P., a Delaware limited partnership ("**Jimmy Jang**"), BAKER TECHNOLOGIES, INC., a Delaware corporation ("**Baker**"), COMMONWEALTH ALTERNATIVE CARE, INC., a Massachusetts corporation ("**CAC**"), JUPITER RESEARCH, LLC, an Arizona limited liability company ("**Jupiter**"), and each of the undersigned parties executing this agreement as a Borrower (collectively, with their respective successors and assigns, and together with Jimmy Jang, Baker, CAC and Jupiter, collectively, the " **Borrowers**" and each a "**Borrower**"), TILT HOLDINGS INC., a British Columbia corporation (the "**Parent**"), [REDACTED NAME], as noteholder representative (the "**Noteholder Representative**") on behalf of the purchasers (each, individually a "**Purchaser**," and collectively, the "**Purchasers**") named on the Schedule of Purchasers attached hereto (the "**Schedule of Purchasers**"), and the Purchasers. For greater certainty, the term "**Purchasers**" on any given date shall mean the holders of Notes (as herein defined) as of such date of determination.

WHEREAS, the Borrowers wish to issue to the Purchasers in exchange for the release and satisfaction of (i) the obligations of Jupiter and certain Affiliates to pay the "Purchase Price Holdback Amount" under that certain Amended and Restated Agreement and Plan of Merger, dated as of January 11, 2019, as amended, restated, supplemented or otherwise modified from time to time and (ii) certain other payment obligations to the "Sellers" under the Amended and Restated Agreement and Plan of Merger, dated as of January 11, 2019, as amended, restated, supplemented or otherwise modified from time to time (the amount in clause (i) and certain interest owing as more specifically set forth in the Side Letter (defined below) are collectively referred to herein as the "**Obligations to Jupiter Sellers**"), junior secured promissory notes (the "**Junior Loan**").

WHEREAS, the Borrowers are contemporaneously entering into a Senior Secured Note Purchase Agreement with NR 1, LLC, as the "Noteholder Representative" thereunder (referred to herein as the "**Senior Noteholder Representative**") and the Purchasers as defined therein (referred to herein as the "**Senior Purchasers**"), pursuant to which the Senior Purchasers thereunder are providing a senior secured credit facility to the Borrowers (the "**Senior Loan**").

WHEREAS, the Noteholder Representative and each Purchaser under this Agreement has agreed to subordinate payment of the Junior Loan to payment in full of the Senior Loan and has agreed to subordinate any liens securing the Junior Loan to the liens securing the Senior Loan, pursuant to a the Subordination Agreement (as herein defined).

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 is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Capitalized terms not otherwise defined in this Agreement will have the meanings set forth in thisSection 1.

1.1 "**Affiliate**" shall mean, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the specified Person. For the purposes of this definition, "**Control**" shall mean the possession, directly or indirectly, of more than fifty percent (50%) of the voting equity interests and the right to exercise same. The terms "**Controlling**" and "**Controlled**" have meanings correlative thereto.

1.2 "**Agreement**" has the meaning set forth in the preamble to this Agreement.

1.3 "**Applicable Securities Legislation**" means, at any time, all securities laws and the respective rules and regulations under such laws together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other applicable regulatory instruments of the securities regulatory authorities applicable to the Parent or to which it is subject.

1.4 "**Baker**" has the meaning set forth in the preamble to this Agreement.

1.5 "**Borrowers**" has the meaning set forth in the preamble to this Agreement.

1.6 "**Business Day**" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close in Boston, Massachusetts.

1.7 "**CAC**" has the meaning set forth in the preamble to this Agreement.

1.8 "**Canadian Security Agreement**" means that certain Security Agreement entered into by the Parent and the Noteholder Representative.

1.9 **Change of Control**" means (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, as amended, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of thirty-five percent (35%) or more of the Equity Interests of the Parent entitled to vote for members of the board of directors or equivalent governing body of the Parent on a fully-diluted basis (and taking into account all such Equity Interests that such "person" or "group" has the right to acquire pursuant to any option right); or (ii) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Parent cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of

such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (excluding, in the case of both clause (ii) and clause (iii), any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors), in each case other to the extent occurring in accordance with the terms of this Agreement.

1.10 "**Closing**" has the meaning set forth in Section 3.1 of this Agreement.

1.11 "**Commission**" means the United States Securities and Exchange Commission.

1.12 "**Common Stock**" means the Parent's common shares, without par value.

1.13 "**Consideration**" means the Noteholder Representatives and the Purchasers release of the Obligations to Jupiter Sellers set forth in Section 3.3 hereof.

1.14 "**Constating Documents**" means: (a) with respect to a corporation, its constitution, articles or certificate of incorporation, amalgamation or continuance or other similar documents and its by-laws (if any); and (b) with respect to a limited liability company or limited partnership, its articles or certificate of formation or limited partnership, as the case may be, and its limited liability company or limited partnership agreement, as the case may be, in each case as amended or supplemented from time to time.

1.15 "**DACA Bank**" has the meaning given to such term in Section 6.15 of this Agreement.

1.16 "**DACAs**" mean the deposit account control agreements entered into or to be entered into in respect of the bank accounts of the Parent, the Borrowers and the Guarantors in favor of the Noteholder Representative for the benefit of the Noteholder Representative and the Purchasers, in form and substance reasonably satisfactory to the Noteholder Representative and the Noteholder Representative, and "DACA" means any one of them.

1.17 "**Disposition**" means the sale, transfer, license, lease or other disposition of any Collateral (as defined in the Security Agreements) by any Loan Party (including any Equity Interests owned by such Person).

1.18 "**Disqualification Event**" has the meaning given to such term in Section 4.16 of this Agreement.

1.19 "**DTC**" has the meaning given to such term in Section 10.14(c) of this Agreement.

1.20 "**Equity Interests**" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

1.21 "**Event of Default**" has the meaning given to such term in Section 9.1 of this Agreement.

1.22 "**Exchange**" means the Canadian Securities Exchange.

1.23 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

1.24 "**Excluded Obligations**" means the "Excluded Obligations" as defined in the Jupiter Side Letter.

1.25 "**FCPA**" has the meaning given to such term in Section 4.20 of this Agreement.

1.26 "**Financial Statements**" has the meaning given to such term in Section 4.19 of this Agreement.

1.27 "**Governmental Authority**" means any national, supranational, federal, state, county, provincial, local, municipal or other government or political subdivision thereof, whether domestic or foreign, and any agency, authority, commission, ministry, instrumentality, regulatory body, court, tribunal, arbitrator, central bank or other Person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to any such government.

1.28 "**Guarantor(s)**" means the Parent and each Subsidiary executing a Guaranty. For greater certainty all Subsidiaries of the Parent, direct and indirect existing now or in the future, other than Immaterial Subsidiaries shall be required to enter into Guarantees on forms equal to the then existing Guarantees.

1.29 "**Guaranty**" means, collectively, those certain Guarantees executed and delivered by any Guarantor from time to time party hereto, as amended, restated, supplemented or otherwise modified from time to time.

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

1.31 "**Immaterial Subsidiary**" means a Subsidiary of the Parent that at all times during and throughout the term of this Agreement (a) has total assets equal to less than of two percent (2%) of the consolidated total assets of the Parent and its Subsidiaries or total revenues equal to less than of two percent (2%) of the consolidated total revenues of the Parent and its Subsidiaries (based upon and as of the date of delivery of the most recent consolidated financial statements of the Parent; and (b) does not own Equity Interests in any Subsidiary that is not an Immaterial Subsidiary; provided that the total assets or total revenues of all the Subsidiaries that are Immaterial Subsidiaries shall not exceed ten percent (10%) of the consolidated total assets or total revenues, as the case may be, of the Parent and its Subsidiaries

1.32 "**Indebtedness**" of any Person means, without duplication, (a) all indebtedness for borrowed money, whether or not evidenced by bonds, debentures, notes or similar instruments, (b) obligations with respect to capital leases, (c) all obligations to pay the deferred purchase price of property or services (including, without limitation, third party vendor services), (other than trade payables incurred in the ordinary course of such Person's business), (d) all indebtedness secured by a Lien on the property of such Person, whether or not such indebtedness shall have been assumed by such Person, (e) all obligations, contingent or otherwise, with respect to the face amount of all letters of credit (whether or not drawn) and banker's acceptances issued for the account of such Person, (f) all derivative obligations of such Person, (g) all contingent liabilities in respect of any of the foregoing Indebtedness, (h) any of the foregoing Indebtedness of any partnership or joint venture of which such Person is a general partner or joint venturer, (i) any guarantee of any of the foregoing Indebtedness of others, and (j) all obligations to make any payment in connection with any warrants or any other

Equity Interests including any put, redemption and mandatory dividends, of such Person or any Affiliate thereof.

1.33 "**Indemnitee**" has the meaning set forth in Section 10.1(b) of this Agreement.

1.34 "**Information Certificate**" has the meaning given to such term in Section 4 of this Agreement.

1.35 " **Inventory**" means all of the Borrowers' and each other Loan Party's present and hereafter acquired inventory (as defined in the Uniform Commercial Code) including all merchandise and inventory in all stages of production (from raw materials through work-in-process to finished goods), and all additions, substitutions and replacements thereof, wherever located, together with all goods and materials used or usable in manufacturing, processing, packaging or shipping of the foregoing, and all proceeds of any of the foregoing.

1.36 "**Jimmy Jang**" has the meaning set forth in the preamble to this Agreement.

1.37 "**Jupiter**" has the meaning set forth in the preamble to this Agreement.

1.38 "**Jupiter Credit Facility**" means an asset-backed credit facility, with Jupiter Research as the borrower, obtained on commercially reasonable terms and with the prior written consent of the Noteholder Representative (which consent will not be unreasonably withheld, conditioned or delayed).

1.39 "**Jupiter Side Letter**" means that certain letter agreement, dated on or about the date hereof, between [REDACTED NAME], as sellers' representative, and the Parent.

1.40 "**Laws**" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law; provided, however, that the term "Laws" expressly excludes the Controlled Substances Act, 21 USC 801 et seq., as it applies to marijuana (including any implementing regulations, orders, rules, decrees and schedules in effect at the relevant time) and any other U.S. federal laws, rules, regulation ordinance, order, code, judgment, decree, directive, injunction, writ or similar action or decision regarding marijuana, generally, or which is predicated upon a violation of the Controlled Substances Act as it applies to marijuana.

1.41 "**Lien**" means, with respect to any property, any security interest, mortgage, pledge, lien, claim, charge or other encumbrance.

1.42 " **Loan Documents**" means, collectively, this Agreement, the Notes, the Guarantees, the Security Agreements, the Pledge Agreement, the Subordination Agreement and each other agreement, instrument, document and certificate executed and delivered to, or in favor of, Noteholder Representative and the Purchasers in connection with this Agreement.

1.43 "**Loan Parties**" means, collectively, the Borrowers, Parent and each other Guarantor.

1.44 "**Lockbox Account**" has the meaning set forth in Section 6.15 of this Agreement.

1.45 "**Lockbox Agreement**" means such lockbox agreement as may be entered by CAC, the Noteholder Representative and a bank in respect of CAC's operating account after the date of this Agreement.

1.46 "**Lockbox Bank**" has the meaning set forth in Section 6.15 of this Agreement.

1.47 "**Material Adverse Effect**" means a material adverse effect on (a) the business, assets, properties, operations or financial condition of the Loan Parties taken as a whole, or (b) the consummation of the issuance of the Notes; or (c) the ability of any Borrower or any other Loan Party to perform its Obligations pursuant to this Agreement or any other Loan Document, (d) the validity, binding effect or enforceability against any Borrower or any other Loan Party of any Loan Document to which it is a party or (e) the rights or remedies available to, or conferred upon, the Noteholder Representative or any Purchaser under any Loan Documents; provided, however, that in no event shall there be a Material Adverse Effect as a result of the fact or effect of the Controlled Substances Act, 21 USC 801 et seq., as it applies to marijuana (including any implementing regulations, orders, rules, decrees and schedules in effect at the relevant time) and any other U.S. federal laws, rules, regulation ordinance, order, code, judgment, decree, directive, injunction, writ or similar action or decision regarding marijuana, generally, or which is predicated upon a violation of the Controlled Substances Act as it applies to marijuana.

1.48 " **Maturity Date**" means, with respect to each Note issued under this Agreement, the date that is forty-two (42) months following the date of this Agreement.

1.49 "**NI 45-106**" means National Instrument 45-106 "Prospectus Exemptions".

1.50 "**Noteholder Representative**" has the meaning set forth in the preamble to this Agreement.

1.51 "**Notes**" means the one or more promissory notes issued to each Purchaser pursuant to Section 2 of this Agreement, the form of which is attached hereto as Exhibit A.

1.52 "**Obligations**" means and includes all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Loan Parties to Purchasers and the Noteholder Representative of every kind and description, now existing or hereafter arising under or pursuant to the terms of this Agreement, the Notes and the other Loan Documents, including, without limitation, all interest, fees, charges, expenses, indemnification obligations, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Loan Parties, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U. S. C. Section 101 et seq.), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding.

1.53 "**Obligations to Jupiter Sellers**" has the meaning set forth in the preamble to this Agreement.

1.54 "**Parent**" has the meaning set forth in the preamble to this Agreement.

1.55 "**Permit**" means all permits, licenses, registrations, certificates, orders, approvals, authorizations, consents, waivers, franchises, variances and similar rights issued by or obtained from any Governmental Authority or any other Person.

1.56 " **Permitted Dispositions**" means (a) Dispositions of Inventory in the ordinary course of business, (b) Disposition of damaged, surplus, worn-out or obsolete personal property, (c) Dispositions of property (other than Equity Interests of any Subsidiary) in the ordinary course of business, to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property with a Person that is not an Affiliate of a Loan Party and (ii) the proceeds of such Dispositions are applied to the purchase price of such replacement property within a commercially reasonable time, (d) the unwinding of hedging or swap contracts entered into in the ordinary course of business, (e) non-exclusive licenses or sublicenses of intellectual property and leases or subleases of real property, in each case granted to Persons that are not Affiliates of a Loan Party in the ordinary course of business not interfering with, or impairing, in any material respect the conduct of any Loan Party's business or ability to fulfill its Obligations; and (f) Dispositions of property by the Parent or a Subsidiary of the Parent to another Loan Party.

1.57 "**Permitted Indebtedness**" means (i) Indebtedness arising under this Agreement and the other Loan Documents, (ii) purchase money Indebtedness of up to $500,000 per annum in aggregate across all Loan Parties for the purpose of financing all or any part of the purchase price of property, plant or equipment used in the business of a Loan Party, provided (A) the amount of such indebtedness shall not exceed such purchase price, (B) such indebtedness shall not be secured by any other asset other than the specific asset being financed, and (C) such indebtedness shall be incurred within sixty (60) days after the acquisition of such asset, (iii) the endorsement of negotiable instruments for deposit or collection in the ordinary course of business, (iv) to the extent constituting Indebtedness, obligations in respect of any cash management arrangement and obligations in respect of netting services, overdraft protections and other customary bank products in connection with deposit accounts, so long as such obligations are incurred in the ordinary course of business; (v) Indebtedness in respect of letters of credit or bankers acceptances issued at the request of the Borrowers or any other Loan Party in the ordinary course of business not to exceed $500,000 in the aggregate at any one time, (vi) Indebtedness in respect of leases, statutory obligations, surety, stay, customs, bid and appeal bonds, performance bonds and performance and completion and return of money guaranties, government contracts and similar obligations incurred in the ordinary course of business, not to exceed in the aggregate $500,000 at any time outstanding, (vii) unsecured Indebtedness owed to any Person providing workers' compensation, health, disability or other standard employee benefits (including contractual and statutory benefits), pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business and in each case so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such benefits for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year, (viii) subordinated Indebtedness owing to another Loan Party not to exceed in the aggregate $500,000 at any given time, (ix) Indebtedness under the Jupiter Credit Facility, up to a maximum of $10,000,000, (x) Permitted Subordinated Debt, (xi) the Senior Indebtedness; (xii) other subordinated Indebtedness in an aggregate principal amount not to exceed U.S. Five Hundred Thousand and No/100 Dollars (U.S. $500,000.00) at any one time outstanding; and (xii) such other Indebtedness that is consented to by the Noteholder Representative.

1.58 "**Permitted Liens**" means (i) Liens for taxes not yet delinquent or Liens for taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established; (ii) Liens in respect of property or assets imposed by law which were incurred in the ordinary course of business, such as carriers', warehousemen's, materialmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings (and which proceedings are sufficient to prevent imminent foreclosure of such liens); (iii) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, and other Liens to secure the performance of tenders, statutory obligations, contract bids, government contracts, performance and return of money bonds and other similar obligations, incurred in the ordinary course of business, whether pursuant to statutory requirements, common law or consensual arrangements; (iv) Liens in favor of the Purchasers relating to the Private Placement; (v) Liens securing the Jupiter Credit Facility; (vi) Liens securing the Senior Indebtedness; (vii) any Liens that are expressly subordinate to the Obligations in form and substance satisfactory to the Noteholder Representative; and (viii) any other Liens that are consented to by the Noteholder Representative

1.59 "**Permitted Subordinated Debt**" means Indebtedness of a Loan Party approved in writing by the Noteholder Representative or the Senior Noteholder Representative.

1.60 "**Person**" means and includes an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity or a governmental authority.

1.61 " **Pledge Agreement**" means the Pledge Agreement dated the date hereof made by Parent in favor of the Noteholder Representative for the benefit of the Purchasers.

1.62 "**Post-Closing Obligations**" means the post-closing obligations set forth in Section 8.4 of this Agreement.

1.63 "**Private Placement**" means the private placement of Notes under this Agreement.

1.64 "**Purchasers**" has the meaning set forth in the preamble to this Agreement.

1.65 "**Questionnaire**" has the meaning given to such term in Section 5.5 of this Agreement.

1.66 "**Regulation D**" means Rule 506 of Regulation D.

1.67 " **Related Parties**" shall mean, with respect to any Person, such Person's Affiliates, stockholders, partners and other holders of Equity Interests of such Persons and the managers, administrators, trustees, partners, directors, officers, employees, agents, advisors or other representatives of such Person and such Person's Affiliates.

1.68 "**Representation Letter**" has the meaning given to such term in Section 5.17 of this Agreement.

1.69 "**Required Purchasers**" means, at any time, Purchasers holding more than fifty per cent (50%) of the aggregate principal amount of the outstanding Notes at such time.

1.70 "**Responsible Officer**" means, as applied to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, president, vice president (or the equivalent thereof), chief financial officer or treasurer.

1.71 "**Schedule of Purchasers**" has the meaning set forth in the preamble to this Agreement.

1.72 "**Securities Act**" means the exemption from securities registration afforded by Section 4(2) of the Securities Act of 1933, as amended.

1.73 "**Security Agreements**" means, collectively, those certain security agreements executed and delivered by any Loan Party from time to time party hereto, as amended, restated, supplemented or otherwise modified from time to time including without limitation, the U.S. Security Agreement, the Canadian Security Agreement, and the Pledge Agreement.

1.74 "**Senior Indebtedness**" means the Senior Loan and any other Indebtedness owing by the Borrowers under the Senior Secured Note Purchase Agreement.

1.75 "**Senior Loan**" has the meaning set forth in the preamble to this Agreement.

1.76 "**Senior Noteholder Representative**" has the meaning set forth in the preamble to this Agreement.

1.77 "**Senior Purchasers**" has the meaning set forth in the preamble to this Agreement.

1.78 " **Solvent**" means, at any time with respect to any Person, that at such time the assets and properties of such Person at a fair valuation are greater than the liabilities of such Person.

1.79 "**Statutory Lien**" means, with respect to any property, any mechanics', workmen's, repairmen's, laborer's, materialmen's, suppliers', warehousemen's liens or similar Liens arising by operation of law and not constituting a Permitted Lien.

1.80 "**Subordination Agreement**" means that certain Subordination and Subordination Agreement by and among the Noteholder Representative, on behalf of and for the benefit of the Purchasers, and the Senior Noteholder Representative on behalf of the Senior Purchasers.

1.81 "**Subsidiary**" means, with respect to any Person, any corporation, partnership, limited liability company, association or other business entity of which such Person owns, directly or indirectly, more than fifty percent (50%) of the voting securities thereof. Except when the context requires otherwise, the term "Subsidiary" shall be deemed to refer to a Subsidiary of the Parent.

1.82 "**Taxes**" means all income, stamp or other taxes, duties, levies, imposts, charges, assessments, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, and all interest, penalties or similar liabilities with respect thereto.

1.83 "**Trading Affiliates**" has the meaning given to such term in Section 5.10 of this Agreement.

1.84 "**U.S. Security Agreement**" means that certain Security Agreement entered into by the Borrowers, the Guarantors and the Noteholder Representative.

2. Terms of the Notes; Fees.

2.1 Purchase and Sale of Notes. In exchange for the Consideration provided by each Purchaser, the Borrowers will issue to such Purchaser one or more Notes. Each Note will have an original principal amount equal to the Consideration paid by such Purchaser for such Note, as set forth opposite such Purchaser's name on the Schedule of Purchasers.

2.2 Security. The Note and the Obligations of the Borrowers hereunder and the obligations of the Loan Parties under this Agreement and the other Loan Documents will be (a) secured by a security interest in all of the assets of the Loan Parties, as more fully set forth in the Security Agreements and (b) guaranteed, as set forth in the Guarantees.

2.3 Release Consideration. Subject to and conditioned upon the issuance of the Notes hereunder at Closing, the Noteholder Representative and each Purchaser and each of their Related Parties, individually and jointly, and on behalf of their principals, directors, officers, counsel, managers, stockholders, members, limited partners, general partners; present, former, and future spouses, agents, representatives, successors, heirs, beneficiaries, predecessors, assigns, legal representatives, trustees and executors and anyone claiming by, through or on behalf of any of them (all of the foregoing are collectively referred to hereafter as "**Releasing Parties**") hereby release, remise, and forever discharge Jupiter, the Parent, the Borrowers and each other Loan Party and each of their Related Parties, individually and jointly, and on behalf of their principals, directors, officers, counsel, managers, stockholders, members, limited partners, general partners; present, former, and future spouses, agents, representatives, successors, heirs, beneficiaries, predecessors, assigns, legal representatives, trustees and executors (all of the foregoing are collectively referred to hereafter as "**Released Parties**") from any and all claims, debts, suits, demands, contracts, judgments, damages, costs, proceedings, and actions of any kind which Releasing Parties ever had, now have, or may hereafter have, whether known or unknown, accrued or not accrued, suspected or unsuspected, arising out of or in any way related to the Obligations to Jupiter Sellers but specifically excluding the Excluded Obligations and any claims that the Purchasers may have under the Merger Agreement (other than with respect to the Holdback Amount and interest accrued thereon as of the date of this Agreement) (collectively, the " **Claims**"). The Releasing Parties hereto fully and voluntarily waive, release, and relinquish any rights and benefits which they may have under any law pertaining to the Claims. In connection with such waiver and relinquishment, the Releasing Parties acknowledge that they may hereafter discover facts in addition to or different from those which they now know or believe to be true as regards the subject matter of this release, but it is their intention to fully and finally forever settle and release any and all matters, disputes and differences, known or unknown, suspected or unsuspected, which do now exist, may exist, or heretofore have existed between the Releasing Parties and the Released Parties, other than as set forth in this Agreement. In furtherance of this intention, the releases herein shall be and remain in effect as full and complete releases notwithstanding the discovery or existence of any such additional or different facts or any other circumstance.

2.4 Interest; Payment. Subject to the Subordination Agreement, the Notes shall provide that the outstanding principal amount of the Notes will be due and payable by the Borrowers on the Maturity Date. Interest on the Notes will be computed and payable as provided in the terms thereof. Notwithstanding anything contained herein to the contrary, at any time, the Borrowers may prepay the Obligations, in full or in part, without penalty (together with any reasonable transaction costs incurred by the Purchasers in connection with such prepayment) on a pro rata basis. The Parent shall deliver to the Noteholder Representative a written notice of their intention to prepay all or a portion of the Notes, which notice shall state the amount of the prepayment and the prepayment date. Any prepayment shall be accompanied by all accrued and

unpaid interest on the principal amount being prepaid.

2.5 Taxes. Any and all payments by the Borrowers under this Agreement or under the Notes or by the Guarantors under the Guarantees shall be made free and clear of and without deduction or withholding for any Taxes except as required by applicable Laws. If any of the Borrowers or the Guarantors shall be required to deduct or withhold any Taxes from or in respect of any amount payable under this Agreement or under the Notes or any other Loan Document, then the relevant Borrower or Guarantor shall make such deduction or withholding and shall pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Laws, and the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Purchaser receives an amount equal to the sum it would have received had no such deduction or withholding been made.

3. Closing.

3.1 Closing. Closing of the issuance of Notes in return for the Consideration provided by each Purchaser participating therein will take place remotely via the exchange of documents and signatures. The Closing will occur on the date of this Agreement, or at such other time and place as the Borrowers and the Purchasers acquiring a majority-in-interest of the aggregate principal amount of the Notes to be sold at such Closing agree upon orally or in writing (which time and place are designated as the "**Closing**"). At Closing, each Purchaser participating therein will execute and deliver this Agreement and the other Loan Documents to the Borrowers and the Borrowers will deliver to each such Purchaser one or more executed Notes in return therefor. The aggregate principal amount of Notes that shall be issued and sold under this Agreement at the Closing, and accordingly the aggregate Consideration for such Notes, shall be U.S. Thirty-Six Million One Hundred Eighty Thousand and No/100 Dollars (U.S. $36,180,000.00).

3.2 Reserved.

3.3 Noteholder Register. The Noteholder Representative will maintain a register of noteholders and will update the same from time to time.

4. Representations and Warranties of the Borrowers. In connection with the transactions contemplated by this Agreement, the Borrowers, jointly and severally, hereby represent and warrant as of Closing, to the Purchasers as follows, except as set forth on that certain Information Certificate provided to the Noteholder Representative by Borrowers (the "**Information Certificate**"):

4.1 Due Organization; Qualification and Good Standing. Each Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all requisite corporate, company or partnership (as applicable) power and authority to carry on its business as now conducted. Each Borrower is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify or to be in good standing would have a Material Adverse Effect. Schedule 4.1 sets forth the name of, the ownership interest of the applicable Loan Party in, the jurisdiction of incorporation or organization of, and the type of each Subsidiary, if any, of the Borrowers and the other Loan Parties.

4.2 Authorization and Enforceability. All corporate, company or partnership (as applicable) action has been taken on the part of the Loan Parties necessary for the authorization, execution and delivery of this Agreement and the Loan Documents.

4.3 Binding Obligations. Each Loan Document constitutes the legal, valid and binding obligation of the Parent and each other Loan Party, as applicable, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

4.4 No Conflicts. The execution, delivery and performance by the Borrowers of the Loan Documents to which it is a party and the consummation by the Borrowers of the transactions contemplated hereby or thereby do not (i) violate any provision of the certificate or articles of incorporation, bylaws or other organizational or charter documents of the Borrowers or any Loan Party, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Borrowers or any Loan Party or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Borrower or Subsidiary debt or otherwise) or other written understanding to which the Borrowers or any Loan Party are a party or by which any property or asset of the Borrowers or any Loan Party are bound, or affected, or (iii) except for Federal Cannabis Laws, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Borrower or any Loan Party is subject (including federal and state securities laws and regulations and the rules and regulations, assuming the correctness of the representations and warranties made by the Purchasers herein, of any self-regulatory organization to which the Borrowers or their securities are subject), or by which any property or asset of the Borrowers or any Loan Party are bound or affected, except in the case of clause (ii) or clause (iii) such as would not have a Material Adverse Effect.

4.5 Binding Obligations. Each Loan Document constitutes the legal, valid and binding obligation of the Parent and each other Loan Party, as applicable, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies.

4.6 Governmental Approvals. The execution, deliver and performance by the Parent and each other Loan Party, as applicable, of this Agreement and the other Loan Documents to which the Borrowers are or are to become a party and the transactions contemplated hereby and thereby do not require the approval or consent of or filing with, any governmental agency or authority other than those already obtained and other than any approval or consent in connection with or pursuant to Federal Cannabis Laws.

4.7 Filings, Consents and Approvals. No Borrower nor any other Loan Party is required to obtain any material consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by such Borrower or such Loan Party of the Loan Documents (including the issuance of the Notes), other than (i) filings required by applicable state securities laws, (ii) the filing of a Notice of Sale of Securities on Form D with the Commission under Regulation D of the Securities Act, and (iii) those contemplated by the Loan Documents or already obtained.

4.8 Issuance of the Notes. The Notes have been duly authorized and, when issued and paid for in accordance with the terms of the Loan Documents, will be duly and validly issued, fully paid and nonassessable and free and clear of all Liens, other than restrictions on transfer provided for in the Loan Documents or imposed by applicable securities laws, and shall not be subject to preemptive or similar rights. Assuming the accuracy of the representations and warranties of the Purchasers in this Agreement, the Notes, will be issued in compliance with all applicable federal and state securities laws.

4.9 Taxes; Governmental Charges. Each Loan Party has timely filed or caused to be timely filed all material federal, state, province and foreign income tax returns which are required to be filed, and has paid or cause to be paid all taxes as shown on such returns or on any assessments received by it to the extent that such taxes have become due, except for such taxes and assessments as are being contested in good faith in appropriate proceedings and reserved for in accordance with IFRS.

4.10 Absence of Financing Statements. Except as set forth on Schedule 4.9 hereto, none of the Loan Parties is subject to any Liens other than Permitted Liens and there are no acts, circumstances or conditions known to the Loan Parties that may result in any Liens other than Permitted Liens. The Liens granted to the Purchasers and the Noteholder Representative pursuant to the Loan Documents are fully perfected Liens in and to the collateral described therein, subject only to Permitted Liens and the Subordination Agreement.

4.11 Solvency. Each Loan Party is Solvent.

4.12 Permits. Each Borrower has all franchises, permits, licenses and any similar authority necessary for the conduct of its business as now being conducted by it, the lack of which would have a Material Adverse Effect, and each Borrower is not in default in any material respect under any of such franchises, permits, licenses or other authority.

4.13 Capitalization. Each Borrower is a wholly-owned direct or indirect subsidiary of the Parent. Except as set forth on the Information Certificate, there are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal or similar rights) or agreements, orally or in writing, to purchase or acquire from a Borrower any Equity Interests of such Borrower or any securities convertible into or exchangeable for Equity Interests of such Borrower.

4.14 Litigation. Except as set forth in the Information Certificate, there is no action, suit, proceeding or investigation pending or, to the Borrowers' knowledge, currently threatened in writing against any Loan Party that questions the validity of the Loan Documents or the right of any Loan Party to enter into the Loan Documents, or to consummate the transactions contemplated thereby, or that might result, if determined adversely to any Borrower, in a Material Adverse Effect, or in any material change in the current equity ownership of any Borrower.

4.15 Intellectual Property. To each Borrower's knowledge, it owns or possesses or believes it can acquire on commercially reasonable terms sufficient legal rights to all patents, patent applications, trademarks, trademark applications, service marks, service mark applications, tradenames, copyrights, trade secrets, domain names, mask works, information and proprietary rights and processes, similar or other intellectual property rights, subject matter of any of the foregoing, tangible embodiments of any of the foregoing, licenses in, to and under any of the foregoing, and any and all such cases as are necessary to such Borrower in the conduct of such Borrower's business as now conducted and as presently proposed to be conducted without any known conflict with, or infringement of, the rights of others. No Borrower is aware of having received any communications alleging that such Borrower has violated, or by conducting its business, would violate any of the patents, trademarks, service marks, tradenames, copyrights, trade secrets, mask works or other proprietary rights or processes of any other person.

4.16 Bad Actor Disqualification. No "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Securities Act (a "**Disqualification Event**") is applicable to the Borrowers or, to the Borrowers' knowledge, any person listed in the first paragraph of Rule 506(d)(1), except for a Disqualification Event as to which Rule 506(d)(2)(ii–iv) or (d)(3), is applicable.

4.17 Certain Transactions. Except as set forth in the Information Certificate, no Borrower is indebted, directly or indirectly, to any of its directors, officers or employees or, to the Borrowers' knowledge, to their respective spouses or children or to any Affiliate of any of the foregoing, other than in connection with expenses or advances of expenses incurred in the ordinary course of business or for other customary employee benefits made generally available to all employees.

4.18 Leased Property. With respect to the property and assets such Borrower leases, each Borrower is in material compliance with such leases and, to its knowledge, holds a valid leasehold interest.

4.19 Financial Statements. Each Borrower has delivered to the Purchasers its unaudited financial statements as of June 30, 2019 and for the six-month period then ended (collectively, the "**Financial Statements**"). The Financial Statements have been prepared in accordance with IFRS applied on a consistent basis throughout the periods indicated. Except as set forth in the Financial Statements, none of the Loan Parties has any Indebtedness other than (i) Permitted Indebtedness and (ii) Indebtedness of a type or nature not required under IFRS to be reflected in the Financial Statements. The Financial Statements fairly present in all material respects the financial condition and operating results of each Borrower as of the dates, and for the periods, indicated therein. Each Borrower maintains and will continue to maintain a standard system of accounting. Since June 30, 2019, no event or circumstance which could reasonably be expected to result in a Material Adverse Effect shall have occurred.

4.20 Foreign Corrupt Practices Act. No Borrower nor to Borrowers' knowledge, any of such Borrower's directors, officers, employees or agents have, directly or indirectly, made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any "foreign official" (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**")), foreign political party or official thereof or candidate for foreign political office for the purpose of (i) influencing any official act or decision of such official, party or candidate, (ii) inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign governmental authority, or (iii) securing any improper advantage, in the case of (i), (ii) and (iii) above in order to assist such Borrower or any of its Affiliates in obtaining or retaining business for or with, or directing business to, any person. No Borrower nor to Borrowers' knowledge, any of such Borrower's directors, officers, employees or agents have made or authorized any bribe, rebate, payoff, influence payment, kickback or other unlawful payment of funds or received or retained any funds in violation of any law, rule or regulation. Neither any Borrower nor, to the Borrowers' knowledge, any of its officers, directors or employees are the subject of any allegation, voluntary disclosure, investigation, prosecution or other enforcement action related to the FCPA or any other anti-corruption law.

4.21 Finance Lender Representations. Each Borrower's Board of Directors, Boardof Managers, Manager, Managing Member, General Partner or equivalent governing body, person or entity, as the case may be, has approved the Loan Documents based upon a reasonable belief that the transactions contemplated thereby are appropriate for such Borrower after reasonable inquiry concerning such Borrower's financing objectives and financial situation.

4.22 Disclosure. Each Borrower has made available to the Purchasers all the information reasonably available to such Borrower that any Purchaser has requested for deciding whether to acquire its Note. No representation or warranty of any Borrower contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. It is understood that this representation is qualified by the fact that the Borrowers have not been requested to deliver a private placement or similar memorandum or any written disclosure of the types of information customarily furnished to purchasers of securities.

5. Representations, Warranties and Acknowledgements of the Purchasers. In connection with the transactions contemplated by this Agreement, each Purchaser participating in Closing, severally and not jointly, hereby represents, warrants and acknowledges as of Closing to the Borrowers and the Parent as follows:

5.1 Authorization. Each Purchaser has full power and authority (and, if such Purchaser is an individual, the capacity) to enter into this Agreement and to perform all obligations required to be performed by it hereunder. This Agreement, when executed and delivered by each Purchaser, will constitute such Purchaser's valid and legally binding obligation, enforceable in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and any other laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

5.2 Purchase Entirely for Own Account. Each Purchaser acknowledges that this Agreement is made with such Purchaser in reliance upon such Purchaser's representation to the Borrowers, which such Purchaser confirms by executing this Agreement, that the Notes will be acquired for investment for such Purchaser's own account, not as a nominee or Noteholder Representative (unless otherwise specified on such Purchaser's signature page hereto), and not with a view to the resale or distribution of any part thereof, and that such Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, each Purchaser further represents that such Purchaser does not have any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such Person or to any third person, with respect to the Notes. If other than an individual, each Purchaser also represents it has not been organized solely for the purpose of acquiring the Notes.

5.3 No Conflicts. The execution, delivery and performance by such Purchaser of this Agreement and the consummation by such Purchaser of the transactions contemplated hereby and thereby will not (i) result in a violation of the organizational documents of such Purchaser, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which such Purchaser is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to such Purchaser, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Purchaser to perform its obligations hereunder.

5.4 Investment Intent. Such Purchaser understands that the Notes are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Notes as principal for its own account and not with a view to, or for distributing or reselling such Notes or any part thereof in violation of the Securities Act or any applicable state securities laws; provided, however, that by making the representations herein, such Purchaser does not agree to hold any of the Notes for any minimum period of time and reserves the right, subject to the provisions of this Agreement, at all times to sell or otherwise dispose of all or any part of such Notes pursuant to an effective registration statement under the Securities Act or under an exemption from such registration and in compliance with applicable federal and state securities laws. Such Purchaser does not presently have any agreement, plan or understanding, directly or indirectly, with any Person to distribute or effect any distribution of any of the Notes (or any securities which are derivatives thereof) or through any person or entity; such Purchaser is not a registered broker-dealer under Section 15 of the Exchange Act or an entity engaged in a business that would require it to be so registered as a broker-dealer.

5.5 Purchaser Status. At the time such Purchaser was offered the Notes, it was, on each date on which it receives Notes it will be, an "accredited investor" as defined in Rule 501(a) under the Securities Act. Each Purchaser shall complete, execute and deliver to Borrowers and Parent an investor questionnaire (in form acceptable to Borrowers and Parent, a "**Questionnaire**") in which it shall, among other things, specifically represent and warrant that it qualifies as an accredited investor under Rule 501 of Regulation D, and in all respects, as of the Closing.

5.6 Residency. Such Purchaser has, if an entity, its principal place of business or,if an individual, its primary residence in the jurisdiction set forth immediately below such Purchaser's name on the signature pages hereto.

5.7 General Solicitation. Such Purchaser is not acquiring the Notes as a result of any advertisement, article, notice or other communication regarding the Notes published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general advertisement.

5.8 Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Notes and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Notes and, at the present time, is able to afford a complete loss of such investment.

5.9 Access to Information. Such Purchaser acknowledges that it has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Borrowers concerning the terms and conditions of the offering of the Notes and the merits and risks of investing in the Notes; (ii) access to information about the Borrowers and the Loan Parties and their respective financial condition, results of operations, business, properties, management and prospects (other than material non-public information) sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Borrowers possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment. Neither such inquiries nor any other investigation conducted by or on behalf of such Purchaser or its representatives or counsel shall modify, amend or affect such Purchaser's right to rely on the truth, accuracy and completeness of the Borrower's and each other Loan Party's representations and warranties contained in the Loan Documents. Such Purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed decision with respect to its acquisition of the Notes.

5.10 Certain Trading Activities. Other than with respect to the transactions contemplated herein, since the earlier to occur of (i) the time that such Purchaser was first contacted by the Borrowers or any other Person regarding the transactions contemplated hereby and (ii) the tenth day prior to the date of this Agreement, neither the Purchaser nor any Affiliate of such Purchaser which (x) had knowledge of the transactions contemplated hereby, (y) has or shares discretion relating to such Purchaser's investments or trading or information concerning such Purchaser's investments, including in respect of the Notes, and (z) is subject to such Purchaser's review or input concerning such Affiliate's investments or trading (collectively, " **Trading Affiliates**") has directly or indirectly, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser or Trading Affiliate, effected or agreed to effect any transactions in the securities of the Borrowers (including, without limitation, any Short Sales involving the Borrowers' securities). Notwithstanding the foregoing, in the case of a Purchaser and/or Trading Affiliate that is, individually or collectively, a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's or Trading Affiliate's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's or Trading Affiliate's assets,

the representation set forth above shall apply only with respect to the portion of assets managed by the portfolio manager that have knowledge about the financing transaction contemplated by this Agreement. Other than to other Persons party to this Agreement, disclosures to potential co-investors or as otherwise consented to by the Borrowers, such Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction).

5.11 Brokers and Finders. No Person will have, as a result of the transactions contemplated by this Agreement, any valid right, interest or claim against or upon the Borrowers or any Purchaser for any commission, fee or other compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of the Borrowers or any Purchaser.

5.12 Independent Investment Decision. Such Purchaser has independently evaluated the merits of its decision to purchase Notes pursuant to the Loan Documents, and such Purchaser confirms that it has not relied on the advice of any other Purchaser's business and/or legal counsel in making such decision. Such Purchaser understands that nothing in this Agreement or any other materials presented by or on behalf of the Borrowers to the Purchaser in connection with the purchase of the Notes constitutes legal, tax or investment advice. Such Purchaser has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Notes. Such Purchaser understands that the Noteholder Representative has acted solely as the Noteholder Representative of the Borrowers in this placement of the Notes and such Purchaser has not relied on the business or legal advice of the Noteholder Representative or any of its agents, counsel or Affiliates in making its investment decision hereunder, and confirms that none of such Persons has made any representations or warranties to such Purchaser in connection with the transactions contemplated by the Loan Documents.

5.13 Reliance on Exemptions. Such Purchaser understands that the Notes being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Borrowers are relying in part upon the truth and accuracy of, and such Purchaser's compliance with, the representations, warranties, agreements, acknowledgements and understandings of such Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of such Purchaser to acquire the Notes.

5.14 No Governmental Review. Such Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Notes or the fairness or suitability of the investment in the Notes nor have such authorities passed upon or endorsed the merits of the offering of the Notes.

5.15 Offering Documents. Such Purchaser has not relied upon any investor presentation. Such Purchaser has not received or been provided with, nor has it requested, any offering memorandum, prospectus, sales or advertising literature, or any other document describing or purporting to describe the business and affairs of the Loan Parties which has been prepared for delivery to, and review by, prospective purchasers in order to assist them in making an investment decision in respect of the Notes.

5.16 No Prospectus. No securities commission or similar regulatory authority has reviewed or passed on the merits of the Notes; there is no government or other insurance covering the Notes; there are risks associated with the Notes; and there are restrictions on the Purchaser's ability to resell the Notes, and it is the responsibility of the Purchaser to find out what those restrictions are and to comply with them before selling the securities.

5.17 Reserved.

5.18 Acting on Behalf of Beneficial Purchaser. If such Purchaser is not acquiring the Notes as principal, it is duly authorized to enter into this Agreement and to execute and deliver all documentation in connection with the purchase on behalf of each beneficial purchaser, each of whom is acquiring as principal for its own account, not for the benefit of any other person, and not with a view to the resale or distribution of all or any of the Notes, it acknowledges that the Borrowers and/or the Parent may be required by law to disclose to certain regulatory authorities the identity of each beneficial purchaser of Notes for whom it may be acting, and it shall complete a Representation Letter on behalf of each beneficial purchaser.

5.19 Offshore Purchasers. If such Purchaser or any other purchaser for whom it is acting hereunder is resident in or otherwise subject to the applicable securities laws of a jurisdiction outside of the United States, there are prospectus and registration exemptions in such other jurisdiction such that the purchase of Notes by such Purchaser shall not trigger a requirement in such other jurisdiction for the Borrowers or the Parent to file a prospectus, registration statement or similar document.

5.20 Filings. If required by applicable securities laws, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Purchaser will execute, deliver, file and otherwise assist the Loan Parties in filing, such reports, undertakings and other documents with respect to the issue of the Notes;

6. Affirmative Covenants.

6.1 Notice Requirements. The Borrowers shall promptly deliver to the Noteholder Representative (i) after any officer of Parent or another Loan Party knows that any Event of Default under any term or provision of the Loan Documents, written notice of the occurrence of any such Event of Default, including a statement of a Responsible Officer setting forth details of such Event of Default and the action which any Borrower or any other Loan Party has taken or proposes to take with respect thereto; and (ii) written notice of any litigation, legal or governmental proceedings or dispute pending or threatened against any Loan Party (A) involving amounts in excess of U.S. $250,000.00, (B) seeking to enjoin, either directly or indirectly, the execution, delivery or performance by any Borrower and any other Loan Party of the Loan Documents or the transactions contemplated thereby, or (C) would reasonably be expected to result in a Material Adverse Effect.

6.2 Government Charges and Other Claims. Each Borrower and each other Loan Party shall pay and discharge when due all Taxes, levies, assessments, fees, claims or other charges imposed by any Governmental Authority upon or relating to (i) such Borrower or such Loan Party, (ii) employees, payroll, income or gross receipts of such Borrower or such Loan Party, (iii) the ownership or use of any assets by such Borrower or such Loan Party or (iv) any other aspect of such Borrower or such Loan Party to the date upon which penalties accrue thereon, except as may be contested in good faith by the appropriate procedures and for which adequate reserves in accordance with IFRS have been set aside.

6.3 Reserved.

6.4 Reserved.

6.5 Books and Records; Inspection. Each of the Parent and the Subsidiaries will keep books and records in accordance with IFRS which accurately reflect in all material respects all of its business affairs and transactions. From time to time upon reasonable notice to the Parent, the Parent will permit any officer or employee of or Noteholder Representative designated by, the Noteholder Representative to visit and inspect any of the properties of the Parent or any Loan Party, examine the Parent's or any Loan Party's corporate books or financial records of the Parent at the Parent's offices, and discuss the affairs, finances and accounts of the Parent or any Loan Party with the Parent's officers or certificate public accountants, provided that such visits and inspections shall be made only during business hours and so as not to interfere unreasonably with the business and operations of the Parent. The Noteholder representative and any employee, representative or agent of the Noteholder Representative seeking to visit or inspect any of the Properties of a Loan Party agrees that it shall comply with any applicable laws and regulations, including any requirement that such individuals be subject to a background check in advance. All confidential or proprietary information provided to or obtained by the Purchasers under this Section or under this Agreement shall be held in strict confidence by the Purchasers. All information provide to the Purchasers pursuant hereto shall be deemed "confidential and proprietary information unless (i) the Parent indicates otherwise in writing, (ii) the information was or becomes generally available to the public other than as a result of a disclosure in violation of this Section by any Purchaser or its representatives, (iii) the information was or becomes available to the Purchasers or its representatives on a non-confidential basis from a source other than the Parent, provided the source was not bound by a confidentiality agreement in respect thereof preventing disclosure to the Purchaser(s) or their representatives, (iv) the information was in the possession of the Purchaser(s) prior to being furnished by or on behalf of the Parent, and not subject to any confidentiality obligations to the Parent or any Loan Party or (v) the information is independently developed by the Purchaser(s) without reference to and not based upon, in whole or in part, any information which otherwise constitutes "confidential or proprietary information."

6.6 Future Guarantors, Security, Etc. The Parent and each Subsidiary (other than Immaterial Subsidiaries) will execute any documents, financing statements, agreements and instruments, and take all further action that is required under applicable Law, or that Noteholder Representative or Noteholder Representative may reasonably request, in order to grant, preserve, protect and perfect the validity (subject to Permitted Liens and the Subordination Agreement) of the Liens created or intended to be created by the Loan Documents. Prior to or upon acquiring or organizing any new Subsidiary that is not an Immaterial Subsidiary the Parent shall cause such Subsidiary to execute a supplement (in form and substance satisfactory to Purchasers) to the Guaranty and each other applicable Loan Document in favor of Purchasers. In addition, from time to time, each of the Parent and the Subsidiaries (other than Immaterial Subsidiaries) will, at its cost and expense, to the extent legally permissible, promptly secure the Obligations, and their respective obligations pursuant to the Loan Documents, by pledging or creating, or causing to be pledged or created, perfected Liens with respect to such of its assets and properties as Noteholder Representative or Noteholder Representative shall designate, it being agreed that it is the intent of the parties that the Obligations shall be secured by, among other things, all the assets of the Parent and the Subsidiaries (other than Immaterial Subsidiaries) (including personal property acquired subsequent to the date hereof) and equity of the Subsidiaries (other than Immaterial Subsidiaries). Immediately upon a Subsidiary failing to be an Immaterial Subsidiary it shall satisfy the above covenants. For greater certainty, as the Liens created or intended to be created by the Loan Documents may be effected by a change in location of any assets of the Parent or any Subsidiaries that are not Immaterial Subsidiaries, the Parent and all Subsidiaries shall not, at any time have property outside of the jurisdictions where the security interest of the Noteholder Representative shall have first ranking application, with a value in excess of U.S. $250,000.00 in the aggregate. Further, no Loan Party (i) shall change its name, or jurisdiction or organization without giving thirty (30) days prior written notice to the Noteholder Representative and (ii) shall have deposits in any bank account domiciled in the United States of America in excess of U.S. $250,000.00 where such bank account is not subject to a DACA in favor of the Noteholder Representative.

6.7 Permits. Each of the Borrowers and each other Loan Party will obtain, maintain and preserve, and take all necessary action to timely renew, and keep in full force and effect all Permits and accreditations which are material and necessary in the proper conduct of its business.

6.8 Compliance with Laws. Each of the Borrowers and each other Loan Party will comply with the requirements of all Laws applicable to it or to its business or property, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

6.9 Maintenance of Listing. The Parent shall maintain: (i) the listing of its Common Stock on the Exchange or any other Canadian stock exchange, and (ii) its status as a "reporting issuer" under Applicable Securities Legislation in at least one reporting jurisdiction.

6.10 Maintenance of Property. The Loan Parties will at all times maintain, reserve, protect and keep or cause to be maintained, preserved, protected and kept, the property of the Loan Parties in good repair, working order and condition (ordinary wear and tear excepted) in all material respects and consistent with past practice.

6.11 Filling of Securities Documents; Financial Reporting.

(a) The Parent shall timely file all documents that must be publicly filed or sent to its shareholders pursuant to Applicable Securities Legislation within the time prescribed by such Applicable Securities Legislation.

(b) The Parent agrees to furnish to the Noteholder Representative (for distribution to the Purchasers):

(i) as soon as available but in any event, within one hundred and twenty (120) days after the end of each fiscal year of the Parent, audited annual financial statements of the Parent for such year which present fairly the Parent's consolidated and consolidating financial condition including the balance sheet of the Parent as at the end of such fiscal year and a statement of cash flows and income statement for such fiscal year, all on a consolidated basis (and consolidating basis which shall not be required to be audited), setting forth in the consolidated and consolidating statements in comparative form, the corresponding figures as at the end of and for the previous fiscal year, all in reasonable detail, including all supporting schedules, and audited and accompanied by a report and opinion of independent public accountants of recognized standing and satisfactory to the Noteholder Representative, which report and opinion shall be prepared in accordance with generally accepted accounting principles;

(ii) as soon as available but in any event within thirty (30) days after the end of each month, the Parent's unaudited, internally prepared monthly consolidated and consolidating financial statements, along with year-to-date information, including a balance sheet, income statement and statement of cash flows with respect to the periods measured, all in reasonable detail (including without limitation a separate breakout of sales, a free cash flow report and a profit and loss statement for CAC) and satisfactory in form, substance and scope to the Noteholder Representative and certified by an authorized financial or accounting Responsible Officer of the Parent (or any other Responsible Officer reasonably satisfactory to the Noteholder Representative) as presenting fairly the financial position (on a consolidated basis, if applicable) of the Parent as of the date indicated and the results of their operations and changes in financial position (on a consolidated basis if applicable) for the period indicated in conformity with IFRS, consistently applied (except for such inconsistencies which may be disclosed in such report); and

(iii) Within a reasonable time following any request therefor, such other information regarding the operations, business affairs and financial condition of any Loan Party or any Subsidiary, or compliance with the terms of this Agreement, as the Noteholder Representative may reasonably request.

6.12 Maintenance of Insurance. Each of the Borrowers and each other Loan Party (other than Immaterial Subsidiaries) shall maintain policies of insurance with financially sound and reputable carriers, and in such amounts and covering such risks as are usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Parent operates, in each case of at least the same type and coverages as maintained as of the date of this Agreement; (ii) within 30 days following the Closing and on each anniversary of the Closing deliver to the Noteholder Representative certificates of insurance; and (iii) promptly at the request of the Noteholder Representative, deliver to the Noteholder Representative all certificates and reports prepared in connection with such insurance. The Parent agrees that its Board of Directors shall undertake a comprehensive review of its insurance policies and coverages promptly following the Closing, and annually thereafter, to determine suitability at such times and whether to increase coverages. The Parent agrees to cause the Noteholder Representative to be named as a loss payee on its insurance policies. In addition, the Parent agrees it will not reduce the level or scope of its insurance policies, not renew, terminate or cancel any insurance coverage in place or remove the Noteholder Representative as a loss payee thereunder, in each case prior to fulfillment of the Obligations under the Notes and thereafter for a period of at least six years without the prior consent of the Noteholder Representative.

6.13 Maintenance of Office. The Borrowers will maintain their chief executive office at the locations set forth in the Information Certificate, or at such other place in the United States or Canada as the Parent or a Borrower shall designate in writing to the Noteholder Representative, where notices, presentations and demands to or upon the Loan Parties in respect of the Loan Documents to which the Loan Party is a party may be given or made.

6.14 Existence. The Parent will and shall cause each of its Subsidiaries to preserve and maintain its legal existence and all of its rights, privileges, licenses, contracts and property and assets used or useful to its business except to the extent failure to do so would not reasonably be expected to result in a Material Adverse Effect.

6.15 Lockbox Account. So long as the Senior Indebtedness has been paid in full and any Obligations remain outstanding, (i) CAC shall, upon request of the Noteholder Representative, use reasonable commercial efforts to establish and maintain its primary operating accounts (individually and/or collectively as the context may require, the "**Lockbox Account**") with a bank reasonably acceptable to the Noteholder Representative (the "**Lockbox Bank**") which shall be pledged to the Noteholder Representative, and which Lockbox Account shall be subject to springing dominion and control of the Noteholder Representative under the Lockbox Agreement. Upon the occurrence and during the continuance of an Event of Default, the Noteholder Representative shall have the sole right to authorize withdrawals (whether by CAC or any other Person), in accordance with instructions given by the Noteholder Representative to Lockbox Bank pursuant to the Lockbox Agreement and all costs and expenses for establishing and maintaining the Lockbox Account shall be paid by CAC. In addition, upon the request of the Noteholder Representative of a Loan Party, such Loan Party shall use commercially reasonable efforts to enter into one or more DACA's with the bank(s) at which it maintains its primary operating accounts (or, as may be reasonably requested, move such operating accounts to one or more other banks willing to enter into such DACA(s)) (each such bank, a "**DACA Bank**"), whereby the subject bank account shall be subject to springing dominion and control of the Noteholder Representative under the Lockbox Agreement. Upon the occurrence and during the continuance of an Event of Default, the Noteholder Representative shall have the sole right to authorize withdrawals (whether by the relevant Loan Party or any other Person), in accordance with instructions given by the Noteholder Representative to the relevant DACA Bank pursuant to the relevant DACA and all costs and expenses for implementing the DACAs shall be paid by the Borrowers.

6.16 Further Assurances. The Parent and each of the Borrowers will cooperate with the Noteholder Representative and execute such further instruments and documents as the Noteholder Representative shall reasonably request to effectuate the terms of this Agreement and the other Loan Documents.

6.17 Reserved.

6.18 Independent Board Committee; Additional Board Seats. No later than thirty (30) days after the payment in full of the Senior Indebtedness, and for so long as any Obligations are outstanding, the Board shall appoint two representatives identified by the Noteholder Representative as additional directors on the Board, each of whom shall serve on the Board as independent directors. In the event that the Board reasonably determines, based solely on background checks or applicable Canadian Stock Exchange rules and regulations, that either of them is unsuitable, or in the event of the resignation, death or disability of either such director (or any successor thereto) or if either such director is not elected to serve as director at an Annual General Meeting or Special General Meeting of stockholders of the Parent, then the Board shall, consistent with its duty of care, appoint another individual approved by the Noteholder Representative to serve as an independent director in lieu or replacement thereof. The Parent shall ensure that the directors serving as independent directors pursuant to this Section 6.18 are nominated to continue to serve as directors of the Parent at each meeting of stockholders at which directors of the Parent are elected. The Board shall not take any of the following actions without the affirmative vote or consent of each of such independent directors and, in the event that there are no such independent directors serving on the Board at any time, the consent of the Noteholder Representative:

(a) Except as otherwise provided herein, payment of any account payable outstanding on the date hereof in excess of $250,000;

(b) Incurring any liabilities or obligations, including any individual account payable, in excess of $250,000 outside of the ordinary course of business;

(c) Entering into any agreement, contract, arrangement or understanding, written or oral, that provides for the purchase of goods or services in excess of $250,000, including license agreements, by any Loan Party from any Person, other than purchase orders for the purchase of goods or services in the ordinary course of business;

(d) Agreeing to any settlement in excess of $250,000 of any dispute, proceeding or litigation, including any of the foregoing related to any account payable;

(e) Changing any of the accounting principles or basis for its financial statements, other than in accordance with any change in applicable law or regulations, and appointing or reappointing the independent auditors of the Parent;

(f) Approving the annual budget for the Loan Parties, which shall be submitted to the Board no later than thirty (30) prior to the commencement of each fiscal year of the Parent; or

(g) Approving the hiring or termination of any chief executive officer, president, chief financial officer, chief operating officer or other executive officer of Parent.

The foregoing provisions of this Section 6.18 shall remain in full force and effect until the later of (i) the date on which the Obligations have been paid in full and (ii) the date on which a majority of the members of the Board shall consist of "independent" directors, it being agreed and understood that the "independence" of each such director shall be mutually determined by the Board and the Noteholder Representative. Upon the provisions of this Section 6.18 ceasing to be in full force and effect subject to the immediately preceding sentence, and prior to the next election of directors by shareholders of the Parent, each of the independent directors exercising the consent rights set forth hereinabove may be removed by majority vote of the other members of the Board that are deemed independent in accordance with the immediately preceding sentence.

6.19 Reserved.

6.20 Mortgage. If requested by the Senior Noteholder Representative with respect to the Senior Loan, and requested by the Noteholder Representative following the Closing, the Parent shall cause Standard Farms, LLC to grant the Noteholder Representative a mortgage, in form and substance reasonably satisfactory to the Noteholder Representative, on the real property located in the Commonwealth of Pennsylvania owned by Standard Farms, LLC.

6.21 Amendment to Constating Documents. As soon as reasonably practicable following the payment in full of the Senior Indebtedness, the Parent shall amend, or cause the amendment of, its or any other Loan Party's Constating Documents to the extent reasonably required by the Noteholder Representative to reflect or further evidence the rights of the Purchasers and the Noteholder Representative and the voting rights set forth in Section 6.18 of this Agreement.

7. Negative Covenants. Parent and the Borrowers covenant and agree with Purchasers that until the Obligations (other than inchoate indemnity obligations) are paid in full, Parent, the Borrowers and the other Loan Parties will perform or cause to be performed the covenants set forth below in all material respects. Notwithstanding anything herein to the contrary, for so long as any Obligations are outstanding, consent of the Noteholder Representative to any of the actions set forth in this Section 7 (other than the consent specified in the second sentence of Section 7.5) shall not be required to the extent any such action shall be approved by the Senior Noteholders or Senior Noteholder Representative, in its capacity as such, in connection with the Senior Loan.

7.1 Indebtedness. Other than Permitted Indebtedness, no Loan Party shall incur or permit to exist any Indebtedness.

7.2 Liens. No Loan Party shall create, incur, assume or permit to exist any Lien on or with respect to any of its assets or property of any character, whether now owned or hereafter acquired, except for Permitted Liens.

7.3 Investments, Loans. The Loan Parties will not, and will not permit any of their Subsidiaries to, purchase or acquire (including pursuant to any merger with any Person that was not a wholly owned Subsidiary prior to such merger) any Equity Interests, evidence of Indebtedness or other securities (including any option, warrant, or other right to acquire any of the foregoing) of, make any loans or advances to, or make any investment or any other interest in, any other Person or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person that constitute a business unit, or create or form any Subsidiary.

7.4 Impairment of Rights. Parent will not, and will not permit any of its Subsidiaries to, undertake any action or engage in any transaction or activity to impair the Purchaser's rights hereunder, provided that the foregoing shall not restrict the Parent or any of its Subsidiaries from arranging or entering any refinancing of the Obligations so long as the Obligations are concurrently paid in full with the closing of such refinancing.

7.5 Asset Dispositions. Other than Permitted Dispositions, subject to theIntercreditor Agreement, no Loan Party shall sell, convey, lease, license, assign or otherwise dispose of any assets outside of the ordinary course of business if in an aggregate amount in excess of U.S. $50,000.00 without prior written consent of the Noteholder Representative. Except as otherwise provided in this Agreement or agreed by the Noteholder Representative, the net proceeds of any asset disposition shall be allocated 100% to the prepayment of the Notes.

7.6 Merger or other Corporate Reorganization. No Loan Party shall enter into any reorganization, consolidation, amalgamation, arrangement, winding-up, merger or other similar transaction or convey, lease or dispose of all or substantially all of its assets without the prior written consent of the Noteholder Representative, except that any Subsidiary may merge, amalgamate or consolidate with any other Subsidiary that is a Loan Party, or may sell all or substantially all of its assets to any Subsidiary a Loan Party without the prior written consent of the Noteholder Representative.

7.7 Payments on Indebtedness. Except for payments of Senior Indebtedness or payments otherwise permitted by the Intercreditor Agreement, no Loan Party shall make any payment or (p)repayment on, purchase, defease, redeem, pay, (p)repay, decrease or otherwise acquire or retire for value, any Indebtedness other than as expressly contemplated hereby and Indebtedness under the Notes in accordance with the provisions of this Agreement, except that outside of the continuance of an Event of Default, each Borrower and each other Loan Party may make (a) regular interest payments on Permitted Indebtedness in accordance with the provisions of the agreements related to such Permitted Indebtedness disclosed to the Purchasers prior to the date hereof, (b) scheduled principal repayments toward Permitted Indebtedness (other than the Senior Indebtedness) in accordance with the provisions of the agreements related to such Permitted Indebtedness disclosed to the Purchasers prior to the date hereof, and (c) such other payments of Indebtedness as consented to in writing by the Noteholder Representative. Notwithstanding the previous sentence, no Loan Party shall be permitted to make payment in respect of any shareholder loans, except if such payment is to another Loan Party that is not an Immaterial Subsidiary and no payments may be made toward Permitted Indebtedness if and to the extent such payments would, but for the passage of time, result in an Event of Default under any Loan Document.

7.8 Redemption or Purchase of Equity Interests. No Loan Party shall purchase, redeem, retire or otherwise acquire for cash any securities (equity or other) except that one Loan Party may purchase, redeem or other acquire securities of another Loan Party.

7.9 Amendment to Constating Documents. No Loan Party shall make any amendment to any of its Constating Documents in a manner which may prejudice the Purchasers, would result in a breach of a Loan Document or Event of Default hereunder or could reasonably be expected to result in a Material Adverse Effect.

7.10 Payment of Dividends. The Loan Parties shall not declare, pay, or provide for any dividends, distributions, or other payments based on share capital except payment by a Loan Party (other than CAC) to another Loan Party.

7.11 Related Party Transactions. No Loan Party shall enter into any transactions with any Affiliate or other non-arm's-length parties (other than other Loan Parties) unless such transaction is for the sale of goods or services in the ordinary course of business upon fair and reasonable terms, no less favorable to such Loan Party than such Loan Party could obtain in a comparable arms-length transaction with an unrelated third party and no Event of Default shall have occurred and remain outstanding at the time such transaction occurs, or would occur immediately after giving effect to such transactions arm's length commercial terms.

7.12 Loans etc. to others. No Loan Party shall make any loans, grant any credit or give any guarantee or other financial accommodation or assurance to or for the benefit of any Person, other than credit advanced to customers, distributors and consignees in the ordinary course of business, advances to employees for travel and other reasonable business expense in the ordinary course of business, or intercompany loans to other Loan Parties that are not Immaterial Subsidiaries and provided that any such

intercompany loan may not be assigned to any Person who is not a Loan Party. No Loan Party shall loan money to, or otherwise make investment in or provide any financial assistance to any Immaterial Subsidiary.

7.13 Winding Up. No Loan Party other than an Immaterial Subsidiary may enter into or become party or subject to any dissolution, administration, winding-up, reorganization or similar transaction or proceeding.

7.14 Retirement Plans. Except as set forth in the Information Certificate, no Loan Party shall (i) incur any obligation to contribute to any type of retirement plan or (ii) hereafter incur any obligation make a severance payment unless (a) required by applicable Laws, (b) applicable employment contracts entered into on commercially reasonable terms in the ordinary course of business of any Loan Party and on arm's length terms or (c) on commercially reasonable terms in the ordinary course of business and on arm's length terms.

7.15 Change in Nature of Business. The Parent will not, nor will it permit any Subsidiary to, engage in any line of business substantially different from those lines of business conducted by the Loan Parties on the date hereof or any business substantially related thereto or reasonable extensions thereof.

7.16 Amendments of Material Contracts. No Loan Party will amend, modify, cancel or terminate or permit the amendment, modification, cancellation or termination of any material contract if such amendment, modification, cancellation or termination would reasonably be expected to result in a Material Adverse Effect.

7.17 Sale and Leaseback Transactions. The Parent will not, nor will it permit any Subsidiary to, enter into any arrangement, directly or indirectly with any Affiliate, whereby it shall sell or transfer any Property, real or personal, used or useful in its business, whether now owned or hereafter acquired and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purpose as the property sold or transferred.

7.18 No New Listing. The Parent shall not list its Common Stock on any exchange other than the Exchange without prior written notice to the Noteholder Representative.

8. Closing Conditions.

8.1 Conditions to Obligations of All Parties. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of the following condition:

(a) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any order, writ, judgment, injunction, decree, stipulation, determination or award which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof; provided, however, that the foregoing excludes the existence of any law, rule, regulation, order, writ, judgment, injunction, decree, stipulation, determination or award described in Section 10.13 hereof.

8.2 Conditions to Obligations of Purchasers. The obligations of Purchasers to consummate the transactions contemplated by this Agreement at the Closing shall be subject to the fulfillment or Purchasers' waiver, at or prior to the Closing, of each of the following conditions:

(a) All representations and warranties of the Borrowers and the other Loan Parties contained herein and in the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of the Closing, except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date.

(b) The Borrowers and the other Loan Parties shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by them prior to or on the Closing.

(c) The Borrowers or the other Loan Parties, as the case may be, shall have delivered to the Noteholder Representative and the Purchasers the following executed documents:

(i) the Notes;

(ii) the Guarantees;

(iii) the Security Agreements;

(iv) the Subordination Agreement;

(v) the Payoff Letter;

(vi) Legal opinions from U.S. and Canadian counsel to the Borrowers in form and substance satisfactory to the Noteholder Representative; and

(vii) the Jupiter Note Purchase Agreement and related documents.

8.3 Conditions to Obligations of the Borrowers. The obligations of the Borrowers to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or the Borrowers' waiver, at or prior to the Closing, of each of the following conditions

(a) All representations and warranties of the Purchasers contained herein and in the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of the Closing, except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date.

(b) The Noteholder Representative and the Purchasers shall have executed delivered to the Borrowers this Agreement.

(c) Purchasers shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing.

8.4 Post-Closing Obligations. Each of the following conditions shall be satisfied within the time indicated.

(a) Within seven (7) days after the Initial Closing, each of Briteside Holdings LLC, Briteside Modular LLC and Briteside E-Commerce LLC, each a Tennessee limited liability company, shall have been converted to a Delaware limited liability company, and UCC-1 financing statements covering the Collateral and naming the Noteholder Representative as secured party shall have been filed with the Secretary of State of the State of Delaware naming each such entity as debtor.

(b) Requirements hereunder to enter into DACAs shall be satisfied if satisfied post-closing as to the Senior Lender and the Subordination Agreement is in place;

9. Events of Default.

9.1 Each of the following events shall constitute an "Event of Default" under this Agreement:

(a) The failure of the Borrowers to pay any (i) principal payable under this Agreement or any other Loan Document when the same shall be due and payable, or (ii) interest, fees or other amount (other than principal) payable under this Agreement or any other Loan Document when the same shall be due and payable, and the continuance of any such non-payment (in whole or in part) referred to under this clause (ii) for a period of fourteen (14) days.

(b) If any representation, warranty, certification or statement of fact made or deemed made by the Borrowers or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made.

(c) the Loan Parties shall fail to observe or perform any covenant or agreement contained in Sections 4.1 or 6.14 (with respect to the legal existence of the Loan Parties); provided, however, that it shall not be an Event of Default if a Loan Party is not in good standing in any jurisdiction unless such failure to maintain its good standing would be reasonably likely to result in a Material Adverse Effect.

(d) any Loan Party shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those referred to in subsections (a), (b) or (c) of this Section) or any other Loan Document, and such failure shall remain unremedied for 30 days after the earlier of (i) any officer of the Borrowers has knowledge of such default, or (ii) notice thereof shall have been given to the Borrowers by the Noteholder Representative.

(e) the failure of any Loan Party or any Subsidiary to make any payment, whether of principal or interest and regardless of amount in respect of any Indebtedness in a principal amount in excess of $10,000, unless such Indebtedness is the subject of a *bona fide* dispute.

(f) Any Loan Party (i) makes a general assignment for the benefit of creditors, (ii) institutes or has instituted against it any proceeding seeking (a) to adjudicate it a bankrupt or insolvent, (b) liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any laws relating to bankruptcy, insolvency, reorganization or relief of debtors, or (c) the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any part of its properties and assets, or (iii) takes any corporate action to authorize any of the above actions; provided that, in the case of any such proceeding instituted against any Loan Party (but not instituted by it), either the proceeding remains dismissed or unstayed for a period of thirty (30) days.

(g) any proceedings are commenced or any application is made for the bankruptcy, insolvency, reorganization, winding-up, liquidation or dissolution or any similar proceedings of any Loan Party or any decree, order or approval for such bankruptcy, insolvency, reorganization, winding-up, liquidation or dissolution is issued or entered, unless such Loan Party in good faith actively and diligently contests such proceedings, decree, order or approval, resulting in a dismissal or stay thereof within ninety (90) days of commencement or anything analogous in any other jurisdiction.

(h) any judgment, writ, warrant of attachment or similar process involving an amount in excess of $250,000 in the aggregate shall be rendered against any of the Borrowers or any of their Subsidiaries, and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect.

(i) any non-monetary judgment or order shall be rendered against any of the Borrowers or any of their Subsidiaries that would reasonably be expected to have a Material Adverse Effect, and there shall be a period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect.

(j) any Loan Party shall seek to terminate its obligation under the Guaranty or Security Agreement or any other Loan Document in any material respect.

(k) any Lien purported to be created under any Loan Document shall be asserted by any Loan Party not to be a valid and perfected Lien on any material Collateral, with the priority required by the applicable Loan Documents (subject to Permitted Liens).

(l) any event or circumstance which would reasonably be expected to result in a Material Adverse Effect shall have occurred.

(m) the occurrence of a Change of Control.

then, and in every such event (other than an event with respect to the Borrowers described in subsection (d) or (e) of this Section) and at any time thereafter during the continuance of such event, subject to the Subordination Agreement, the Noteholder Representative may, and upon the written request of the Required Purchasers shall, by notice to the Borrowers, take any or all of the following actions, at the same or different times: (i) declare the principal of and any accrued interest on the Notes, and all other Obligations owing hereunder, to be, whereupon the same shall become, due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers, (iii) exercise all remedies contained in any other Loan Document, and (iv) exercise any other remedies available at law or in equity; provided that, if an Event of Default specified in either subsection (d) or (e) shall occur, the principal of the Notes then outstanding, together with accrued interest thereon, and all fees and all other Obligations shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers.

10. Miscellaneous.

10.1 Expenses; Indemnification.

(a) The Borrowers shall pay (i) all reasonable and documented out-of-pocket costs and expenses of the Noteholder Representative**,** including the reasonable and documented out-of-pocket fees, charges and disbursements of counsel for the Noteholder Representative, in connection with the preparation and administration of the Loan Documents and any amendments, modifications or waivers thereof (whether or not the transactions contemplated in this Agreement or any other Loan Document shall be consummated), including the reasonable fees, charges and disbursements of counsel for the Noteholder Representative, (ii) all reasonable and documented out-of-pocket costs and expenses (including, without limitation, the reasonable fees, charges and disbursements of outside counsel) incurred by the Noteholder Representative in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section, or in connection with the Notes issued hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Notes.

(b) The Borrowers shall indemnify the Noteholder Representative, each Purchaser and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable documented out-of-pocket fees, charges and disbursements of any counsel for any Indemnitee), asserted against any Indemnitee by any third party or by the Borrowers or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, any other Related Transaction Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Note or the use or proposed use of the proceeds therefrom, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from (x) the gross negligence, bad faith or willful misconduct of an Indemnitee or (y) a claim brought by the Borrowers or any other Loan Party against an Indemnitee for a material breach of such Indemnitee's obligations hereunder or under any other Loan Document.

(n) The Borrowers shall pay, and hold the Noteholder Representative and each of the Purchasers harmless from and against, any and all present and future stamp, documentary, and other similar taxes with respect to this Agreement and any other Loan Documents, any collateral described therein or any payments due thereunder, and save the Noteholder Representative and each Purchaser harmless from and against any and all liabilities with respect to or resulting from any delay or omission to pay such taxes.

(o) The parties hereto mutually agree not to assert, and each hereby waives, any claim against the other, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to actual or direct damages) arising out of, in connection with or as a result of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated therein, any Note or the use of proceeds thereof; provided, that nothing in this clause (d) shall relieve the Borrowers of any obligation they may have to indemnify any Indemnitee against special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(p) All amounts due under this Section shall be payable promptly after written demand therefor.

10.2 Noteholder Representative.

(a) Appointment of the Noteholder Representative.

(i) Each Purchaser irrevocably appoints [***] as the Noteholder Representative and authorizes it to take such actions on its behalf and to exercise such powers as are delegated to the Noteholder Representative under this Agreement and the other Loan Documents, including the execution and delivery of such Loan Documents other than this Agreement to which the Noteholder Representative is a party (including without limitation the Subordination Agreement and the Security Agreements), in each case on behalf of and for the benefit of the Noteholders, together with all such actions and powers that are reasonably incidental thereto. The Noteholder Representative may perform any of its duties hereunder or under the other Loan Documents by or through any one or more sub-agents or attorneys-in-fact appointed by the Noteholder Representative. The Noteholder Representative and any such sub-agent or attorney-in-fact may perform any and all of its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions set forth in this Section 10.2 shall apply to any such subagent, attorney-in-fact or Related Party and shall apply to their respective activities in connection with the Obligations as well as activities as the Noteholder Representative.

(ii) It is understood and agreed that the use of the term "agent" or "representative" herein or in any other Loan Document (or any similar term) with reference to the Noteholder Representative is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law or that the Noteholder Representative will be providing any financial or advisory services.. Instead such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Nature of Duties of the Noteholder Representative. The Noteholder Representative shall not have any duties or obligations except those expressly set forth in this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, (a) except as expressly set out in any Loan Document, the Noteholder Representative shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing, (b) the Noteholder Representative shall not have any duty to take any discretionary action or exercise any discretionary powers, except those discretionary rights and powers expressly contemplated by the Loan Documents, (c) the Noteholder Representative shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Noteholder Representative to liability or that is contrary to any Loan Document or applicable law;

(d) except as expressly set forth in the Loan Documents, the Noteholder Representative shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrowers or any of their Subsidiaries that is communicated to or obtained by the Noteholder Representative or any of its Affiliates in any capacity and (e) except as may be expressly required under this Agreement, the Noteholder Representative shall not be obligated to seek the consent of or input from the Purchasers in connection with the exercise of his rights and performance of his obligations as the Noteholder Representative under this Agreement. The Noteholder Representative shall not be liable for any action taken or not taken by it, its sub-agents or its attorneys-in-fact with the consent or at the request of the Required Purchasers or, if no such consent or request is applicable, in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final non-appealable judgment. The Noteholder Representative shall not be responsible for the negligence or misconduct of any sub-agents or attorneys-in-fact except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Noteholder Representative acted with gross negligence or willful misconduct in the selection of such sub-agents. The Noteholder Representative shall not be deemed to have knowledge of any Event of Default unless and until written notice thereof (which notice shall include an express reference to such event being an "Event of Default" hereunder) is given to the Noteholder Representative by the Borrowers or any Purchaser, and the Noteholder Representative shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements, or other terms and conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Noteholder Representative. The Noteholder Representative may consult with legal counsel (including counsel for the Borrowers) concerning all matters pertaining to such duties.

(a) Lack of Reliance on the Noteholder Representative. Each of the Purchasers acknowledges that it has, independently and without reliance upon the Noteholder Representative or any other Purchaser and based on such documents and information as it has deemed appropriate, made its own analysis and decision to enter into this Agreement. Each of the Purchasers also acknowledges that it will, independently and without reliance upon the Noteholder Representative or any other Purchaser and based on such documents and information as it has deemed appropriate, continue to make its own decisions in taking or not taking any action under or based on this Agreement, any related agreement or any document furnished hereunder or thereunder.

(c) Certain Rights of the Noteholder Representative. If the Noteholder Representative shall request instructions from the Required Purchasers with respect to any action or actions (including the failure to act) in connection with this Agreement, the Noteholder Representative shall be entitled to refrain from such act or taking such act unless and until it shall have received instructions from such Purchasers, and the Noteholder Representative shall not incur liability to any Person by reason of so refraining Without limiting the foregoing, no Purchaser shall have any right of action whatsoever against the Noteholder Representative as a result of the Noteholder Representative acting or refraining from acting hereunder in accordance with the instructions of the Required Purchasers where required by the terms of this Agreement or from acting or refraining from acting hereunder in accordance with the rights granted to it under this Agreement where no such instructions are required.

(d) Reliance by the Noteholder Representative. The Noteholder Representative shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, posting or other distribution) believed by it to be genuine and to have been signed, sent or made by the proper Person. The Noteholder Representative may also rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person and shall not incur any liability for relying thereon. The Noteholder Representative may consult with legal counsel (including counsel for the Borrowers), independent public accountants and other experts selected by it and shall not be liable for any action taken or not taken by it in accordance with the advice of such counsel, accountants or experts.

(f) Indemnification of the Noteholder Representative by Purchasers. The Purchasers shall, jointly and severally, indemnify the Indemnitees against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Purchaser arising out of, in connection with, or as a result of (i) the performance by the Noteholder Representative of its obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or (ii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee. To the extent permitted by applicable law, the Purchasers shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to actual or direct damages) arising out of, in connection with or as a result of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated therein. All amounts due under this Section shall be payable promptly after written demand therefor.

(g) The Noteholder Representative in its Individual Capacity. The Person serving as the Noteholder Representative shall have the same rights and powers under this Agreement and any other Loan Document in its capacity as a Purchaser as any other Purchaser and may exercise or refrain from exercising the same as though it were not the Noteholder Representative; and the terms "Purchasers", "Required Purchasers" or any similar terms shall, unless the context clearly otherwise indicates, include the Noteholder Representative in its individual capacity. The Person acting as the Noteholder Representative and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrowers or any Subsidiary or Affiliates of the Borrowers as if it were not the Noteholder Representative hereunder.

(g) Successor Noteholder Representative.

(i) The Noteholder Representative may resign at any time by giving notice thereof to the Purchasers and the Borrowers. Upon any such resignation, the Required Purchasers shall have the right to appoint a successor Noteholder Representative, subject to approval by the Borrowers provided that no Event of Default shall exist at such time. If no successor Noteholder Representative shall have been so appointed, and shall have accepted such appointment within 30 days after the retiring Noteholder Representative gives notice of resignation, then the retiring Noteholder Representative may, on behalf of the Purchasers, appoint a successor Noteholder Representative, subject to approval by the Borrowers.

(ii) Upon the acceptance of its appointment as the Noteholder Representative hereunder by a successor, such successor Noteholder Representative shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Noteholder Representative, and the retiring Noteholder Representative shall be discharged from its duties and obligations under this Agreement and the other Loan Documents. If, within 45 days after written notice is given of the retiring Noteholder Representative's resignation under this Section 10.2, no successor Noteholder Representative shall have been appointed and shall have accepted such appointment, then on such 45th day (i) the retiring Noteholder Representative's resignation shall become effective, (ii) the retiring Noteholder Representative shall thereupon be discharged from its duties and obligations under the Loan Documents and (iii) the Required Purchasers shall thereafter perform all duties of the retiring Noteholder Representative under the Loan Documents until such time as the Required Purchasers appoint a successor Noteholder Representative as provided above. After any retiring Noteholder Representative's resignation hereunder, the provisions of this Section 10.2 shall continue in effect for the benefit of such retiring Noteholder Representative and its representatives and agents in respect of any actions taken or not taken by any of them while it was serving as the Noteholder Representative.

(a) The Noteholder Representative May File Proofs of Claim.

(i) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Noteholder Representative (irrespective of whether the principal of any Note shall then be due and payable as expressed in the Loan Documents or by declaration or otherwise and irrespective of whether the Noteholder Representative shall have made any demand on the Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(A) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Notes and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Purchasers and the Noteholder Representative (including any claim for the reasonable compensation, expenses, disbursements and advances of the Purchasers and the Noteholder Representative and its agents and counsel and all other amounts due the Purchasers and the Noteholder Representative under the Loan Documents) allowed in such judicial proceeding; and

(B) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same.

(ii)Any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Purchaser to make such payments to the Noteholder Representative and, if the Noteholder Representative shall consent to the making of such payments directly to the Purchasers, to pay to the Noteholder Representative any amount due for the reasonable compensation, expenses, disbursements and advances of the Noteholder Representative and its agents and counsel, and any other amounts due the Noteholder Representative under the Loan Documents.

Nothing contained herein shall be deemed to authorize the Noteholder Representative to authorize or consent to or accept or adopt on behalf of any Purchaser any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Purchaser or to authorize the Noteholder Representative to vote in respect of the claim of any Purchaser in any such proceeding.

(b) Authorization to Execute Other Loan Documents. Each Purchaser hereby authorizes the Noteholder Representative to execute on behalf of all Purchasers all Loan Documents other than this Agreement.

(c) Collateral and Guaranty Matters. The Purchasers irrevocably authorize the Noteholder Representative, at its option and in its discretion:

(i) to release any Lien on any property granted to or held by the Noteholder Representative under any Loan Document (i) upon payment in full of all Obligations (other than contingent indemnification obligations), (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document or (iii) if approved, authorized or ratified in writing in accordance with Section 10.10;

(ii) to enter into the Subordination Agreement, and perform all obligations thereunder, respectively, and to enter into any amendments of the Subordination Agreement which do not materially modify the rights of the Purchasers or the Noteholder Representative thereunder, and agree to be bound by the terms thereof; and

(iii) to release any Loan Party from its obligations under the applicable Security Agreements and Guarantees if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder.

Upon request by the Noteholder Representative at any time, the Required Purchasers will confirm in writing the Noteholder Representative's authority to release its interest in particular types or items of property, or to release any Loan Party from its obligations under the applicable Security Agreements and Guarantees pursuant to this Section 10.2. In each case as specified in this Section 10.2, the Noteholder Representative is authorized, at the Borrowers' expense, to execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the Liens granted under the applicable Security Agreements and Guarantees, or to release such Loan Party from its obligations under the applicable Security Agreements and Guarantees, in each case in accordance with the terms of the Loan Documents and this Section 10.2.

(e) Right to Realize on Collateral and Enforce Guarantee. Anything 40 contained in any of the Loan Documents to the contrary notwithstanding, the Borrowers, the Noteholder Representative and each Purchaser hereby agree that (i) no Purchaser shall have any right individually to realize upon any of the Collateral or to enforce the Security Agreements and Guarantees, it being understood and agreed that all powers, rights and remedies hereunder and under the Security Agreements and Guarantees may be exercised solely by the Noteholder Representative, and (ii) in the event of a foreclosure by the Noteholder Representative on any of the Collateral pursuant to a public or private sale or other disposition, the Noteholder Representative or any Purchaser may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Noteholder Representative, as agent for and representative of the Purchasers (but not any Purchaser or Purchasers in its or their respective individual capacities unless the Required Purchasers shall otherwise agree in writing), shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Noteholder Representative at such sale or other disposition.

10.3 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement will inure to the benefit of, and be binding upon, the respective successors and assigns of the parties; provided, however, that the Borrowers may not assign their obligations under this Agreement without the written consent of the Noteholder Representative. This Agreement is for the sole benefit of the Purchasers and Noteholder Representative and the other parties hereto and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or will confer upon any other Person or entity any legal or equitable right, benefit or

remedy of any nature whatsoever under or by reason of this Agreement.

10.4 Choice of Law. This Agreement and the Notes, and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute will be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of Commonwealth of Massachusetts.

10.5 Jurisdiction and Venue. ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE INSTITUTED IN THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS, AND EACH PARTY IRREVOCABLY SUBMITS TO THE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

10.6 Counterparts. This Agreement and the other Loan Documents may be executed in counterparts, each of which will be deemed an original, but all of which together will be deemed to be one and the same agreement. Counterparts may be delivered via facsimile, email (including PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method, and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

10.7 Titles and Subtitles. The titles and subtitles used in this Agreement are included for convenience only and are not to be considered in construing or interpreting this Agreement.

10.8 Notices. All notices and other communications given or made pursuant hereto will be in writing and will be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by email or confirmed facsimile; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications will be sent to the respective parties at the addresses shown on the signature pages hereto (or to such email address, facsimile number or other address as subsequently modified by written notice given in accordance with this Section).

10.9 No Finder's Fee. Except as may be determined pursuant to an agreement that the Parent has entered into with Alliance Global Partners, each party represents that it neither is nor will be obligated to pay any finder's fee, broker's fee or commission in connection with the transactions contemplated by this Agreement. Each Purchaser agrees to indemnify and to hold the Borrowers harmless from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of the transactions contemplated by this Agreement (and the costs and expenses of defending against such liability or asserted liability) for which each Purchaser or any of its officers, employees or representatives is responsible. The Borrowers agree to indemnify and hold each Purchaser harmless from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of the transactions contemplated by this Agreement (and the costs and expenses of defending against such liability or asserted liability) for which the Parent or any Borrower or any of their respective officers, employees or representatives is responsible.

10.10 Entire Agreement; Amendments and Waivers. This Agreement, the Notes and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof. The Borrowers' agreements with each of the Purchasers are separate agreements, and the sales of the Notes to each of the Purchasers are separate sales. Notwithstanding the foregoing, any term of this Agreement or the Notes may be amended and the observance of any term of this Agreement or the Notes may be waived (either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Borrowers and the Noteholder Representative. Any waiver or amendment effected in accordance with this Section will be binding upon each party to this Agreement and each holder of a Note purchased under this Agreement then outstanding and each future holder of all such Notes. The right to plead any and all statutes of limitations as a defense to any demands hereunder is hereby waived to the full extent permitted by law.

10.11 Effect of Amendment or Waiver. Each Purchaser acknowledges and agrees that, by the operation of Section 10.11 hereof, the Noteholder Representative will have the right and power to diminish or eliminate all rights of such Purchaser under this Agreement and each Note issued to such Purchaser, provided that such changes shall apply equally to all Purchasers.

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

10.13 Federal Cannabis Laws. The parties acknowledge that as of the date hereof, the production, sale, possession and use of cannabis are illegal under the Controlled Substances Act, 21 USC 801 et seq., as it applies to marijuana ("**CSA**") and that cannabis is currently classified as a Schedule I controlled substance under the CSA. The United States Supreme Court has confirmed that the federal government has the right to regulate and criminalize cannabis, including for medical purposes, and that federal law criminalizing the use of cannabis preempts state laws that legalize its use. The parties hereto understand that while cannabis production is currently legal under the laws of the Commonwealth of Massachusetts and certain other states, they are subject to change and that the production, sale, use and possession of cannabis may remain illegal under federal law for the foreseeable future.

10.14 Transfer Restrictions.

(a) Compliance with Laws. Notwithstanding any other provision of this Section, each Purchaser covenants that the Notes may be disposed of only pursuant to an effective registration statement under, and in compliance with the requirements of, the Securities Act, or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and in compliance with any applicable state and federal securities laws. In connection with any transfer of the Notes other than (i) pursuant to an effective registration statement, (ii) to the Parent or (iii) pursuant to Rule 144 following the applicable holding period, the Parent may require the transferor thereof to provide to the Parent an opinion of counsel selected by the transferor and reasonably acceptable to the Parent, the form and substance of which opinion shall be reasonably satisfactory to the Parent, to the effect that such transfer does not require registration of such transferred Notes under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights of a Purchaser under this Agreement. Notwithstanding the provisions set forth above, no such restriction shall apply to a transfer by a Purchaser that is (A) a partnership transferring to its partners or former partners in accordance with partnership interests, (B) a corporation transferring to a wholly-owned subsidiary or a parent corporation that owns all of the capital stock of the Purchaser, (C) a limited liability company transferring to its members or former members in accordance with their interest in the limited liability company, or (D) an individual transferring to the Purchaser's spouse, children or grandchildren or a trust for the exclusive benefit of an individual Purchaser; *provided* that in each case the transferee will agree in writing to be subject to the terms

of this Agreement.

(b) Legends. Certificates evidencing the Notes shall bear any legend as required by the "blue sky" laws of any state and a restrictive legend in substantially the following form, until such time as they are not required as set forth in this Agreement: THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAW OF ANY FOREIGN JURISDICTION OR ANY STATE WITHIN THE UNITED STATES. SUCH SECURITIES MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, OR HYPOTHECATED ABSENT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR COMPLIANCE WITH RULE 144 PROMULGATED UNDER SUCH ACT, OR SUCH FOREIGN OR STATE SECURITIES LAW OR UNLESS THE PARENT HAS RECEIVED AN OPINION OF COUNSEL, SATISFACTORY TO THE PARENT AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

(c) Removal of Legends. The legend set forth above shall be removed and the Parent shall issue a certificate without such legend or any other "restrictive" legend to the holder of the applicable Notes upon which it is stamped or issue to such holder by electronic delivery at the applicable balance account at the Depository Trust Company ("**DTC**"), if (i) such Notes are registered for resale under the Securities Act pursuant to an effective registration statement, (ii) such Notes are sold or transferred pursuant to Rule 144 (assuming the transferor is not an Affiliate of the Parent), or (iii) such Notes are eligible for sale under Rule 144 without any limits or restrictions provided in Rule 144.

(d) Canadian Legends. The Notes shall have attached to them, whether through an electronic book-based system or on certificates that may be issued to evidence such securities, as applicable, a legend setting out resale restrictions under applicable securities laws substantially in the following form (and with the necessary information inserted):

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DATE OF THE CLOSING".

(e) Acknowledgement. Each Purchaser hereunder acknowledges (i) that the Parent's agreement hereunder to remove any legends from the Notes is not an affirmative statement or representation that such Notes are freely tradable and (ii) its primary responsibilities under the Securities Act and accordingly will not sell the Notes, or any interest therein without complying with the requirements of the Securities Act.

10.15 Exculpation among Purchasers. Each Purchaser acknowledges that it is not relying upon any person, firm, corporation or stockholder, other than the Borrowers and their respective officers and directors in their capacities as such, in making its investment or decision to invest in the Borrowers. Each Purchaser agrees that no other Purchaser, nor the controlling persons, officers, directors, partners, agents, stockholders or employees of any other Purchaser, will be liable for any action heretofore or hereafter taken or not taken by any of them in connection with the purchase and sale of the Notes.

10.16 Survival. This Agreement, amongst other things, sets out obligations of the Loan Parties in addition to any obligations that may be set out in the Notes or other Loan Documents from time to time. Such obligations are not superseded or replaced by the Notes or any amendment to the Notes, and all obligations set out in this Agreement are intended to survive the entering into of the Notes.

10.17 Further Assurances. From time to time, the parties will execute and deliver such additional documents and will provide such additional information as may reasonably be required to carry out the terms of this Agreement and the Notes and any agreements executed in connection herewith or therewith.

10.18 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE NOTES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER REPRESENTS AND WARRANTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

10.19 Confidentiality. Purchasers and Noteholder Representative shall hold all nonpublic information regarding the Borrowers or the Parent obtained by Purchasers and Noteholder Representative pursuant hereto in accordance with Purchasers' or Noteholder Representative's, as applicable, customary procedures for handling information of such nature, except that disclosure of such information may be made (i) to Purchasers' and Noteholder Representative's agents, employees, subsidiaries, Affiliates, attorneys, auditors, professional consultants, rating agencies, insurance industry associations and portfolio management services, (ii) by Purchasers or Noteholder Representative as required by law, subpoena, judicial order or similar order and in connection with any litigation, investigation or proceeding, and (iii) by Purchasers or Noteholder Representative as may be required in connection with the examination, audit or similar investigation of such Person. The obligations of Purchasers under this Section shall supersede and replace the obligations of Purchasers under any confidentiality agreement in respect of this transaction executed and delivered by Purchasers prior to the date hereof. For greater certainty and notwithstanding any other term of this Agreement, the Purchasers and the Noteholder Representative may freely share information regarding the Borrowers or the Parent or any Subsidiary among each other.

[SIGNATURE PAGES FOLLOW]

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

BORROWERS:

Address for Notices:
2399 Blake Street, Suite 100
Denver, CO 80205

BAKER TECHNOLOGIES, INC., a Delaware corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
1385 Cambridge Street
Cambridge, MA 02139

COMMONWEALTH ALTERNATIVE CARE, INC., a Massachusetts corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
745 Thurlow Street, Suite 2400
Vancouver, BC V6E 0C5, Canada

JIMMY JANG, L.P., a Delaware limited partnership, by its general partner, JIMMY JANG HOLDINGS INC., a British Columbia corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
2801 E. Camelback Rd., Ste. 180
Phoenix, AZ 85016

JUPITER RESEARCH, LLC, an Arizona limited liability company, by its Managing Member, BAKER TECHNOLOGIES, INC., a Delaware corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

PARENT:

Address for Notices:
1385 Cambridge Street
Cambridge, MA 02139

TILT HOLDINGS INC., a British Columbia corporation

Per: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Interim Chief Executive Officer

NOTEHOLDER REPRESENTATIVE:

/s/ [***]
[***]

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

If an individual:

Name:

Address:

Email Address:

If an entity:

[PARTY NAME]

By
Name:
Title:

Address:

Email Address:

[*Notice to Reader: The execution page for each holder of notes, containing their respective name and signing authority name, has been omitted.]

[*Signature Page to Junior Secured Note Purchase Agreement*]

SCHEDULE OF PURCHASERS

Purchaser	Commitment
[***]	$17,909,100.00
[***]	$ 6,331,500.00
[***]	$ 7,236,000.00
[***]	$ 1,447,200.00
[***]	$ 1,809,000.00
[***]	$ 1,447,200.00
TOTAL	**$36,180,000.00**

EXHIBIT A
Form of Secured Note
(Please see attached)

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAW OF ANY FOREIGN JURISDICTION OR ANY STATE WITHIN THE UNITED STATES. SUCH SECURITIES MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, OR HYPOTHECATED ABSENT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR COMPLIANCE WITH RULE 144 PROMULGATED UNDER SUCH ACT, OR SUCH FOREIGN OR STATE SECURITIES LAW OR UNLESS THE PARENT HAS RECEIVED AN OPINION OF COUNSEL, SATISFACTORY TO THE PARENT AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED. UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DATE OF THE CLOSING.

THE INDEBTEDNESS EVIDENCED HEREBY IS SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AND INTERCREDITOR AGREEMENT (THE "SUBORDINATION AGREEMENT") DATED AS OF NOVEMBER 1, 2019 AMONG JIMMY JANG, L.P., A DELAWARE LIMITED PARTNERSHIP, BAKER TECHNOLOGIES, INC., A DELAWARE CORPORATION, COMMONWEALTH ALTERNATIVE CARE, INC., A MASSACHUSETTS CORPORATION, JUPITER RESEARCH, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, THE SUBORDINATED CREDITORS PARTY THERETO, NR 1, LLC, AS NOTEHOLDER REPRESENTATIVE PURSUANT TO THE SENIOR PURCHASE AGREEMENT (AS DEFINED IN THE SUBORDINATION AGREEMENT), AND THE OTHER PERSONS PARTY THERETO, TO THE HOLDERS OF THE SENIOR INDEBTEDNESS (AS DEFINED IN THE SUBORDINATION AGREEMENT); AND EACH HOLDER HEREOF, BY ITS ACCEPTANCE HEREOF, SHALL BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT.

JUNIOR PROMISSORY NOTE

No. [] **Date of Issuance**

US$[PRINCIPAL AMOUNT] **[DATE], 2019**

FOR VALUE RECEIVED, JIMMY JANG, L.P., a Delaware limited partnership and BAKER TECHNOLOGIES, INC., a Delaware corporation, JUPITER RESEARCH, LLC., an Arizona limited liability company, and COMMONWEALTH ALTERNATIVE CARE, INC., a Massachusetts corporation, together, joint and severally, the "**Company**"), hereby promises to pay to the order of [PURCHASER NAME] (the "**Holder**"), the principal sum of US$[PRINCIPAL AMOUNT], together with interest thereon from the date of this Note (the "**Effective Date**"). The principal and accrued and unpaid interest of this Note will be due and payable by the Company on the Maturity Date.

This Note is one of a series of Notes issued pursuant to that certain Junior Secured Note Purchase Agreement, dated November 1, 2019, by and among the Company, the Holder and the other parties thereto (the "**Purchase Agreement**"), and capitalized terms not defined herein will have the meanings set forth in the Purchase Agreement. All rights and obligations under this Note are governed by the Purchase Agreement.

1. Interest. Interest will accrue daily at a rate equal to eight percent (8%) per annum calculated by the Noteholder Representative on the basis of a three hundred sixty (360) day year for the actual number of days elapsed (the "**Applicable Interest Rate**") and shall compound quarterly. Interest only on the unpaid principal balance of this Note shall be due and payable in arrears on the first day of each calendar quarter after the Effective Date (each such date, an "**Interest Payment Date**"), with all outstanding principal and accrued and unpaid interest due and payable on the Maturity Date; provided, however, that if an Interest Payment Date is not a Business Day, the Company shall pay interest on the next Business Day following such Interest Payment Date.

2. Default Interest. During the continuance of an Event of Default, interest will accrue at a rate equal to the Applicable Interest Rate *plus* eight percent (8%) per annum.

3. Payment. Subject to the Subordination Agreement, all payments will be made in lawful money of the United States of America at the principal office of the Company, or at such other place as the Holder may from time to time designate in writing to the Company. Payment will be credited first to fees payable to the Purchasers (if any) then due and payable, then to reimbursement and indemnity obligations to the Noteholder Representative and the Purchasers (if any, and on a pro rata basis) then due and payable, then to fee obligations of the Noteholder Representative then due and payable, then to accrued interest due and payable, with any remainder applied to principal.

4. Security. Subject to the Subordination Agreement, this Note is a secured obligation of the Company and the Subsidiaries as more fully set forth in the Security Agreements. The Obligations under this Note are guaranteed by the Guarantors pursuant to the Guarantees.

5. Taxes. Any and all payments by the Company (or any payment by a Guarantor) under this Note shall be made free and clear of and without deduction or withholding for any Taxes except as required by applicable Laws. If the Holder shall be required to deduct or withhold any Taxes from or in respect of any amount payable under this Note, then the Holder shall make such deduction or withholding and shall pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Laws. Any amount deducted or withheld by Holder shall be considered for purposes of this Note to have been paid to the Holder and neither the Company nor the Parent shall have any obligation to pay any additional amounts in respect of amounts so deducted or withheld.

6. Amendments and Waivers; Resolutions of Dispute; Notice. The amendment or waiver of any term of this Note, the resolution of any controversy or claim arising out of or relating to this Note and the provision of notice among the Company and the Holder will be governed by the terms of the Purchase Agreement.

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0. Purchase Agreement: This Note is issued in connection with the Purchase Agreement which contains additional terms relevant to the administration of the Notes, the obligations of the Borrowers (amongst others) and the rights of the Holder.

1. Successors and Assigns. This Note applies to, inures to the benefit of, and binds the respective successors and assigns of the parties hereto; provided, however, that the Company may not assign its obligations under this Note without the written consent of the Noteholder Representative. Any transfer of this Note may be effected only pursuant to the Purchase Agreement and by surrender of this Note to the Company and reissuance of a new note to the transferee. The Holder and any subsequent holder of this Note receives this Note subject to the foregoing terms and conditions, and agrees to comply with the foregoing terms and conditions for the benefit of the Company and any other Purchasers (or their respective successors or assigns). No transfer or assignment of the Note is effective unless and until the transferee or assignee executes and delivers to the Noteholder Representative counterpart signature pages to the Purchase Agreement. The assignee or transferee of the Note shall execute any other agreements or documents reasonably required by the Noteholder Representative or the Borrowers.

2. Officers and Directors not Liable. In no event will any officer or director of the Company or the Parent be liable for any amounts due and payable pursuant to this Note.

3. Limitation on Interest. In no event will any interest charged, collected or reserved under this Note exceed the maximum rate then permitted by applicable law, and if any payment made by the Company under this Note exceeds such maximum rate, then such excess sum will be credited by the Holder as a payment of principal.

4. Choice of Law. This Note will be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the Commonwealth of Massachusetts.

5. Approval. The Company hereby represents that its general partner or board of directors (as applicable), and the Parent's board of directors, in the exercise of their fiduciary duties, has approved the Company's execution of this Note based upon a reasonable belief that the principal provided hereunder is appropriate for the Company after reasonable inquiry concerning the Company's financing objectives and financial situation. In addition, the Company hereby represents that it shall use the principal of this Note in accordance with the Purchase Agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Company hereto has executed this Note as of the date set forth above.

JIMMY JANG, L.P., a Delaware limited partnership

By _____
Name:
Title:

Address:

Email Address:

BAKER TECHNOLOGIES, INC., a Delaware corporation

By _____
Name:
Title:

Address:

Email Address:

JUPITER RESEARCH, LLC, an Arizona limited liability company

By _____
Name:
Title:

Address:

Email Address:

COMMONWEALTH ALTERNATIVE CARE, INC., a Massachusetts corporation

By _____
Name:
Title:

Address:

Email Address:

Acknowledged and Agreed to:

TILT HOLDINGS INC., a British Columbia corporation

By _____
Name:
Title:

Address:
Email Address:

Exhibit 10.7

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

JUNIOR GUARANTY

This JUNIOR GUARANTY, dated as of November 1, 2019 (as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "**Guaranty**"), is made by and among each of the undersigned parties executing this Agreement as a "Guarantor" (collectively, the "**Guarantors**" and each, a "**Guarantor**"), in favor of [***], as representative for the Purchasers (collectively, the "**Secured Party**").

WHEREAS, on the date hereof, the Borrowers have executed and delivered a Junior Secured Note Purchase Agreement (as amended, modified or otherwise supplemented from time to time, the "**Purchase Agreement**") providing for the issuance of up to U.S. Thirty-Six Million One Hundred Eighty Thousand and No/100 Dollars (U.S. $36,180,000.00) in Notes to the Purchasers. All capitalized terms not otherwise defined herein shall have the respective meanings given in the Purchase Agreement.

WHEREAS, the Guarantors are each a direct or indirect subsidiary of Borrower or an affiliate of Borrower and will derive financial benefit from the financing made available to Borrower under the Purchase Agreement;

WHEREAS, this Guaranty is given by the Guarantors in favor of the Secured Party to secure the payment and performance of all of the Obligations of the Borrowers (referred to herein together as the "**Obligor**") under the Notes; and

WHEREAS, it is a condition to the obligations of the Purchasers to enter into the Purchase Agreement and acquire the Notes that the Guarantors execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Guaranty. Each Guarantor absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, the full and punctual payment and performance of all present and future obligations, liabilities, covenants and agreements required to be observed and performed or paid or reimbursed by Borrowers under or relating to the Purchase Agreement and the Notes (in each case as it may hereafter be modified, supplemented, extended or renewed and in effect from time to time), plus all costs, expenses and fees (including the reasonable fees and expenses of Secured Party's counsel) in any way relating to the enforcement or protection of Secured Party's rights hereunder (collectively, the "**Obligations**"). All sums payable under this Guaranty shall be paid in lawful money of the United States of America.

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2. Guaranty Absolute and Unconditional. Each Guarantor agrees that its Obligations under this Guaranty are joint and several with those of the other Guarantors, are irrevocable, continuing, absolute and unconditional and shall not be discharged or impaired or otherwise affected by, and each Guarantor hereby irrevocably waives any defenses to enforcement it may have (now or in the future) by reason of:

(a) Any illegality, invalidity or unenforceability of any Obligation or the Notes or any related agreement or instrument, or any law, regulation, decree or order of any jurisdiction or any other event affecting any term of the Obligations.

(b) Any change in the time, place or manner of payment or performance of, or in any other term of the Obligations, or any rescission, waiver, release, assignment, amendment or other modification of the Notes.

(c) Any taking, exchange, substitution, release, impairment, amendment, waiver, modification or non-perfection of any collateral or any other guaranty for the Obligations, or any manner of sale, disposition or application of proceeds of any collateral or other assets to all or part of the Obligations.

(d) Any default, failure or delay, willful or otherwise, in the performance of the Obligations.

(e) Any change, restructuring or termination of the corporate structure, ownership or existence of Guarantor or Obligor or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Obligor or its assets or any resulting restructuring, release or discharge of any Obligations.

(f) Any failure of Secured Party to disclose to Guarantor any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of Obligor now or hereafter known to Secured Party, Guarantor waiving any duty of Secured Party to disclose such information.

(g) The failure of any other guarantor or third party to execute or deliver this Guaranty or any other guaranty or agreement, or the release or reduction of liability of Guarantor or any other guarantor or surety with respect to the Obligations.

(h) The failure of Secured Party to assert any claim or demand or to exercise or enforce any right or remedy under the provisions of any of the Notes or other Loan Documents otherwise.

(i) The death, insolvency, bankruptcy, disability, dissolution, liquidation, termination, receivership, reorganization, merger, amalgamation consolidation, change of form, structure or ownership, sale of all assets or lack of corporate, partnership or other power of Borrower or any other party at any time liable for the payment of performance of any or all of the Obligations of Borrower

(j) The existence of any claim, set-off, counterclaim, recoupment or other rights that Guarantor or Obligor may have against Secured Party (other than a defense of payment or performance).

(k) The amendment, supplement, extension or renewal of any Note(s) or the Purchase Agreement.

( ) Any other circumstance (including, without limitation, any statute of limitations, any claim of lack of consideration, homestead exemption, any release of or failure to protect Collateral), act, omission or manner of administering the Notes or any existence of or reliance on any representation by Secured Party that might vary the risk of Guarantor or otherwise operate as a defense available to, or a legal or equitable discharge of, Guarantor.

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3. Certain Waivers; Acknowledgments. Each Guarantor further acknowledges and agrees as follows:

(a) Guarantor hereby unconditionally and irrevocably waives any right to revoke this Guaranty and acknowledges that this Guaranty is continuing in nature and applies to all presently existing and future Obligations, until the complete, irrevocable and indefeasible payment and satisfaction in full of the Obligations.

(b) This Guaranty is a guaranty of payment and performance and not of collection. Secured Party shall not be obligated to enforce or exhaust its remedies against Obligor or under any of the Notes or the Purchase Agreement before proceeding to enforce this Guaranty.

(c) This Guaranty is a direct guaranty and independent of the obligations of Obligor under any of the Notes and the Purchase Agreement. Secured Party may resort to Guarantors for payment and performance of the Obligations whether or not Secured Party shall have resorted to any collateral therefor or shall have proceeded against Obligor or any other guarantors with respect to the Obligations. Secured Party may, at Secured Party's option, proceed against Guarantor and Obligor, jointly and severally, or against Guarantor only without having obtained a judgment against Obligor.

(a) Guarantor hereby unconditionally and irrevocably waives promptness, diligence, notice of acceptance, presentment, demand for performance, notice of non-performance, default, acceleration, protest or dishonor and any other notice with respect to any of the Obligations and this Guaranty and any requirement that Secured Party protect, secure, perfect or insure any lien or any property subject thereto.

(d) Notwithstanding anything contained herein to the contrary, the Obligations of each Guarantor shall be limited to the maximum amount so as to not constitute a fraudulent transfer or conveyance for purposes of the United States Bankruptcy Code or any applicable state law or otherwise to the extent applicable to this Guaranty and the Obligations of such Guarantor hereunder.

(e) Each Guarantor agrees that its guaranty hereunder shall continue to be effective or be reinstated, as the case may be, if at any time all or part of any payment of any Obligation is voided, rescinded or recovered or must otherwise be returned by Secured Party upon the insolvency, bankruptcy or reorganization of Obligor.

4. Subrogation. Each Guarantor waives and shall not exercise any rights that it may acquire by way of subrogation, contribution, reimbursement or indemnification for payments made under this Guaranty until all Obligations shall have been indefeasibly paid and discharged in full.

5. Subordination. If, for any reason, Borrower is now or hereafter becomes indebted to Guarantors:

(a) Such indebtedness and all interest thereon and all liens, security interest and rights now or hereafter existing with respect to property of Borrower securing same shall, at all times, be subordinate win all respects to the Guaranteed Obligations of Borrower and to all liens security interests and rights now or hereafter existing to secure the Obligations of Borrower;

(b) Except as expressly permitted in the Purchase Agreement or otherwise approved by the Noteholder Representative, Guarantors shall not be entitled to enforce or receive payment, directly or indirectly, of any such indebtedness of Borrower to Guarantors until the Obligations of Borrower have been fully and finally paid and performed;

(c) In the event of receivership, bankruptcy, reorganization, arrangement or other debtor relief or insolvency proceedings involving Borrower as debtor, Lender shall have the right to provide its claim in any such proceeding so as to establish its rights hereunder sand shall have the right to receive directly from the receiver, trustee or other custodian, dividends and payments that are payable upon any obligation of Borrower to Guarantors now existing or hereafter arising, and to have all benefits of any security therefor, until the Obligations of Borrower have been fully and finally paid and performed. If, notwithstanding the foregoing provision, Guarantors should receive any payment, claim or distribution that is prohibited as provided above in this Section, Guarantors shall pay the same to Secured Party immediately, Guarantors hereby agreeing that is shall receive the payment, claim or distribution in trust for Secured Party and shall have no dominion over the same except to pay it immediately to Secured Party; and

(d) Guarantors shall promptly upon request of Lenders from time to time execute such documents and perform such acts as Lenders may reasonably require to evidence and perfect its interest and to permit or facilitate exercise of its rights under this Section.

6. Representations and Warranties. To induce Secured Party to purchase the Notes and enter into the Purchase Agreement and the other Loan Documents, each Guarantor represents and warrants that: (a) it is duly organized and validly existing in good standing under the laws of the jurisdiction of its organization; (b) this Guaranty constitutes Guarantor's valid and legally binding agreement in accordance with its terms; (c) the execution, delivery and performance of this Guaranty have been duly authorized by all necessary action and will not violate any order, judgment or decree to which Guarantor or any of its assets may be subject; and (d) Guarantor is currently solvent and will not be rendered insolvent by providing this Guaranty.

7. Notices. All notices and other communications ("**Notices**") provided for in this Guaranty shall be in writing and shall be given in the manner and become effective as set forth in the Purchase Agreement, and addressed to the respective parties at their addresses as specified on the signature pages hereof or as to either party at such other address as shall be designated by such party in a written notice to each other party.

8. Assignment. This Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that no Guarantor may, without the prior written consent of Secured Party, assign any of its rights, powers or obligations hereunder. Any attempted assignment in violation of this section shall be null and void.

9. Governing Law. This Guaranty, and all matters arising out of or relating to this Guaranty, whether sounding in contract, tort, or statute will be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of Commonwealth of Massachusetts.

10. Jurisdiction and Venue. ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE INSTITUTED IN THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

11. Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER REPRESENTS AND WARRANTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

12. Cumulative Rights. Each right, remedy and power hereby granted to Secured Party or allowed it by applicable law or other agreement (a) shall be cumulative and concurrent and not exclusive of any other, (b) may be pursued separately, successively or concurrently against Guarantors or other third parties, or against any one or more of them, or against any security or otherwise, (iii) may be exercised as often as occasion therefor shall arise (it being acknowledged that the exercise or failure to exercise any of such rights, remedies or recourses shall not be construed as a waiver or release thereof or of any other right, remedy or recourse), and (iv) may be exercised by Secured Party at any time or from time to time.

13. Severability. If any provision of this Guaranty is to any extent determined by final decision of a court of competent jurisdiction to be unenforceable, the remainder of this Guaranty shall not be affected thereby, and each provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

3. Further Assurances. Guarantors at their expense will promptly execute and deliver to the Noteholder Representative upon its reasonable request all such other and further documents, agreements, and instruments in compliance with or accomplishment of the agreements of Guarantors under this Guaranty.

14. Entire Agreement; Amendments; Headings; Effectiveness; No Fiduciary Relationship. This Guaranty constitutes the sole and entire agreement of Guarantors and Secured Party with respect to the subject matter hereof and supersedes all previous agreements or understandings, oral or written, with respect to such subject matter. Subject to Section 11.10 of the Purchase Agreement, no amendment or waiver of any provision of this Guaranty shall be valid and binding unless it is in writing and signed, in the case of an amendment, by Guarantors and Secured Party, or in the case of a waiver, by the party against which the waiver is to be effective. Section headings are for convenience of reference only and shall not define, modify, expand or limit any of the terms of this Guaranty. Delivery of this Guaranty by facsimile or in electronic (i.e., pdf or tif) format shall be effective as delivery of a manually executed original of this Guaranty. The relationship between Secured Party is solely that of lender and guarantor. Secured Party have no fiduciary or other special relationship with or duty to the Guarantors and none are created hereby or may be inferred from any course of dealing or act or omission of Secured Party.

[Signatures begin on following page]

IN WITNESS WHEREOF, each Guarantor has executed this Guaranty as of the day and year first above written.

"GUARANTORS":

TILT HOLDINGS INC., a British Columbia corporation

By: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Interim Chief Executive Officer

Address for Notices:
[REDACTED]

JIMMY JANG HOLDINGS INC., a British Columbia corporation

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

[Signature Page to Junior Guaranty]

SANTE VERITAS HOLDINGS INC., a British Columbia corporation

By: */s/ Mark Scatterday*

Name: Mark Scatterday
Title: Interim Chief Executive Officer

Address for Notices:
[***]

SANTE VERITAS THERAPEUTICS INC., a British Columbia Corporation

By: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Interim Chief Executive Officer

Address for Notices:
[***]

JUPITER RESEARCH EUROPE LTD., a private limited company with its registered office in England and Wales

By: **JUPITER RESEARCH, LLC,** an Arizona limited liability company

By: **BAKER TECHNOLOGIES, INC.,** a Delaware corporation, its Managing Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
N/A

[Signature Page to Junior Guaranty]

DEFENDER MARKETING SERVICES, LLC, a Washington limited liability company

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Manager

Address for Notices:
[***]

[*Signature Page to Junior Guaranty*]

WHITE HAVEN RE LLC, a Pennsylvania limited liability company

By: **BAKER TECHNOLOGIES, INC.,** a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[***]

STANDARD FARMS LLC, a Pennsylvania limited liability company

By: **BAKER TECHNOLOGIES, INC.,** a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[***]

BRITESIDE HOLDINGS LLC, a Tennessee limited liability company

By: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Manager

Address for Notices:
[***]

BRITESIDE MODULAR LLC, a Tennessee limited liability company

By: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Manager

Address for Notices:
[***]

BRITESIDE E-COMMERCE LLC, a Tennessee limited liability company

By: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Manager

Address for Notices:
[***]

BRITESIDE OREGON LLC, an Oregon limited liability company

By: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Manager

Address for Notices:
[***]

YARIS ACQUISITION LLC, a Delaware limited liability company

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Manager

Address for Notices:
[***]

BOOTLEG COURIER COMPANY, LLC, a Nevada limited liability company

By: **YARIS ACQUISITION LLC**, a Delaware limited liability company, its Managing Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Manager

Address for Notices:
[***]

BLKBRD SOFTWARE LLC, a Nevada limited liability company

By: **YARIS ACQUISITION LLC**, a Delaware limited liability company, its Managing Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Manager

Address for Notices:
[***]

BLACKBIRD LOGISTICS CORPORATION, a Nevada corporation

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: President

Address for Notices:
[***]

BLKBRD CA, a California corporation

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Sole Officer

Address for Notices: [***]

BLKBRD NV LLC, a Nevada limited liability company

By: **BLACKBIRD LOGISTICS CORPORATION**, a Nevada corporation, its Managing Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: President

Address for Notices:
[***]

SEA HUNTER THERAPEUTICS, LLC, a Delaware limited liability company

By: **BAKER TECHNOLOGIES, INC.**, a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[***]

SH THERAPEUTICS, LLC, a Florida limited liability company

By: **SEA HUNTER THERAPEUTICS, LLC**, a Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*

Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[***]

SH REALTY HOLDINGS, LLC, a Delaware limited liability company

By: **SEA HUNTER THERAPEUTICS, LLC**, a Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[***]

SH REALTY HOLDINGS-OHIO, LLC, an Ohio limited liability company

By: **SEA HUNTER THERAPEUTICS, LLC**, a Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a Delaware corporation, its Sole Member

By: /s/ Timothy Conder
Name: Timothy Conder
Title: Chief Operating Officer
Address for Notices:

[***]

SH OHIO, LLC, an Ohio limited liability company

By: **SEA HUNTER THERAPEUTICS, LLC**, a Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[***]

SH FINANCE COMPANY, LLC, a Delaware limited liability company

By: **SEA HUNTER THERAPEUTICS, LLC**, a Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[***]

CULTIVO, LLC, a Delaware limited liability company

By: **SEA HUNTER THERAPEUTICS, LLC**, a Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

ALTERNATIVE CARE RESOURCE GROUP LLC, a Massachusetts limited liability company

By: **CULTIVO, LLC**, a Delaware limited liability company, its Sole Member

By: **SEA HUNTER THERAPEUTICS, LLC**, a Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

VERDANT HOLDINGS, LLC, a Florida limited liability company

By: **CULTIVO, LLC**, a Delaware limited liability company, its Sole Member

By: **SEA HUNTER THERAPEUTICS, LLC**, a Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[***]

VERDANT MANAGEMENT GROUP, LLC, a Massachusetts limited liability company

By **VERDANT HOLDINGS, LLC,** a Florida limited liability company, its Sole Member

By: **CULTIVO, LLC**, a Delaware limited liability company, its Sole Member

By: **SEA HUNTER THERAPEUTICS, LLC**, a Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[***]

[*Signature Page to Junior Guaranty*]

HERBOLOGY HOLDINGS, LLC, a Florida limited liability company, its Sole Member

By: **CULTIVO, LLC**, a Delaware limited liability company, its Sole Member

By: **SEA HUNTER THERAPEUTICS, LLC**, a Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

[*Signature Page to Junior Guaranty*]

HERBOLOGY MANAGEMENT GROUP, LLC, a Massachusetts limited liability company

By: **HERBOLOGY HOLDINGS, LLC,** a Florida limited liability company, its Sole Member

By: **CULTIVO, LLC**, a Delaware limited liability company, its Sole Member

By: **SEA HUNTER THERAPEUTICS, LLC**, a Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[***]

[*Signature Page to Junior Guaranty*]

Exhibit 10.9

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

JUNIOR SECURITY AGREEMENT

This JUNIOR SECURITY AGREEMENT, dated as of November 1, 2019 (as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "**Agreement**"), is made by and among each of the undersigned parties executing this Agreement as a "Grantor" (collectively, the "**Grantors**" and each, a "**Grantor**"), in favor of [REDACTED NAME] (in such capacity, the "**Secured Party**") on behalf of the purchasers named in the Purchase Agreement (the "**Purchasers**").

WHEREAS, on the date hereof, Jimmy Jang, L.P., a Delaware limited partnership, Baker Technologies, Inc., a Delaware corporation, Commonwealth Alternative Care, Inc., a Massachusetts corporation, and Jupiter Research, LLC, an Arizona limited liability company (together, the "**Borrowers**"), as borrowers, and the Secured Party, as noteholder representative, and the other parties thereto, executed and delivered a Junior Secured Note Purchase Agreement (as amended, supplemented or otherwise modified from time to time, the "**Purchase Agreement**") providing for the issuance of up to U.S. Thirty Six Million One Hundred Eighty Thousand and No/100 Dollars (U.S. $36,180,000.00) in Notes. Subject to Section 1(b) below, all capitalized terms not otherwise defined herein shall have the respective meanings given in the Purchase Agreement.

WHEREAS, pursuant to a Junior Guaranty dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the "**Guaranty**"), delivered in favor of the Secured Party by each of the Grantors listed as "Guarantors" on the signature page hereof, such Grantors have guaranteed the payment and performance of the Borrowers' obligations under or relating to the Notes, as more fully set forth therein.

WHEREAS, this Agreement is given by the Grantors in favor of the Secured Party to secure the payment and performance of all the Secured Obligations; and

WHEREAS, it is a condition under the Purchase Agreement that the Grantors shall execute and deliver this Agreement to the Secured Party for the benefit of the Purchasers;

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

1. Definitions.

(a) Unless otherwise specified herein, all references to Sections and Schedules herein are to Sections and Schedules of this Agreement.

(b) Unless otherwise defined herein, terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC. However, if a term is defined in Article 9 of the UCC differently than in another Article of the UCC, the term has the meaning specified in Article 9.

(c) For purposes of this Agreement, the following terms shall have the following meanings:

"**Collateral**" has the meaning set forth in Section 2.

"**Event of Default**" has the meaning set forth in the Purchase Agreement.

"**First Priority Liens**" means any Liens granted by the Grantors in favor of NR1, LLC pursuant to that certain Security Agreement, dated as of the date hereof.

"**Laws**" has the meaning set forth in the Purchase Agreement.

"**Proceeds**" means "proceeds" as such term is defined in section 9-102 of the UCC and, in any event, shall include, without limitation, all dividends or other income from the Collateral, collections thereon or distributions with respect thereto.

"**Second Priority**" means, with respect to any lien and security interest purported to be created in any Collateral pursuant to this Agreement, such lien and security interest is the second-most senior lien to which such Collateral is subject (subject only to First Priority Liens and Permitted Liens).

"**Secured Obligations**" has the meaning set forth in Section 3.

"**Subordination Agreement**" means (i) that certain Subordination and Intercreditor Agreement by and among the Secured Party, on behalf of and for the benefit of the Purchasers, and NR1, LLC as representative on behalf of and for the benefit of certain senior creditors and (ii) any other subordination agreement with respect to Permitted Subordinated Debt that the Secured Party may approve.

"**UCC**" means the Uniform Commercial Code as in effect from time to time in the Commonwealth of Massachusetts or, when the laws of any other state govern the method or manner of the perfection or enforcement of any security interest in any of the Collateral, the Uniform Commercial Code as in effect from time to time in such state.

2. Grant of Security Interest. Each Grantor hereby pledges and grants to the Secured Party, and hereby creates a continuing Second Priority lien and security interest in favor of the Secured Party in and to all of its right, title and interest in and to the following, wherever located, whether now existing or hereafter from time to time arising or acquired (collectively, the "**Collateral**"):

(i) all personal property of every kind and nature including but not limited to all accounts, goods (including inventory and equipment), documents (including, if applicable, electronic documents), instruments, promissory notes, chattel paper (whether tangible or electronic), letters of credit, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), securities and all other investment property, general intangibles (including all payment intangibles), money, deposit accounts, and any other contract rights or rights to the payment of money; and

(ii) all Proceeds and products of each of the foregoing, all books and records relating to the foregoing, all supporting obligations related thereto, and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to the Grantors from time to time with respect to any of the foregoing.

Notwithstanding the foregoing or anything contained in this Agreement or any other Loan Document to the contrary, the term "Collateral" shall not include, and a security interest is not granted in, any right or interest in any permit, license, lease or contract if under the terms of such permit, license, lease or contract, or applicable Laws with respect thereto, the grant of a security interest or lien therein is prohibited and such prohibition or restriction has not been waived or the requisite consent in respect of such permit, license, lease or contract has not been obtained (or is not able to be obtained) or the grant of a security interest or lien therein would, under the terms of such permit, license, lease or contract, result in the voiding or termination of or give rise to a right of termination of such permit, license, lease or contract, provided that, such permit, license, lease or contract shall be included in the term "Collateral" and a security interest shall be granted therein, at such time as the grant of a security interest therein is no longer prohibited, or the requisite consent in respect thereof has been obtained.

3. Secured Obligations. The Collateral secures the due and prompt payment in full and performance of all loans, advances, debts, covenants, duties, obligations and liabilities of any kind and description of the Grantors under or in connection with the Notes, the Purchase Agreement, each Guaranty, and each of the other Loan Documents, including all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Grantors, in each case, whether direct or indirect, absolute or contingent, now existing or hereafter arising, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U. S. C. Section 101 et seq.), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding (collectively, the "**Secured Obligations**").

4. Perfection of Security Interest and Further Assurances

(a) Each Grantor shall, from time to time, as may be required or requested by the Secured Party with respect to all Collateral, take all actions necessary to perfect the security interest of the Secured Party in the Collateral, including, without limitation, with respect to all Collateral over which control may be obtained within the meaning of sections 8-106, 9-104, 9105, 9-106 and 9-107 of the UCC, section 201 of the federal Electronic Signatures in Global and National Commerce Act and section 16 of the Uniform Electronic Transactions Act, as applicable. The Grantor shall take all actions as may be required or requested from time to time by the Secured Party so that control of such Collateral is obtained and at all times held by the Secured Party. All of the foregoing shall be at the sole cost and expense of the Grantors.

(b) Each Grantor hereby irrevocably authorizes, but does not obligate, the Secured Party at any time and from time to time to file in any relevant jurisdiction any financing statements and amendments thereto that contain the information required by Article 9 of the UCC of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Collateral, including any financing or continuation statements or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by such Grantor hereunder, without the signature of such Grantor where permitted by law, including the filing of a financing statement describing the Collateral as all assets now owned or hereafter acquired by such Grantor, or words of similar effect. Each Grantor agrees to provide all information required by the Secured Party pursuant to this Section promptly to the Secured Party upon request.

(d) If any Collateral is at any time in the possession of a bailee, the Grantor with title to such Collateral shall promptly notify the Secured Party thereof and, at the Secured Party's request and option, shall promptly obtain an acknowledgment from the bailee, in form and substance satisfactory to the Secured Party, that the bailee holds such Collateral for the benefit of the Secured Party and the bailee agrees to comply, without further consent of the Grantor, at any time with instructions of the Secured Party as to such Collateral.

(e) Each Grantor agrees that at any time and from time to time, at the expense of such Grantor, such Grantor will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that the Secured Party may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder or under any other agreement with respect to any Collateral.

5. Representations and Warranties. The representations and warranties contained in the Purchase Agreement, to the extent that they relate to a Grantor, are herein expressly incorporated by reference, and each Grantor agrees to be bound by such representations and warranties as though such representations and warranties were expressly stated herein. In addition, each Grantor hereby represents and warrants as follows:

(a) At the time the Collateral becomes subject to the lien and security interest created by this Agreement, the Grantor will be the sole, direct, legal and beneficial owner thereof, free and clear of any lien, security interest, encumbrance, claim, option or right of others except for the First Priority Liens and Permitted Liens.

(b) The grant of the Collateral pursuant to this Agreement creates a valid and perfected Second Priority security interest in the Collateral, securing the payment and performance when due of the Secured Obligations.

(c) It has full power, authority and legal right to pledge its Collateral pursuant to this Agreement.

(d) This Agreement and the Guaranty have been duly authorized, executed and delivered by the Grantor and each constitutes a legal, valid and binding obligation of the Grantor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to equitable principles (regardless of whether enforcement is sought in equity or at law).

(e) No authorization, approval, or other action by, and no notice to or filing with, any Governmental Authority or regulatory body is required for the pledge by the Grantor of the Collateral pursuant to this Agreement or for the execution and delivery of this Agreement by the Grantor or the performance by the Grantor of its obligations hereunder.

(f) The execution and delivery of this Agreement by the Grantor and the performance by the Grantor of its obligations hereunder, will not violate any provision of any applicable Laws or regulation or any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, applicable to the Grantor or any of its property, or the organizational or governing documents of the Grantor or any agreement or instrument to which the Grantor is party or by which it or its property is bound.

(g) The Collateral consisting of securities has been duly authorized and validly issued, and is fully paid and non-assessable and subject to no options to purchase or similar rights. None of the Collateral constitutes, or is the proceeds of, (i) [reserved], (ii) as-extracted collateral, (iii) manufactured homes, (iv) health-care-insurance receivables, (v) timber to be cut, (vi) aircraft, aircraft engines, satellites, ships or railroad rolling stock. None of the account debtors or other persons obligated on any of the

Collateral is a governmental authority covered by the Federal Assignment of Claims Act or like federal, state or local statute or rule in respect of such Collateral.

(h) No person other than the Grantors or the Secured Party has control or possession of all or any part of the Collateral.

(i) The Grantors have delivered to the Secured Party an information certificate containing, *inter alia*, the Grantor's exact legal name, its jurisdiction of incorporation, its places of business and the location of its assets. All information provided therein is true, complete and correct in all material respects.

6. Voting, Distributions and Receivables.

(a) The Secured Party agrees that unless an Event of Default shall have occurred and be continuing, each Grantor may, to the extent the Grantor has such right as a holder of the Collateral consisting of securities, other Equity Interests or indebtedness owed by any obligor, vote and give consents, ratifications and waivers with respect thereto.

(b) The Secured Party agrees that each Grantor may, unless an Event of Default shall have occurred and be continuing, receive and retain all dividends and other distributions with respect to the Collateral consisting of securities, other Equity Interests or indebtedness owed by any obligor.

(c) If any Event of Default shall have occurred and be continuing, the Secured Party may, or at the request and option of the Secured Party, each Grantor shall, notify account debtors and other persons obligated on any of the Collateral of the security interest of the Secured Party in any account, chattel paper, general intangible, instrument or other Collateral and that payment thereof is to be made directly to the Secured Party.

7. Covenants. The covenants contained in the Purchase Agreement, to the extent that they relate to a Grantor, are herein expressly incorporated by reference, and each Grantor agrees to observe, perform and be bound by such covenants as though such covenants were expressly stated herein. In addition, each Grantor hereby covenants as follows:

(a) The Grantor will not, without providing at least 30 days' prior written notice to the Secured Party, change its legal name, identity, type of organization, jurisdiction of organization, corporate structure, location of its chief executive office or its principal place of business or its organizational identification number. The Grantor will, prior to any change described in the preceding sentence, take all actions reasonably required or requested by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.

(b) The Grantor shall, at its own cost and expense, defend title to the Collateral and the Second Priority lien and security interest of the Secured Party therein against the claim of any person claiming against or through the Grantor and shall maintain and preserve such perfected Second Priority security interest for so long as this Agreement shall remain in effect.

(c) The Grantor will not sell, offer to sell, dispose of, convey, assign or otherwise transfer, grant any option with respect to, restrict, or grant, create, permit or suffer to exist any mortgage, pledge, lien, security interest, option, right of first offer, encumbrance or other restriction or limitation of any nature whatsoever on, any of the Collateral or any interest therein except for Permitted Dispositions and Permitted Liens.

(d) The Grantor will keep the Collateral in good order and repair and will not use the same in violation of Applicable Law or any policy of insurance thereon. The Grantor will permit the Secured Party, or its designee, to inspect the Collateral at any reasonable time, wherever located; provided, however, that such an inspection shall not be made more than once every sixty (60) days in the absence of a continuing Event of Default.

(e) The Grantor will pay promptly when due all taxes, assessments, governmental charges, and levies upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this Agreement.

(f) The Grantor will continue to operate its business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended, and other Applicable Law.

8. Secured Party Appointed Attorney-in-Fact. Each Grantor hereby appoints the Secured Party as the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time during the continuance of an Event of Default in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement (but the Secured Party shall not be obligated to and shall have no liability to the Grantor or any third party for failure to do so or take action). This appointment, being coupled with an interest, shall be irrevocable. Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

9. Secured Party May Perform. If a Grantor fails to perform any obligation contained in this Agreement, the Secured Party may itself perform, or cause performance of, such obligation, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Grantor; provided that the Secured Party shall not be required to perform or discharge any obligation of any Grantor.

10. Reasonable Care. The Secured Party shall have no duty with respect to the care and preservation of the Collateral beyond the exercise of reasonable care. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property, it being understood that the Secured Party shall not have any responsibility for (a) ascertaining or taking action with respect to any claims, the nature or sufficiency of any payment or performance by any party under or pursuant to any agreement relating to the Collateral or other matters relative to any Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral. Nothing set forth in this Agreement, nor the exercise by the Secured Party of any of the rights and remedies hereunder, shall relieve any Grantor from the performance of any obligation on the Grantor's part to be performed or observed in respect of any of the Collateral.

11. Remedies Upon Default.

(a) Upon the occurrence and continuance of an Event of Default, the Secured Party, following good faith consultation with the Board of Directors of TILT Holdings, Inc., may exercise any or all of the following rights and remedies:

(i) those rights and remedies provided in this Security Agreement, the Purchase Agreement, the Subordination Agreement or any other Loan Document; *provided that,* this Section 11(a) shall not be understood to limit any rights or remedies available to the Secured Party prior to an Event of Default;

(ii) those rights and remedies available to a secured party under the UCC (whether or not the UCC applies to the affected Collateral) or under any other applicable law (including, without limitation, any law governing the exercise of a bank's right of setoff or bankers' lien) when a debtor is in default under a security agreement;

(iii) give notice of sole control or any other instruction under any Deposit Account Control Agreement or and other control agreement with any securities intermediary and take any action therein with respect to such Collateral;

(iv) without notice (except as specifically provided in Section 8.1 or elsewhere herein), demand or advertisement of any kind to any Grantor or any other Person, enter the premises of any Grantor where any Collateral is located (through self-help and without judicial process) to collect, receive, assemble, process, appropriate, sell, lease, assign, grant an option or options to purchase or otherwise dispose of, deliver, or realize upon, the Collateral or any part thereof in one or more parcels at public or private sale or sales (which sales may be adjourned or continued from time to time with or without notice and may take place at any Grantor's premises or elsewhere), for cash, on credit or for future delivery without assumption of any credit risk, and upon such other terms as the Secured Party may deem commercially reasonable; and

(v) upon three (3) Business Days' prior written notice to the applicable Grantor, transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations, exercise the voting and all other rights as a holder with respect thereto, collect and receive all cash dividends, interest, principal and other distributions made thereon and to otherwise act with respect to the Pledged Collateral as though the Secured Party was the outright owner thereof.

(b) The Secured Party may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral; *provided*, however, that the Secured Party shall comply with all State Cannabis Laws in connection with a disposition of the Collateral to the extent that such compliance does not materially and adversely affect the value of the Collateral.

(c) The Secured Party shall have the right upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales, to purchase for the benefit of the Secured Party and the other Purchasers, the whole or any part of the Collateral so sold, free of any right of equity redemption, which equity redemption the Grantor hereby expressly releases.

(d) Until the Secured Party is able to effect a sale, lease, or other disposition of Collateral, the Secured Party shall have the right to hold or use Collateral, or any part thereof, to the extent that it deems appropriate for the purpose of preserving Collateral or its value or for any other purpose deemed appropriate by the Secured Party. The Secured Party may, if it so elects, seek the appointment of a receiver or keeper to take possession of Collateral and to enforce any of the Secured Party's remedies (for the benefit of the Secured Party and the other Purchasers), with respect to such appointment without prior notice or hearing as to such appointment.

(e) Notwithstanding the foregoing, the Secured Party nor any other Purchasers shall be required to (i) make any demand upon, or pursue or exhaust any of its rights or remedies against, any Grantor, any other obligor, guarantor, pledgor or any other Person with respect to the payment of the Secured Obligations or to pursue or exhaust any of its rights or remedies with respect to any Collateral therefor or any direct or indirect guarantee thereof, (ii) marshal the Collateral or any guarantee of the Secured Obligations or to resort to the Collateral or any such guarantee in any particular order, or (iii) effect a public sale of any Collateral.

(f) Each Grantor recognizes that the Secured Party may be unable to effect a public sale of any or all the Pledged Collateral and may be compelled to resort to one or more private sales thereof in accordance with clause (a) above. Each Grantor also acknowledges that any private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. The Secured Party shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit any Grantor or the issuer of the Pledged Collateral to register such securities for public sale under the Securities Act of 1933, as amended, or under applicable state securities laws, even if the applicable Grantor and the issuer would agree to do so.

Notwithstanding the foregoing, any rights and remedies provided in this Section 11 shall be subject to the Subordination Agreement.

12. Grantor's Obligations Upon Default. Upon the request of the Secured Party after the occurrence of an Event of Default, each Grantor will:

(i) assemble and make available to the Secured Party the Collateral and all books and records relating thereto at any place or places specified by the Secured Party, whether at a Grantor's premises or elsewhere;

(ii) permit the Secured Party, by the Secured Party's representatives and agents, to enter, occupy and use any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral or the books and records relating thereto, or both, to remove all or any part of the Collateral or the books and records relating thereto, or both, and to conduct sales of the Collateral, without any obligation to pay the applicable Grantor for such use and occupancy;

(iii) prepare and file, or cause an issuer of Pledged Collateral to prepare and file, with the Securities and Exchange Commission or any other applicable government agency, registration statements, a prospectus and such other documentation in connection with the Pledged Collateral as the Secured Party may request, all in form and substance satisfactory to the Secured Party, and furnish to the Secured Party, or cause an issuer of Pledged Collateral to furnish to the Secured Party, any information regarding the Pledged Collateral in such detail as the Secured Party may specify;

(iv) take, or cause an issuer of Pledged Collateral to take, any and all actions necessary to register or qualify the Pledged Collateral to enable the Secured Party to consummate a public sale or other disposition of the Pledged Collateral; and

(v) at its own expense, cause the independent certified public accountants then engaged by each Grantor to prepare and deliver to the Secured Party, at any time, and from time to time, promptly upon the Secured Party's request, the following reports with respect to the applicable Grantor: (i) a reconciliation of all Accounts; (ii) an aging of all Accounts; (iii) trial balances; and (iv) a test verification of such Accounts.

13. Grant of Intellectual Property License. For the purpose of enabling the Secured Party to exercise the rights and remedies under this Agreement at such time as the Secured Party shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby (a) grants to the Secured Party, for the benefit of itself and the other Secured Parties, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to any Grantor) to use, license or sublicense any intellectual property rights now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof and (b) irrevocably agrees that the Secured Party may sell any of such Grantor's Inventory directly to any person, including without limitation persons who have previously purchased the Grantor's Inventory from such Grantor and in connection with any such sale or other enforcement of the Secured Party's rights under this Security Agreement, may sell Inventory which bears any Trademark owned by or licensed to such Grantor and any Inventory that is covered by any Copyright owned by or licensed to such Grantor and the Secured Party may finish any work in process and affix any Trademark owned by or licensed to such Grantor and sell such Inventory as provided herein.

14. No Waiver and Cumulative Remedies. The Secured Party shall not by any act (except by a written instrument pursuant to Section 16), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

15. Security Interest Absolute. Each Grantor hereby waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. All rights of the Secured Party and liens and security interests hereunder, and all Secured Obligations of the Grantors hereunder, shall be absolute and unconditional irrespective of:

(i) any illegality or lack of validity or enforceability of any Secured Obligation or any related agreement or instrument;

(ii) any change in the time, place or manner of payment of, or in any other term of, the Secured Obligations, or any rescission, waiver, amendment or other modification of the Purchase Agreement, the Guaranty, this Agreement or any other agreement, including any increase in the Secured Obligations resulting from any extension of additional credit or otherwise;

(iii) any taking, exchange, substitution, release, impairment or non-perfection of any Collateral or any other collateral, or any taking, release, impairment, amendment, waiver or other modification of any guaranty, for all or any of the Secured Obligations;

(iv) any manner of sale, disposition or application of proceeds of any Collateral or any other collateral or other assets to all or part of the Secured Obligations;

(v) any default, failure or delay, willful or otherwise, in the performance of the Secured Obligations;

(vi) any defense, set-off or counterclaim (other than a defense of payment or performance) that may at any time be available to, or be asserted by, any Grantor against the Secured Party; or

(vii) any other circumstance (including, without limitation, any statute of limitations) or manner of administering the Notes or any existence of or reliance on any representation by the Secured Party that might vary the risk of the Grantors or otherwise operate as a defense available to, or a legal or equitable discharge of, the Grantors or any other grantor, guarantor or surety.

16. Amendments. Subject to Section 11.10 of the Purchase Agreement, none of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by any Grantor therefrom shall be effective unless the same shall be in writing and signed by the Secured Party, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

17. Addresses For Notices. All notices and other communications provided for in this Agreement shall be in writing and shall be given in the manner and become effective as set forth in the Purchase Agreement, and addressed to the respective parties at their addresses as specified on the signature pages hereof or as to either party at such other address as shall be designated by such party in a written notice to each other party.

18. Continuing Security Interest; Further Actions. This Agreement shall create a continuing Second Priority lien and security interest in the Collateral and shall (a) subject to Section 17, remain in full force and effect until payment and performance in full of the Secured Obligations, (b) be binding upon each Grantor, its successors and assigns, and (c) inure to the benefit of the Secured Party and its successors, transferees and assigns; provided that no Grantor may assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Secured Party.

19. Termination; Release. On the date on which all Secured Obligations have been paid and performed in full, the Secured Party will, at the request and sole expense of the Grantors, (a) duly assign, transfer and deliver to or at the direction of the Grantors (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Secured Party, together with any monies at the time held by the Secured Party hereunder, and (b) execute and deliver to the Grantors a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement.

20. Governing Law. This Agreement and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute, will be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the Commonwealth of Massachusetts.

21. Jurisdiction and Venue. ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE INSTITUTED IN THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS, AND EACH PARTY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN

ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

22. Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE SECURITIES OR THE SUBJECT MATTER HEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER REPRESENTS AND WARRANTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

23. Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

24. Secured Party Protections. In connection with the Secured Party's performance of its obligations hereunder, the Secured Party shall be afforded each of the rights, benefits, immunities, indemnities and protections afforded to the Noteholder Representative in the Purchase Agreement as if such rights, benefits, immunities, indemnities and protections were set forth in full herein, *mutatis mutandis*.

[*Signature pages follow*]

"BORROWERS"

Address for Notices:
[***]

BAKER TECHNOLOGIES, INC., a Delaware corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[***]

COMMONWEALTH ALTERNATIVE CARE, INC., a Massachusetts nonprofit corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[***]

JIMMY JANG, L.P., a Delaware limited partnership, by its general partner, JIMMY JANG HOLDINGS INC., a British Columbia corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

[*Signature Page to Junior Security Agreement*]

Address for Notices:
[***]

JUPITER RESEARCH, LLC, an Arizona limited liability company, by its Managing Member, BAKER TECHNOLOGIES, INC., a Delaware corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

"GUARANTORS"

Address for Notices:
[***]

BLACKBIRD LOGISTICS CORPORATION, a Nevada corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Conder Title: President

Address for Notices:
[***]

BLKBRD CA, a California corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Sole Officer

Address for Notices:
[***]

BLKBRD NV LLC, a Nevada limited liability company, by its Managing Member, BLACKBIRD LOGISTICS CORPORATION, a Nevada corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: President

Address for Notices:
[***]

BLKBRD SOFTWARE LLC, a Nevada limited liability company, by its Managing Member, YARIS ACQUISITION LLC, a Delaware limited liability company

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Manager

[*Signature Page to Junior Security Agreement*]

Address for Notices:
[***]

BRITESIDE ECOMMERCE LLC, a Tennessee limited liability company

Per: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Manager

Address for Notices:
[***]

BRITESIDE HOLDINGS LLC, a Tennessee limited liability company

Per: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Manager

Address for Notices:
[***]

BRITESIDE MODULAR LLC, a Tennessee limited liability company

Per: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Manager

Address for Notices:
[***]

BRITESIDE OREGON LLC, an Oregon limited liability company

Per: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Manager

Address for Notices:
[***]

DEFENDER MARKETING SERVICES, LLC, a Washington limited liability company

Per: */s/ Timothy Conder*
Name: Timothy Conder
Conder Title: Manager

Address for Notices:
[***]

STANDARD FARMS LLC, a Pennsylvania limited liability company, by its Sole Member, BAKER TECHNOLOGIES, INC., a Delaware corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

[Signature Page to Junior Security Agreement]

Address for Notices:
1385 Cambridge Street
Cambridge, MA 02139

TILT HOLDINGS INC., a British Columbia corporation

Per: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Interim Chief Executive Officer

Address for Notices:
1385 Cambridge Street
Cambridge, MA 02139

WHITE HAVEN RE LLC, a Pennsylvania limited liability company, by its Sole Member, BAKER TECHNOLOGIES, INC., a Delaware corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
[***]

YARIS ACQUISITION LLC, a Delaware limited liability company

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Manager

[Signature Page to Junior Security Agreement]

Exhibit 10.10

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

JUNIOR CANADIAN SECURITY AGREEMENT

This CANADIAN SECURITY AGREEMENT, dated as of November 1, 2019 (as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "**Agreement**"), is made by Tilt Holdings, Inc. as "Grantor" (the "**Grantor**"), in favor of [***] (in such capacity, the "**Secured Party**") on behalf of the purchasers named in the Purchase Agreement (the "**Purchasers**").

WHEREAS, on the date hereof, Jimmy Jang, L.P., a Delaware limited partnership, Baker Technologies, Inc., a Delaware corporation, Jupiter Research, LLC, an Arizona limited liability company, and Commonwealth Alternative Care, Inc., a Massachusetts corporation (together, the " **Borrowers**"), as borrowers, the Secured Party, the Secured Party, and the other parties thereto, executed and delivered a Secured Note Purchase Agreement (as amended, supplemented or otherwise modified from time to time, the "**Purchase Agreement**") providing for the purchase and sale of up to U.S. Thirty-Six Million One Hundred Eighty Thousand and No/100 Dollars (U.S. $36,180,000.00). All capitalized terms not otherwise defined herein shall have the respective meanings given in the Purchase Agreement.

WHEREAS, pursuant to a guaranty dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the "**Guaranty**"), delivered by the Grantor in favor of the Secured Party, the Grantor has guaranteed the payment and performance of the Borrowers' obligations under or relating to the Notes, as more fully set forth therein.

WHEREAS, this Agreement is given by the Grantor in favor of the Secured Party to secure the payment and performance of all of the Secured Obligations; and

WHEREAS, it is a condition under the Purchase Agreement that the Grantor shall execute and deliver this Agreement to the Secured Party for the benefit of the Purchasers;

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

1. Definitions.

(a) Unless otherwise specified herein, all references to Sections and Schedules herein are to Sections and Schedules of this Agreement.

(b) Unless otherwise defined herein, terms used herein that are defined in the PPSA or the STA shall have the meanings assigned to them in the PPSA or STA.

(c) For purposes of this Agreement, the following terms shall have the following meanings:

"**Collateral**" has the meaning set forth in Section 2.

"**Event of Default**" has the meaning set forth in the Purchase Agreement.

"**First Priority**" means, with respect to any lien and security interest purported to be created in any Collateral pursuant to this Agreement, such lien and security interest is the most senior lien to which such Collateral is subject (subject only to Permitted Liens).

"**Laws**" has the meaning set forth in the Purchase Agreement.

"**PPSA**" means the *Personal Property Security Act* (Ontario), including the regulations thereto, provided that, if perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security as in effect in a jurisdiction other than Ontario, "PPSA" means the Personal Property Security Act or such other applicable legislation as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"**Proceeds**" means "proceeds" as such term is defined in the PPSA and, in any event, shall include, without limitation, all dividends or other income from the Collateral, collections thereon or distributions with respect thereto.

"**Secured Obligations**" has the meaning set forth in Section 3.

"**STA**" means the *Securities Transfer Act*, 2006 (Ontario), including the regulations thereto, provided that, to the extent that perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder on Collateral that is Investment Property is governed by the laws in effect in any province or territory of Canada other than Ontario in which there is in force legislation substantially the same as the Securities Transfer Act, 2006 (Ontario) (an "Other STA Province"), then STA shall mean such other legislation as in effect from time to time in such Other STA Province for purposes of the provisions hereof referring to or incorporating by reference provisions of the STA; and to the extent that such perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder on the Collateral is governed by the laws of a jurisdiction other than Ontario or an Other STA Province, then references herein to the STA shall be disregarded except for the terms "Certificated Security" and "Uncertificated Security", which shall have the meanings herein as defined in the Securities Transfer Act, 2006 (Ontario) regardless of whether the STA is in force in the applicable jurisdiction.

2. Grant of Security Interest. The Grantor hereby pledges and grants to the Secured Party, and hereby creates a continuing First Priority security interest in favor of the Secured Party in and to all of its right, title and interest in and to the following, wherever located, whether now existing or hereafter from time to time arising or acquired (collectively, the "**Collateral**"):

(a) all personal property of every kind and nature including but not limited to all accounts, goods (including inventory and equipment), documents of title, instruments, promissory notes, chattel paper, letters of credit, securities and all other investment property, intangibles, money, accounts, and any other contract rights or rights to the payment of money; and

(b) all Proceeds and products of each of the foregoing, all books and records relating to the foregoing, all supporting obligations related thereto, and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to the Grantor from time to time with respect to any of the foregoing.

Notwithstanding the foregoing or anything contained in this Agreement or any other Loan Document to the contrary, the term "Collateral" shall not include, and a security interest is not granted in, any right or interest in any permit, license, lease or contract if under the terms of such permit, license, lease or contract, or applicable Laws with respect thereto, the grant of a security interest or lien therein is prohibited and such prohibition or restriction has not been waived or the requisite consent in respect of such permit, license, lease or contract has not been obtained (or is not able to be obtained) or the grant of a security interest or lien therein would, under the terms of such permit, license, lease or contract, result in the voiding or termination of or give rise to a right of termination of such permit, license, lease or contract, provided that, such permit, license, lease or contract shall be included in the term "Collateral" and a security interest shall be granted therein, at such time as the grant of a security interest therein is no longer prohibited, or the requisite consent in respect thereof has been obtained.

The last day of any term reserved by any real property lease, written or unwritten, or any agreement to lease real property, now held or subsequently acquired by the Grantor is excepted out of the security interest granted hereunder. As further security for the payment of its Secured Obligations, the Grantor agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for the Lender for the purpose of this Agreement. The Grantor shall assign and dispose of the same in such manner as the Secured Party may from time to time direct in writing without cost or expense to the Secured Party. Upon any sale, assignment, sublease or other disposition of such lease or agreement to lease, the Secured Party shall, for the purpose of vesting the residue of any such term in any purchaser, sublessee or such other acquiror of the real property lease, agreement to lease or any interest in any of them, be entitled by deed or other written instrument to assign to such other person, the residue of any such term in place of the Grantor and to vest the residue freed and discharged from any obligation whatsoever respecting the same.

3. Secured Obligations; Attachment; Value.

(a) The Collateral secures the due and prompt payment and performance of all loans, advances, debts, covenants, duties, obligations and liabilities of any kind and description, owed by the Grantor under or in connection with the Notes, the Purchase Agreement, the Guaranty, and each of the other Loan Documents to which the Grantor is a party, including all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Grantor, in each case, whether direct or indirect, absolute or contingent, now existing or hereafter arising, due or to become due, and whether or not arising after the commencement of a proceeding under the *Bankruptcy and Insolvency Act* (Canada) (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding (collectively, the "**Secured Obligations**"). Attachment; Value.

(b) The security interest created hereby is intended to attach, in respect of Collateral 3 in which the Grantor has rights at the time this Agreement is signed by the Grantor and delivered to the Lender, and, in respect of Collateral in which the Grantor subsequently acquires rights, at the time the Grantor subsequently acquires such rights. The Grantor and the Lender hereby acknowledge that (a) value has been given; (b) the Grantor has rights in the Collateral in which it has granted a security interest; and (c) this Agreement constitutes a security agreement as that term is defined in the PPSA.

4. Perfection of Security Interest and Further Assurances

(a) The Grantor shall, from time to time, as may be required by the Secured Party with respect to all Collateral, take all actions as may be requested by the Secured Party to perfect the security interest of the Secured Party in the Collateral, including, without limitation, with respect to all Collateral over which control may be obtained within the meaning of section 1(2) of the PPSA. The Grantor shall take all actions as may be requested from time to time by the Secured Party so that control of such Collateral is obtained and at all times held by the Secured Party. All of the foregoing shall be at the sole cost and expense of the Grantor.

(b) The Grantor hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any relevant jurisdiction any financing statements and financing change statements that contain the information required under the PPSA for the filing of any financing statement or financing change statement relating to the Collateral, including any financing or financing change statements or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by the Grantor hereunder, including the filing of a financing statement describing the Collateral as all present and after-acquired personal property of the Grantor, or words of similar effect. The Grantor agrees to provide all information required by the Secured Party pursuant to this Section promptly to the Secured Party upon request.

(c) If any Collateral is at any time in the possession of a bailee, the Grantor with title to such Collateral shall promptly notify the Secured Party thereof and, at the Secured Party's request and option, shall promptly obtain an acknowledgment from the bailee, in form and substance satisfactory to the Secured Party, that the bailee holds such Collateral for the benefit of the Secured Party and the bailee agrees to comply, without further consent of the Grantor, at any time with instructions of the Secured Party as to such Collateral.

(d) The Grantor agrees that at any time and from time to time, at the expense of such Grantor, such Grantor will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that the Secured Party may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder or under any other agreement with respect to any Collateral.

5. Representations and Warranties. The Grantor hereby represents and warrants as follows:

(a) At the time the Collateral becomes subject to the lien and security interest created by this Agreement, the Grantor will be the sole, direct, legal and beneficial owner thereof, free and clear of any lien, security interest, encumbrance, claim, option or right of others except for Permitted Liens.

(b) The grant of the Collateral pursuant to this Agreement creates a valid and perfected First Priority security interest in the Collateral, securing the payment and performance when due of the Secured Obligations.

(c) It has full power, authority and legal right to pledge its Collateral pursuant to this Agreement.

(d) This Agreement and the Guaranty have been duly authorized, executed and delivered by the Grantor and each constitutes a legal, valid and binding obligation of the Grantor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to equitable principles (regardless of whether enforcement is sought in equity or at law).

(e) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the pledge by the Grantor of the Collateral pursuant to this Agreement or for the execution and delivery of this Agreement by the Grantor or the performance by the Grantor of its obligations hereunder.

(f) The execution and delivery of this Agreement by the Grantor and the performance by the Grantor of its obligations hereunder, will not violate any provision of any applicable Laws or regulation or any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, applicable to the Grantor or any of its property, or the organizational or governing documents of the Grantor or any agreement or instrument to which the Grantor is party or by which it or its property is bound.

(g) The Collateral consisting of securities has been duly authorized and validly issued, and is fully paid and non-assessable and subject to no options to purchase or similar rights. None of the Collateral constitutes, or is the proceeds of, (i) timber to be cut or (ii) aircraft, aircraft engines, satellites, ships or railroad rolling stock. None of the account debtors or other persons obligated on any of the Collateral is a governmental authority.

(h) No person other than the Grantor or the Secured Party has control or possession of all or any part of the Collateral.

(i) The Grantor has delivered to the Secured Party an information certificate containing*inter alia*, the Grantor's exact legal name, its jurisdiction of incorporation, its registered office, its places of business and the location of its assets. All information provided therein is true, complete and correct in all material respects.

(j) The Grantor is not an "insolvent person" within the meaning of the*Bankruptcy and Insolvency Act* (Canada), as amended from time to time.

6. Voting, Distributions and Receivables.

(a) The Secured Party agrees that unless an Event of Default shall have occurred and be continuing, the Grantor may, to the extent the Grantor has such right as a holder of the Collateral consisting of securities, other Equity Interests or indebtedness owed by any obligor, vote and give consents, ratifications and waivers with respect thereto.

(b) The Secured Party agrees that the Grantor may, unless an Event of Default shall have occurred and be continuing, receive and retain all dividends and other distributions with respect to the Collateral consisting of securities, other Equity Interests or indebtedness owed by any obligor.

(c) If any Event of Default shall have occurred and be continuing, the Secured Party may, or at the request and option of the Secured Party, the Grantor shall, notify account debtors and other persons obligated on any of the Collateral of the security interest of the Secured Party in any account, chattel paper, general intangible, instrument or other Collateral and that payment thereof is to be made directly to the Secured Party.

7. Covenants. The Grantor hereby covenants as follows:

(a) The Grantor will not, without providing at least 30 days' prior written notice to the Secured Party, change its legal name, identity, type of organization, jurisdiction of organization, corporate structure, location of its chief executive office or its principal place of business or its organizational identification number. The Grantor will, prior to any change described in the preceding sentence, take all actions reasonably requested by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.

(b) The Grantor shall, at its own cost and expense, defend title to the Collateral and the First Priority lien and security interest of the Secured Party therein against the claim of any person claiming against or through the Grantor and shall maintain and preserve such perfected First Priority security interest for so long as this Agreement shall remain in effect.

(c) The Grantor will not sell, offer to sell, dispose of, convey, assign or otherwise transfer, grant any option with respect to, restrict, or grant, create, permit or suffer to exist any mortgage, pledge, lien, security interest, option, right of first offer, encumbrance or other restriction or limitation of any nature whatsoever on, any of the Collateral or any interest therein except for Permitted Dispositions and Permitted Liens.

(d) The Grantor will keep the Collateral in good order and repair and will not use the same in violation of Applicable Law or any policy of insurance thereon. The Grantor will permit the Secured Party, or its designee, to inspect the Collateral at any reasonable time, wherever located; provided, however, that such an inspection shall not be made more than once every sixty (60) days in the absence of a continuing Event of Default.

( ) The Grantor will pay promptly when due all taxes, assessments, governmental charges, and levies upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this Agreement.

(a) The Grantor will continue to operate its business in compliance with all Applicable Law.

8. Secured Party Appointed Attorney-in-Fact. The Grantor hereby appoints the Secured Party the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time during the continuance of an Event of Default in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement (but the Secured Party shall not be obligated to and shall have no liability to the Grantor or any third party for failure to do so or take action). This appointment, being coupled with an interest, shall be irrevocable. The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

9. Secured Party May Perform. If the Grantor fails to perform any obligation contained in this Agreement, the Secured Party may itself perform, or cause performance of, such obligation, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Grantor; provided that the Secured Party shall not be required to perform or discharge any obligation of the Grantor.

10. Reasonable Care. The Secured Party shall have no duty with respect to the care and preservation of the Collateral beyond the exercise of reasonable care. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property, it being understood that the Secured Party shall not have any responsibility for (a) ascertaining or taking action with respect to any claims, the nature or sufficiency of any payment or performance by any party under or pursuant to any agreement relating to the Collateral or other matters relative to any Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral. Nothing set forth in this Agreement, nor the exercise by the Secured Party of any of the rights and remedies hereunder,

shall relieve the Grantor from the performance of any obligation on the Grantor's part to be performed or observed in respect of any of the Collateral.

11. Remedies Upon Default.

(a) If any Event of Default shall have occurred and be continuing, upon (a) receipt of written notice of Event of Default and at the direction of the Secured Party, the Grantors shall within forty-five (45) days of such notice commence a sale process (the "Sale Process") with respect to Collateral with a value that is sufficient to satisfy the Obligations. The Secured Party shall have sixty (60) days after the commencement of the Sale Process to enter into a term sheet with respect to the disposition of the Collateral, and shall have sixty (60) days following the execution of such term sheet to enter into a transaction with respect to the disposition of the Collateral providing proceeds sufficient to pay off the Secured Obligations in their entirety at such closing. If the Grantors fail to comply with the requirements of this Section 11(a) in running the Sale Process diligently and in good faith, then the Secured Party shall have the right to exercise any and all remedies it may have under applicable Laws.

(b) Subject to Section 11(a), if any Event of Default shall have occurred and be continuing, the Secured Party, without any other notice to or demand upon the Grantor, may assert all rights and remedies of a secured party under the PPSA or other applicable Laws, including, without limitation, the right to take possession of, hold, collect, sell, lease, deliver, grant options to purchase or otherwise retain, liquidate or dispose of all or any portion of the Collateral. If notice prior to disposition of the Collateral or any portion thereof is necessary under applicable Laws, written notice mailed to the Grantor at its notice address as provided in Section 15 hereof 15 days (or such other number of days as may be required by applicable Law) prior to the date of such disposition shall constitute reasonable notice, but notice given in any other reasonable manner shall be sufficient. So long as the sale of the Collateral is made in a commercially reasonable manner, the Secured Party may sell such Collateral on such terms and to such purchaser(s) as the Secured Party in its absolute discretion may choose, without assuming any credit risk and without any obligation to advertise or give notice of any kind other than that necessary under applicable Laws. Without precluding any other methods of sale, the sale of the Collateral or any portion thereof shall have been made in a commercially reasonable manner if conducted in conformity with reasonable commercial practices of creditors disposing of similar property. The Grantor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security for the Secured Obligations or otherwise. At any such sale, unless prohibited by applicable Laws, the Secured Party or any custodian may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. The Secured Party shall not be obligated to clean-up or otherwise prepare the Collateral for sale.

(c) Subject to Section 11(a), if any Event of Default shall have occurred and be continuing, any cash held by the Secured Party as Collateral and all cash Proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied in whole or in part by the Secured Party to the payment of expenses incurred by the Secured Party in connection with the foregoing or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Party hereunder, including reasonable attorneys' fees, and the balance of such proceeds shall be applied or set off against all or any part of the Secured Obligations in such order as the Secured Party shall elect. Any surplus of such cash or cash Proceeds held by the Secured Party and remaining after payment in full of all the Secured Obligations shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive such surplus. The Grantor shall remain liable for any deficiency if such cash and the cash Proceeds of any sale or other realization of the Collateral are insufficient to pay the Secured Obligations and the fees and other charges of any attorneys employed by the Secured Party to collect such deficiency.

12. No Waiver and Cumulative Remedies. The Secured Party shall not by any act (except by a written instrument pursuant to Section 14), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

13. Security Interest Absolute. The Grantor hereby waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. All rights of the Secured Party and liens and security interests hereunder, and all Secured Obligations of the Grantor hereunder, shall be absolute and unconditional irrespective of:

(a) any illegality or lack of validity or enforceability of any Secured Obligation or any related agreement or instrument;

(b) any change in the time, place or manner of payment of, or in any other term of, the Secured Obligations, or any rescission, waiver, amendment or other modification of the Purchase Agreement, the Guaranty, this Agreement or any other agreement, including any increase in the Secured Obligations resulting from any extension of additional credit or otherwise;

(c) any taking, exchange, substitution, release, impairment or non-perfection of any Collateral or any other collateral, or any taking, release, impairment, amendment, waiver or other modification of any guaranty, for all or any of the Secured Obligations;

(d) any manner of sale, disposition or application of proceeds of any Collateral or any other collateral or other assets to all or part of the Secured Obligations;

(e) any default, failure or delay, wilful or otherwise, in the performance of the Secured Obligations;

(f) any defense, set-off or counterclaim (other than a defense of payment or performance) that may at any time be available to, or be asserted by, the Grantor against the Secured Party; or

(g) any other circumstance (including, without limitation, any statute of limitations) or manner of administering the Notes or any existence of or reliance on any representation by the Secured Party that might vary the risk of the Grantor or otherwise operate as a defense available to, or a legal or equitable discharge of, the Grantor or any other grantor, guarantor or surety.

14. Amendments. Subject to Section 11.10 of the Purchase Agreement, none of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Grantor therefrom shall be effective unless the same shall be in writing and signed by the Secured Party, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

15. Addresses For Notices. All notices and other communications provided for in this Agreement shall be in writing and shall be given in the manner and become effective as set forth in the Purchase Agreement, and addressed to the respective parties at their addresses as specified on the signature pages hereof or as to either party at such other address as shall be designated by such party in a written notice to each other party.

16. Continuing Security Interest; Further Actions. This Agreement shall create a continuing First Priority lien and security interest in the Collateral and shall (a) subject to Section 17, remain in full force and effect until payment and performance in full of the Secured Obligations, (b) be binding upon the Grantor, its successors and assigns, and (c) inure to the benefit of the Secured Party and its successors, transferees and assigns; provided that the Grantor may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Secured Party.

17. Termination; Release. On the date on which all Secured Obligations have been paid and performed in full, the Secured Party will, at the request and sole expense of the Grantor, (a) duly assign, transfer and deliver to or at the direction of the Grantor (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Secured Party, together with any monies at the time held by the Secured Party hereunder, and (b) execute and deliver to the Grantors a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement.

18. Governing Law. This Agreement and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute, will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

19. Jurisdiction and Venue. ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE INSTITUTED IN THE COURTS OF THE PROVINCE OF ONTARIO, AND EACH PARTY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

20. Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE SECURITIES OR THE SUBJECT MATTER HEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, PURSUANT TO CONTRACT, TORT (INCLUDING NEGLIGENCE), BREACH OF DUTY, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER REPRESENTS AND WARRANTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

21. Judgment Currency

(a) If, for purposes of obtaining or enforcing a judgment in any court, it is necessary to convert into a particular currency (the "**Judgment Currency**") an amount due under this Agreement in any other currency (the "**Original Currency**"), then conversion shall be made at the rate of exchange prevailing on the business day before the day on which final judgment is given (the "**Conversion Date**"). For purposes of this Section 21, "rate of exchange" means the rate at which the party to whom the judgment is granted (the "**Judgment Creditor**") is able, on the Conversion Date, to purchase the Original Currency with the Judgment Currency in accordance with normal banking procedures in Toronto, Ontario.

(b) The obligations of the judgment debtor (the "**Judgment Debtor**") in respect of any amount due in the Original Currency from it to the Judgment Creditor under the Agreement will, notwithstanding any judgment in the Judgment Currency, be discharged only to the extent that on the business day following receipt by the Judgment Creditor of any sum adjudged to be so due in the Judgment Currency, the Judgment Creditor may, in accordance with normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the amount originally due to the Judgment Creditor in the Original Currency, the Judgment Debtor agrees, as a separate obligation and notwithstanding the judgment, to indemnify the Judgment Creditor against any loss arising as a result of such deficiency. In addition, the amount of the Original Currency so purchased exceeds the amount originally due to the Judgment Creditor in the Original Currency, the Judgment Creditor shall remit such excess to the Judgment Debtor. The indemnity in favour of the Judgment Creditor constitutes an obligation separate and independent from the other obligations contained in this Agreement, gives rise to a separate and independent cause of action, applies irrespective of any indulgence granted by the Judgment Creditor from time to time and continues in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement or under any judgment or order.

22. Verification Statement. The Grantor hereby waives the requirement to be provided with a copy of any verification statement issued in respect of a financing statement or financing change statement filed under the PPSA in connection with this Agreement.

23. Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

[*Signature pages follow.*]

"GRANTOR"

Address for Notices:
[REDACTED]

TILT HOLDINGS INC.

Per: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Interim Chief Executive Officer

Exhibit 10.11

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

GUARANTY

This GUARANTY, dated as of November 1, 2019 (as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "**Guaranty**"), is made by and among each of the undersigned parties executing this Agreement as a "Guarantor" (collectively, the "**Guarantors**" and each, a "**Guarantor**"), in favor of NR 1, LLC, a Delaware limited liability company, as representative for the Purchasers (collectively, the "**Secured Party**").

WHEREAS, on the date hereof, the Borrowers have executed and delivered a Secured Note Purchase Agreement (as amended, modified or otherwise supplemented from time to time, the "**Purchase Agreement**") providing for the sale of up to $40 million in Notes to the Purchasers. All capitalized terms not otherwise defined herein shall have the respective meanings given in the Purchase Agreement.

WHEREAS, the Guarantors are each a direct or indirect subsidiary of Borrower or an affiliate of Borrower and will derive financial benefit from the financing made available to Borrower under the Purchase Agreement;

WHEREAS, this Guaranty is given by the Guarantors in favor of the Secured Party to secure the payment and performance of all of the Obligations of the Borrowers (referred to herein together as the "**Obligor**") under the Notes; and

WHEREAS, it is a condition to the obligations of the Purchasers to enter into the Purchase Agreement and acquire the Notes that the Guarantors execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Guaranty. Each Guarantor absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, the full and punctual payment and performance of all present and future obligations, liabilities, covenants and agreements required to be observed and performed or paid or reimbursed by Borrowers under or relating to the Purchase Agreement and the Notes (in each case as it may hereafter be modified, supplemented, extended or renewed and in effect from time to time), plus all costs, expenses and fees (including the reasonable fees and expenses of Secured Party's counsel) in any way relating to the enforcement or protection of Secured Party's rights hereunder (collectively, the "**Obligations**"). All sums payable under this Guaranty shall be paid in lawful money of the United States of America.

Guaranty Absolute and Unconditional. Each Guarantor agrees that its Obligations under this Guaranty are joint and several with those of the other Guarantors, are irrevocable, continuing, absolute and unconditional and shall not be discharged or impaired or otherwise affected by, and each Guarantor hereby irrevocably waives any defenses to enforcement it may have (now or in the future) by reason of:

(a) Any illegality, invalidity or unenforceability of any Obligation or the Notes or any related agreement or instrument, or any law, regulation, decree or order of any jurisdiction or any other event affecting any term of the Obligations.

(b) Any change in the time, place or manner of payment or performance of, or in any other term of the Obligations, or any rescission, waiver, release, assignment, amendment or other modification of the Notes.

(c) Any taking, exchange, substitution, release, impairment, amendment, waiver, modification or non-perfection of any collateral or any other guaranty for the Obligations, or any manner of sale, disposition or application of proceeds of any collateral or other assets to all or part of the Obligations.

(d) Any default, failure or delay, willful or otherwise, in the performance of the Obligations.

(e) Any change, restructuring or termination of the corporate structure, ownership or existence of Guarantor or Obligor or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Obligor or its assets or any resulting restructuring, release or discharge of any Obligations.

(f) Any failure of Secured Party to disclose to Guarantor any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of Obligor now or hereafter known to Secured Party, Guarantor waiving any duty of Secured Party to disclose such information.

(g) The failure of any other guarantor or third party to execute or deliver this Guaranty or any other guaranty or agreement, or the release or reduction of liability of Guarantor or any other guarantor or surety with respect to the Obligations.

(h) The failure of Secured Party to assert any claim or demand or to exercise or enforce any right or remedy under the provisions of any of the Notes or other Loan Documents otherwise.

(i) The death, insolvency, bankruptcy, disability, dissolution, liquidation, termination, receivership, reorganization, merger, amalgamation consolidation, change of form, structure or ownership, sale of all assets or lack of corporate, partnership or other power of Borrower or any other party at any time liable for the payment of performance of any or all of the Obligations of Borrower

(j) The existence of any claim, set-off, counterclaim, recoupment or other rights that Guarantor or Obligor may have against Secured Party (other than a defense of payment or performance).

(k) The amendment, supplement, extension or renewal of any Note(s) or the Purchase Agreement.

(l) Any other circumstance (including, without limitation, any statute of limitations, any claim of lack of consideration, homestead exemption, any release of or failure to protect Collateral), act, omission or manner of administering the Notes or any existence of or reliance on any representation by Secured Party that might vary the risk of Guarantor or otherwise operate as a defense available to, or a legal or equitable discharge of, Guarantor.

3. Certain Waivers; Acknowledgments. Each Guarantor further acknowledges and agrees as follows:

(a) Guarantor hereby unconditionally and irrevocably waives any right to revoke this Guaranty and acknowledges that this Guaranty is continuing in nature and applies to all presently existing and future Obligations, until the complete, irrevocable and indefeasible payment and satisfaction in full of the Obligations.

(b) This Guaranty is a guaranty of payment and performance and not of collection. Secured Party shall not be obligated to enforce or exhaust its remedies against Obligor or under any of the Notes or the Purchase Agreement before proceeding to enforce this Guaranty.

(c) This Guaranty is a direct guaranty and independent of the obligations of Obligor under any of the Notes and the Purchase Agreement. Secured Party may resort to Guarantors for payment and performance of the Obligations whether or not Secured Party shall have resorted to any collateral therefor or shall have proceeded against Obligor or any other guarantors with respect to the Obligations. Secured Party may, at Secured Party's option, proceed against Guarantor and Obligor, jointly and severally, or against Guarantor only without having obtained a judgment against Obligor.

(d) Guarantor hereby unconditionally and irrevocably waives promptness, diligence, notice of acceptance, presentment, demand for performance, notice of non-performance, default, acceleration, protest or dishonor and any other notice with respect to any of the Obligations and this Guaranty and any requirement that Secured Party protect, secure, perfect or insure any lien or any property subject thereto.

(e) Notwithstanding anything contained herein to the contrary, the Obligations of each Guarantor shall be limited to the maximum amount so as to not constitute a fraudulent transfer or conveyance for purposes of the United States Bankruptcy Code or any applicable state law or otherwise to the extent applicable to this Guaranty and the Obligations of such Guarantor hereunder.

(f) Each Guarantor agrees that its guaranty hereunder shall continue to be effective or be reinstated, as the case may be, if at any time all or part of any payment of any Obligation is voided, rescinded or recovered or must otherwise be returned by Secured Party upon the insolvency, bankruptcy or reorganization of Obligor.

4 . Subrogation. Each Guarantor waives and shall not exercise any rights that it may acquire by way of subrogation, contribution, reimbursement or indemnification for payments made under this Guaranty until all Obligations shall have been indefeasibly paid and discharged in full.

5. Subordination. If, for any reason, Borrower is now or hereafter becomes indebted to Guarantors:

(a) Such indebtedness and all interest thereon and all liens, security interest and rights now or hereafter existing with respect to property of Borrower securing same shall, at all times, be subordinate win all respects to the Guaranteed Obligations of Borrower and to all liens security interests and rights now or hereafter existing to secure the Obligations of Borrower;

(b) Except as expressly permitted in the Purchase Agreement or otherwise approved by the Noteholder Representative, Guarantors shall not be entitled to enforce or receive payment, directly or indirectly, of any such indebtedness of Borrower to Guarantors until the Obligations of Borrower have been fully and finally paid and performed;

(c) In the event of receivership, bankruptcy, reorganization, arrangement or other debtor relief or insolvency proceedings involving Borrower as debtor, Lender shall have the right to provide its claim in any such proceeding so as to establish its rights hereunder sand shall have the right to receive directly from the receiver, trustee or other custodian, dividends and payments that are payable upon any obligation of Borrower to Guarantors now existing or hereafter arising, and to have all benefits of any security therefor, until the Obligations of Borrower have been fully and finally paid and performed. If, notwithstanding the foregoing provision, Guarantors should receive any payment, claim or distribution that is prohibited as provided above in this Section, Guarantors shall pay the same to Secured Party immediately, Guarantors hereby agreeing that is shall receive the payment, claim or distribution in trust for Secured Party and shall have no dominion over the same except to pay it immediately to Secured Party; and

(d) Guarantors shall promptly upon request of Lenders from time to time execute such documents and perform such acts as Lenders may reasonably require to evidence and perfect its interest and to permit or facilitate exercise of its rights under this Section.

6. Representations and Warranties. To induce Secured Party to purchase the Notes and enter into the Purchase Agreement and the other Loan Documents, each Guarantor represents and warrants that: (a) it is duly organized and validly existing in good standing under the laws of the jurisdiction of its organization; (b) this Guaranty constitutes Guarantor's valid and legally binding agreement in accordance with its terms; (c) the execution, delivery and performance of this Guaranty have been duly authorized by all necessary action and will not violate any order, judgment or decree to which Guarantor or any of its assets may be subject; and (d) Guarantor is currently solvent and will not be rendered insolvent by providing this Guaranty.

7. Notices. All notices and other communications ("**Notices**") provided for in this Guaranty shall be in writing and shall be given in the manner and become effective as set forth in the Purchase Agreement, and addressed to the respective parties at their addresses as specified on the signature pages hereof or as to either party at such other address as shall be designated by such party in a written notice to each other party.

8. Assignment. This Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that no Guarantor may, without the prior written consent of Secured Party, assign any of its rights, powers or obligations hereunder. Any attempted assignment in violation of this section shall be null and void.

9. Governing Law. This Guaranty, and all matters arising out of or relating to this Guaranty, whether sounding in contract, tort, or statute will be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of Commonwealth of Massachusetts.

10. Jurisdiction and Venue. ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE INSTITUTED IN THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

11. Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER REPRESENTS AND WARRANTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

12. Cumulative Rights. Each right, remedy and power hereby granted to Secured Party or allowed it by applicable law or other agreement (a) shall be cumulative and concurrent and not exclusive of any other, (b) may be pursued separately, successively or concurrently against Guarantors or other third parties, or against any one or more of them, or against any security or otherwise, (iii) may be exercised as often as occasion therefor shall arise (it being acknowledged that the exercise or failure to exercise any of such rights, remedies or recourses shall not be construed as a waiver or release thereof or of any other right, remedy or recourse), and (iv) may be exercised by Secured Party at any time or from time to time.

13. Severability. If any provision of this Guaranty is to any extent determined by finaldecision of a court of competent jurisdiction to be unenforceable, the remainder of this Guaranty shall not be affected thereby, and each provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

14. Further Assurances. Guarantors at their expense will promptly execute and deliver to
the Noteholder Representative upon its reasonable request all such other and further documents, agreements, and instruments in compliance with or accomplishment of the agreements of Guarantors under this Guaranty.

15. Entire Agreement; Amendments; Headings; Effectiveness; No Fiduciary Relationship. This Guaranty constitutes the sole and entire agreement of Guarantors and Secured Party with respect to the subject matter hereof and supersedes all previous agreements or understandings, oral or written, with respect to such subject matter. Subject to Section 11.10 of the Purchase Agreement, no amendment or waiver of any provision of this Guaranty shall be valid and binding unless it is in writing and signed, in the case of an amendment, by Guarantors and Secured Party, or in the case of a waiver, by the party against which the waiver is to be effective. Section headings are for convenience of reference only and shall not define, modify, expand or limit any of the terms of this Guaranty. Delivery of this Guaranty by facsimile or in electronic (i.e., pdf or tif) format shall be effective as delivery of a manually executed original of this Guaranty. The relationship between Secured Party is solely that of lender and guarantor. Secured Party have no fiduciary or other special relationship with or duty to the Guarantors and none are created hereby or may be inferred from any course of dealing or act or omission of Secured Party.

[Signatures begin on following page]

IN WITNESS WHEREOF, each Guarantor has executed this Guaranty as of the day and year first above written.

"GUARANTORS":

TILT HOLDINGS INC., a British Columbia corporation

By: */s/ Mark Scatterday*
Name: Mark ScatterdayTitle: Interim
Chief Executive Officer

Address for Notices:
[***]

JIMMY JANG HOLDINGS INC., a British Columbia corporation

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

[Signature Page to Guaranty]

SANTE VERITAS HOLDINGS INC., a British Columbia corporation

By: */s/ Mark Scatterday*
Title: Interim Chief Executive Officer

Address for Notices: [***]

SANTE VERITAS THERAPEUTICS INC., a British Columbia Corporation

By: */s/ Mark Scatterday*
Title: Interim Chief Executive Officer

Address for Notices: [***]

JUPITER RESEARCH EUROPE LTD., a private limited company with its registered office in England and Wales

By: **JUPITER RESEARCH, LLC,** an Arizona limited liability company

By: **BAKER TECHNOLOGIES, INC.,** a Delaware corporation, its Managing Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices:
N/A

[Signature Page to Guaranty]

WHITE HAVEN RE LLC, a Pennsylvania limited liability company

By: **BAKER TECHNOLOGIES, INC.,** a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

STANDARD FARMS LLC, a Pennsylvania limited liability company

By: **BAKER TECHNOLOGIES, INC.,** a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

BRITESIDE HOLDINGS LLC, a Tennessee limited liability company

By: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Manager

Address for Notices: [***]

[Signature Page to Guaranty]

BRITESIDE MODULAR LLC, a Tennessee limited liability company

By: */s/ Mark Scatterday*
Name: Mark Scatterday
Title : Manager

Address for Notices: [***]

BRITESIDE E-COMMERCE LLC, a Tennessee limited liability company

By: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Manager

Address for Notices: [***]

[Signature Page to Guaranty]

BRITESIDE OREGON LLC, an Oregon limited liability company

By: */s/ Mark Scatterday*

Name: Mark Scatterday
Title: Manager

Address for Notice: [***]

YARIS ACQUISITION LLC, a Delaware limited liability company

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Manager

Address for Notices: [***]

BOOTLEG COURIER COMPANY, LLC, a Nevada limited liability company

By: **YARIS ACQUISITION LLC,** a Delaware limited liability company, its Managing Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Manager

Address for Notices: [***]

[Signature Page to Guaranty]

DEFENDER MARKETING SERVICES, LLC, a Washington limited liability company

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Manager

Address for Notices: [***]

[*Signature Page to Guaranty*]

BLKBRD SOFTWARE LLC, a Nevada limited liability company

By: **YARIS ACQUISITION LLC**, a Delaware limited liability company, its Managing Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Manager

Address for Notices: [***]

BLACKBIRD LOGISTICS CORPORATION, a Nevada corporation

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: President

Address for Notices: [***]

BLKBRD CA, a California corporation

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Sole Officer

Address for Notices: [***]

[*Signature Page to Guaranty*]

BLKBRD NV LLC, a Nevada limited liability company

By: **BLACKBIRD LOGISTICS CORPORATION**,
a Nevada corporation, its Managing Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: President

Address for Notices: [***]

SEA HUNTER THERAPEUTICS, LLC, a
Delaware limited liability company

By: **BAKER TECHNOLOGIES, INC.**, a
Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

SH THERAPEUTICS, LLC, a Florida limited
liability company

By: **SEA HUNTER THERAPEUTICS, LLC**, a
Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a
Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

SH REALTY HOLDINGS, LLC, a Delaware
limited liability company

By: **SEA HUNTER THERAPEUTICS, LLC**, a
Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a
Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

SH REALTY HOLDINGS-OHIO, LLC,
an Ohio limited liability company

By: **SEA HUNTER THERAPEUTICS, LLC**,
a Delaware limited liability company,
its Sole Member

By: **BAKER TECHNOLOGIES, INC.**,
a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

SH OHIO, LLC, an Ohio limited liability company

By: **SEA HUNTER THERAPEUTICS, LLC**, a
Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a
Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

SH FINANCE COMPANY, LLC, a Delaware limited liability company

By: **SEA HUNTER THERAPEUTICS, LLC**, a
Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a
Delaware corporation, its Sole Member

By: /s/ *Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

CULTIVO, LLC, a Delaware limited liability company

By: **SEA HUNTER THERAPEUTICS, LLC**, a
Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a
Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

ALTERNATIVE CARE RESOURCE GROUP LLC,
a Massachusetts limited liability company

By: **CULTIVO, LLC**, a Delaware limited liability
company, its Sole Member

By: **SEA HUNTER THERAPEUTICS, LLC**, a
Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a
Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

VERDANT HOLDINGS, LLC, a Florida limited
liability company

By: **CULTIVO, LLC**, a Delaware limited liability

company, its Sole Member

By: **SEA HUNTER THERAPEUTICS, LLC**, a Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

[*Signature Page to Guaranty*]

VERDANT MANAGEMENT GROUP, LLC, a Massachusetts limited liability company

By **VERDANT HOLDINGS, LLC,** a Florida limited liability company, its Sole Member

By: **CULTIVO, LLC**, a Delaware limited liability company, its Sole Member

By: **SEA HUNTER THERAPEUTICS, LLC**, a Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

[*Signature Page to Guaranty*]

HERBOLOGY HOLDINGS, LLC, a Florida limited liability company, its Sole Member

By: **CULTIVO, LLC**, a Delaware limited liability company, its Sole Member

By: **SEA HUNTER THERAPEUTICS, LLC**, a Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

[*Signature Page to Guaranty*]

HERBOLOGY MANAGEMENT GROUP, LLC, a Massachusetts limited liability company

By: **HERBOLOGY HOLDINGS, LLC,** a Florida limited liability company, its Sole Member

By: **CULTIVO, LLC**, a Delaware limited liability company, its Sole Member

By: **SEA HUNTER THERAPEUTICS, LLC**, a

Delaware limited liability company, its Sole Member

By: **BAKER TECHNOLOGIES, INC.**, a
Delaware corporation, its Sole Member

By: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

Address for Notices: [***]

[*Signature Page to Guaranty*]

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (this "**Agreement**") is made as of November 1, 2019, by and among each of the parties signatory hereto as a "Pledgor" (individually and/or collectively, as the context may require, "**Pledgor(s)**"), and NR 1, LLC, a Delaware limited liability company, as representative (in such capacity, together with its successors and assigns, "**Noteholder Representative**") for itself and the other Purchasers (as defined herein).

RECITALS

A. The term "**Borrowers**", as used herein, shall mean, collectively, all of the "Borrowers" under the Note Purchase Agreement (as defined herein) and such other borrowers that may become Borrowers under the Note Purchase Agreement; the term "**Borrower**", as used herein, shall mean individually each entity that is one of the Borrowers; and the term "**Company**" as used herein shall mean each of the parties signatory hereto as a "Company", each of which is a Subsidiary of such Pledgor.

B. Pursuant to that certain Secured Note Purchase Agreement dated as of even date herewith among Borrowers, the initial purchasers and the noteholders from time to time party thereto (collectively, the "**Purchasers**"), Noteholder Representative, and the other parties signatory thereto (as the same may be amended, supplemented, modified, increased, renewed or restated from time to time, the "**Note Purchase Agreement**"), Noteholder Representative and Purchasers have agreed to make available to Borrowers a term loan facility. Borrowers have executed and delivered one or more promissory notes evidencing the indebtedness incurred by Borrowers under the Note Purchase Agreement (as the same may be amended, modified, increased, renewed or restated from time to time, and together with all renewal notes issued in respect thereof, collectively the "**Notes**"). The terms and provisions of the Note Purchase Agreement and Notes are hereby incorporated by reference in this Agreement. Capitalized terms, unless otherwise defined herein, shall have the meanings assigned to them in the Note Purchase Agreement.

C. In connection with Noteholder Representative and the Purchasers entering into the Note Purchase Agreement and agreeing to make the credit accommodations thereunder and as security for the complete payment and performance of all of the Obligations, Noteholder Representative is requiring that each Pledgor shall have executed and delivered this Agreement.

D. Each Pledgor that is not a Borrower is a member of, shareholder of, or other equity owner, as applicable, or a Subsidiary of a Borrower, and, as such, will continue to derive substantial benefit by reason of Purchasers purchasing the Notes.

AGREEMENT

NOW, THEREFORE, to induce Noteholder Representative and the Purchasers to enter into the Agreement and to purchase the Notes, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Pledgor and Noteholder Representative hereby incorporate by this reference the foregoing Recitals and hereby covenant and agree as follows:

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1. Grant of Assignment and Security Interest. As security for the performance and prompt payment in full in cash of all Obligations, and as further security for the payment and performance by each Pledgor of its obligations under this Agreement, each Pledgor hereby pledges and grants to Noteholder Representative, for its benefit and for the benefit of the Purchasers, a first priority continuing lien upon, and security interest in, all of the following now owned and hereafter acquired property in which such Pledgor has rights (whether now existing or hereafter created or arising, collectively, the "**Collateral**"):

(a) all of the stock, shares, membership interests, partnership interests and other equity ownership interests in such Company now or hereafter held by such Pledgor (collectively, the "**Ownership Interests**") and all of such Pledgor's rights to participate in the management of Company, all rights, privileges, authority and powers of such Pledgor as owner or holder of its Ownership Interests in such Company, including, but not limited to, all contract rights, general intangibles, accounts and payment intangibles related thereto, all rights, privileges, authority and powers relating to the economic interests of such Pledgor as owner or holder or its Ownership Interests in such Company, including, without limitation, all investment property, contract rights, general intangibles, accounts and payment intangibles related thereto, all options and warrants of such Pledgor for the purchase of any Ownership Interest in such Company, all documents and certificates representing or evidencing such Pledgor's Ownership Interests in such Company, all of such Pledgor's right, title and interest to receive payments of principal and interest on any loans and/or other extensions of credit made by such Pledgor to such Company, and any other right, title, interest, privilege, authority and power of such Pledgor in or relating to such Company, all whether existing or hereafter arising, and whether arising under any operating agreement, shareholders' agreement, partnership agreement or other agreement, or any bylaws, certificate of formation, articles of organization or other organization or governing documents of such Company (as the same may be amended, modified or restated from time to time) or otherwise, or at law or in equity and all books and records of such Pledgor pertaining to any of the foregoing and all options, warrants, distributions, investment property, cash, instruments and other rights and options from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Ownership Interests, and such Pledgor shall promptly thereafter deliver to Noteholder Representative a certificate duly executed by such Pledgor describing such percentage interests, options or warrants and certifying that the same have been duly pledged hereunder;

(b) all rights to receive cash distributions, profits, losses and capital distributions (including, but not limited to, distributions in kind and liquidating dividends and distributions) and any other rights and property interests related to the Ownership Interests;

(c) all other securities, instruments or property (including cash) paid or distributed in respect of or in exchange for the Ownership Interests, whether or not as part of or by way of spin-off, merger, consolidation, dissolution, reclassification, combination or exchange of stock (or other Ownership Interests), asset sales, or similar rearrangement or reorganization or otherwise; and

(d) all proceeds (both cash and non-cash) of the foregoing, whether now or hereafter arising with respect to the foregoing.

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2. Registration of Pledge in Books of Company; Application of Proceeds. Each Pledgor hereby authorizes and directs such Company to register such Pledgor's pledge to Noteholder Representative, for its benefit and the benefit of the Purchasers, of the Collateral on the books of such Company and, following written notice to do so by Noteholder Representative after the occurrence and during the continuance of an Event of Default (as hereinafter defined) under this Agreement, to make direct payment to Noteholder Representative of any amounts due or to become due to such Pledgor with respect to the Collateral. Any moneys received by Noteholder Representative shall be applied to the Obligations in such order and manner of application as Noteholder Representative shall select in its Permitted Discretion, subject to and in accordance

with the Note Purchase Agreement.

3. Rights of Pledgors in the Collateral. Until any Event of Default occurs under this Agreement, each Pledgor shall be entitled to exercise all voting rights and to receive all dividends and other distributions that may be paid on any Collateral and that are not otherwise prohibited by the Loan Documents. Any cash dividend or distribution payable in respect of the Collateral that is made in violation of this Agreement or the Loan Documents shall be received by such Pledgor in trust for Noteholder Representative, for its benefit and the benefit of the Purchasers, shall be paid immediately to Noteholder Representative and shall be retained by Noteholder Representative as part of the Collateral. Upon the occurrence an Event of Default, such Pledgor shall, at the written direction of Noteholder Representative, immediately send a written notice to such Company instructing such Company, and shall cause such Company, to remit all cash and other distributions payable with respect to the Ownership Interests (until such time as Noteholder Representative notifies such Pledgor that such Event of Default has ceased to exist) directly to Noteholder Representative. Nothing contained in this paragraph shall be deemed to permit the payment of any sum or the making of any distribution which is prohibited by any of the Loan Documents, if any.

4. Representations and Warranties of Pledgor. Each Pledgor hereby warrants to Noteholder Representative as follows:

(a) Schedule I and Schedule II are true, correct and complete in all material respects;

(b) Other than as set forth on Schedule I, all of the pledged Ownership Interests of Pledgors (the "**Pledged Interests**") are uncertificated;

(c) The Pledged Interests constitute at least the percentage of all the issued and outstanding Ownership Interests of such Company as set forth on Schedule I;

(d) The Pledged Interests listed on Schedule I are the only Ownership Interests of such Company in which such Pledgor has any rights;

(e) Such Pledgor has good and valid title to the Collateral. Such Pledgor is the sole owner of all of the Collateral, free and clear of all security interests, pledges, voting trusts, agreements, liens, claims and encumbrances whatsoever, other than (1) the security interests, assignments and liens granted under this Agreement and (2) Permitted Liens;

(f) Such Pledgor has not heretofore transferred, pledged, assigned or otherwise encumbered any of its rights in or to the Collateral, other than the Permitted Liens;

(g) Other than a requirement of consent contained in the operating agreements governing the Ownership Interests (which such consent has been obtained), such Pledgor is not prohibited under any agreement with any other person or entity, or under any judgment or decree, from the execution and delivery of this Agreement or the performance or discharge of the obligations, duties, covenants, agreements, and liabilities contained in this Agreement;

(h) No action has been brought or threatened that might prohibit or interfere with the execution and delivery of this Agreement or the performance or discharge of the obligations, duties, covenants, agreements, and liabilities contained in this Agreement;

(i) Such Pledgor has the requisite corporate, limited partnership, or limited liability company power and authority, as applicable, to execute and deliver this Agreement, and the execution and delivery of this Agreement does not conflict with any agreement to which such Pledgor is a party or any law, order, ordinance, rule, or regulation to which such Pledgor is subject or by which it is bound and does not constitute a default under any agreement or instrument binding upon such Pledgor;

(j) This Agreement has been properly executed and delivered and constitutes the valid and legally binding obligation of such Pledgor and is fully enforceable against such Pledgor in accordance with its terms, subject to (i) applicable bankruptcy, insolvency, moratorium, fraudulent transfer and other laws affecting creditors' rights generally and (ii) general principles of equity, regardless of whether considered in a proceeding at law or in equity.

5. Covenants of Pledgor. Each Pledgor hereby covenants and agrees as follows:

(a) To do or cause to be done all things necessary to preserve and to keep in full force and effect its interests in the Collateral, and to defend, at its sole expense, the title to the Collateral and any part of the Collateral;

(b) To cooperate fully with Noteholder Representative's efforts to preserve the Collateral and to take such actions to preserve the Collateral as Noteholder Representative may in good faith direct;

(c) To cause such Company to maintain proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to the Collateral and which reflect the lien of Noteholder Representative on the Collateral;

(d) In the event any Ownership Interests become certificated, to deliver immediately to Noteholder Representative any certificates that may be issued following the date of this Agreement representing the Ownership Interests or other Collateral, and upon delivery of any such certificate, to execute and deliver to Noteholder Representative one or more transfer powers, substantially in the form of Schedule III attached hereto or otherwise in form and content satisfactory to Noteholder Representative, pursuant to which such Pledgor assigns, in blank, all Ownership Interests and other Collateral (the "**Transfer Powers**"), which such Transfer Powers shall be held by Noteholder Representative as part of the Collateral;

(e) To take such steps as Noteholder Representative may from time to time reasonably request to perfect Noteholder Representative's security interest in the Ownership Interests under applicable law;

(f) Not to sell, discount, allow credits or allowances, assign, extend the time for payment on, convey, lease, assign, transfer or otherwise dispose of the Collateral or any part of the Collateral to the extent prohibited by the Loan Documents;

(g) After the occurrence and during the continuance of an Event of Default, not to receive any dividend or distribution or other benefit with respect to such Company, and not to vote, consent, waive or ratify any action taken without the prior written consent of the Noteholder Representative;

(h) Not to sell or otherwise dispose of, or create, incur, assume or suffer to exist any lien upon any of the Collateral, other than Permitted Encumbrances and liens in favor of Noteholder Representative, for its benefit and the benefit of the Purchasers, or as permitted by the Loan Documents;

(i) That such Pledgor will, upon obtaining ownership of any other Ownership Interests otherwise required to be pledged to Noteholder Representative, for its benefit and the benefit of the Purchasers, pursuant to any of the Loan Documents, which Ownership Interests are not already Pledged Interests, within five (5) Business Days deliver to Noteholder Representative a Pledge Amendment, duly executed by Pledgor, in substantially the form of Schedule IV hereto (a "**Pledge Amendment**") in respect of any such additional Ownership Interests pursuant to which such Pledgor shall pledge to Noteholder Representative, for its benefit and the benefit of the Purchasers, all of such additional Ownership Interests. Prior to the delivery thereof to Noteholder Representative, all such additional Ownership Interests shall be held by such Pledgor separate and apart from its other property and in express trust for Noteholder Representative, for its benefit and the benefit of the Purchasers, subject to Permitted Encumbrances;

(j) That such Pledgor consents to the admission of Noteholder Representative (and its assigns or designee) as a member, partner or stockholder of such Company upon Noteholder Representative's acquisition of any of the Ownership Interests in each case from and after the occurrence and continuation of an Event of Default;

(k) Other than equity interests of such Pledgor that are already certificated on the date hereof, that such Pledgor shall not take any action to cause any equity interest of the Collateral to be or become a "security" within the meaning of, or to be governed by, Article 8 (Investment Securities) of the Uniform Commercial Code as in effect under the laws of any state having jurisdiction (the "**UCC**"), and shall not cause such Company to "opt in" or to take any other action seeking to establish any equity interest of the Collateral as a "security" or to become certificated; and

(l) The Noteholder Representative and the Pledgors agree and acknowledge that any Collateral regulated under State Cannabis Laws is pledged, assigned and granted to Noteholder Representative pursuant to this Agreement to the fullest extent permitted (or not prohibited) by the State Cannabis Laws. In the event that State Cannabis Laws prohibit, limit or restrict any such pledge, assignment or grant of a security interest in the Collateral, or if Regulatory Approval is required for a security interest in such Collateral to be valid, effective or enforceable, then each Pledgor shall appear, do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such applications, certificates, instruments and documents, and in all cases shall cooperate fully with and assist Noteholder Representative in any process, as the Regulatory Authority or applicable State Cannabis Laws may require in order to obtain Regulatory Approval of the security interests in favor of the Noteholder Representative in any such Collateral. Whether or not State Cannabis Laws prohibit, permit or regulate the pledge, assignment or grant of a security interest in any such Collateral otherwise subject to such State Cannabis Laws, if the Noteholder Representative determines (in its sole discretion) that the applicable state Regulatory Authority may grant approval, authorization or consent of the Noteholder Representative's security interest the Collateral prior to an actual transfer, assignment or conveyance of such Collateral upon or after an Event of Default, then the Pledgors that have granted, pledged or assigned (or purported to grant, pledge or assign) a security interest in the Collateral (the "Granting Pledgor Parties") to Noteholder Representative, shall, upon request by Noteholder Representative, use their best, diligent, good faith efforts, and shall cooperate fully with and assist Noteholder Representative in any process, to as promptly as possible after closing, obtain Regulatory Approval for the security interests of the Noteholder Representative in the Collateral. If applicable State Cannabis Laws do prohibit or otherwise regulate the pledge, assignment or grant of a security interest in the Collateral, and if the Noteholder Representative determines (in its sole discretion) that the applicable state Regulatory Authority will not grant approval, authorization or consent of the Noteholder Representative's security interest in the Collateral prior to an actual transfer of such Collateral upon or after an Event of Default, then each Granting Pledgor Party shall, upon an Event of Default and at the request of Noteholder Representative, use their best, diligent, good faith efforts to, as promptly as possible after receiving a request from Noteholder Representative, appear, do and perform, or cause to be done and performed, all such further acts and things, and execute and deliver all such applications, certificates, instruments and documents, and shall cooperate fully with and assist Noteholder Representative in any process, in order to obtain Regulatory Approval for the transfer, conveyance and assignment of the Collateral to the Noteholder Representative (or its designee). Damages in the event of breach of this section by a party hereto may be difficult, if not impossible, to ascertain, and it is therefore agreed by each Pledgor and Noteholder Representative, that Noteholder Representative, in addition to and without limiting any other remedy or right it may have, will have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any such breach, and enforcing specifically the terms and provisions hereof, and each of the parties hereto hereby waives any and all defenses it may have on the ground of lack of jurisdiction or competence of the court to grant such an injunction or other equitable relief. The existence of this right will not preclude any such person from pursuing any other rights and remedies at law or in equity which such person may have. Each Pledgor that holds or owns any right, title or interest in the Collateral hereby covenants and agrees that it will not, and will not permit any Pledgor to, create, incur, assume or suffer to exist any Lien or encumbrance whatsoever upon any of the Collateral, whether now owned or hereafter acquired, other than the Liens in favor of the Noteholder Representative.

6. Rights of Noteholder Representative. Noteholder Representative may from time to time and at its option (a) require such Pledgor to, and such Pledgor shall, periodically deliver to Noteholder Representative records and schedules, which show the status of the Collateral and such other matters which affect the Collateral; (b) verify the Collateral and inspect the books and records of Company and make copies of or extracts from the books and records; and (c) notify any prospective buyers or transferees of the Collateral or any other persons of Noteholder Representative's interest in the Collateral. Such Pledgor agrees that Noteholder Representative may at any time take such steps as Noteholder Representative deems reasonably necessary to protect Noteholder Representative's interest in and to preserve the Collateral. Such Pledgor hereby consents and agrees that Noteholder Representative may at any time or from time to time pursuant to the Note Purchase Agreement (a) extend or change the time of payment and/or the manner, place or terms of payment of any and all Obligations, (b) supplement, amend, restate, supersede, or replace the Note Purchase Agreement or any other Loan Documents, (c) renew, extend, modify, increase or decrease loans and extensions of credit under the Note Purchase Agreement, (d) modify the terms and conditions under which loans and extensions of credit may be made under the Note Purchase Agreement, (e) settle, compromise or grant releases for any Obligations and/or any person or persons liable for payment of any Obligations, (f) exchange, release, surrender, sell, subordinate or compromise any collateral of any party now or hereafter securing any of the Obligations and (g) apply any and all payments received from any source by Noteholder Representative at any time against the Obligations in any order as Noteholder Representative may determine pursuant to the terms of the Note Purchase Agreement; all of the foregoing in such manner and upon such terms as Noteholder Representative may determine and without notice to or further consent from such Pledgor and without impairing or modifying the terms and conditions of this Agreement which shall remain in full force and effect.

This Agreement shall remain in full force and effect and shall not be limited, impaired or otherwise affected in any way by reason of (i) any delay in making demand on such Pledgor for or delay in enforcing or failure to enforce, performance or payment of any Obligations, (ii) any failure, neglect or omission on Noteholder Representative's part to perfect any lien upon, protect, exercise rights against, or realize on, any property of such Pledgor or any other party securing the Obligations, (iii) any failure to obtain, retain or preserve, or the lack of prior enforcement of, any rights against any person or persons or in any property, (iv) the invalidity or unenforceability of any Obligations or rights in any Collateral under the Note Purchase Agreement, (v) the existence or nonexistence of any defenses which may be available to such Pledgor with respect to the Obligations, or (vi) the commencement of any bankruptcy, reorganization; liquidation, dissolution or receivership proceeding or case filed by or against such Pledgor or any Borrower.

7. Events of Default. The occurrence of any one or more of the following events shall constitute an event of default (an "**Event of Default**") under this Agreement:

(a) the failure of such Pledgor to perform, observe, or comply with any of the provisions of this Agreement, where such failure shall remain uncured for a period of thirty (30) days after the earlier of (x) the date on which such failure shall first become known to any Responsible Officer of any Loan Party, or (y) the date of written notice from Noteholder Representative to such Pledgor;

(b) any representation, warranty or information made or given in this Agreement or in any report, statement, schedule, certificate, opinion (including any opinion of counsel for such Pledgor), financial statement or other document furnished by such Pledgor in connection with this Agreement shall prove to have been in any material respect false or misleading when made or given; or

(c) the occurrence of an Event of Default (as defined in any of the Loan Documents).

8. Rights of Noteholder Representative Following Event of Default Upon the occurrence and during the continuance of an Event of Default under the Loan Documents (and in addition to all of its other rights, powers and remedies under the Loan Documents), Noteholder Representative may, at its option, without notice to such Pledgor or any other party, subject to and in accordance with the Note Purchase Agreement, do any one or more of the following, in accordance with, and subject to, the terms of the Loan Documents:

(a) Declare any unpaid balance of the Obligations to be immediately due and payable (the occurrence or nonoccurrence of an Event of Default shall in no manner impair the ability of Noteholder Representative to demand payment of any portion of the Obligations that is payable upon demand);

(b) Proceed to perform or discharge any and all of such Pledgor's obligations, duties, responsibilities, or liabilities and exercise any and all of its rights in connection with the Collateral for such period of time as Noteholder Representative may deem appropriate, with or without the bringing of any legal action in or the appointment of any receiver by any court;

(c) Do all other acts which Noteholder Representative may deem necessary or proper to protect Noteholder Representative's security interest in the Collateral and carry out the terms of this Agreement;

(d) Exercise all voting and management rights of such Pledgor as to Company or otherwise pertaining to the Collateral, and such Pledgor, forthwith upon the request of Noteholder Representative, shall use its best efforts to secure, and cooperate with the efforts of Noteholder Representative to secure (if not already secured by Noteholder Representative), all the benefits of such voting and management rights.

(e) Sell the Collateral in any manner permitted by the UCC; and upon any such sale of the Collateral, Noteholder Representative may (i) bid for and purchase the Collateral (to the extent permitted by law) and apply the expenses of such sale (including, without limitation, attorneys' fees) as a credit against the purchase price, or (ii) apply the proceeds of any sale or sales to other persons or entities, in whatever order Noteholder Representative in its Permitted Discretion may decide, to the expenses of such sale (including, without limitation, attorneys' fees), to the Obligations, and the remainder, if any, shall be paid to such Pledgor or to such other person or entity legally entitled to payment of such remainder; and

(f) Proceed by suit or suits in law or in equity or by any other appropriate proceeding or remedy to enforce the performance of any term, covenant, condition, or agreement contained in this Agreement, and institution of such a suit or suits shall not abrogate the rights of Noteholder Representative to pursue any other remedies granted in this Agreement or to pursue any other remedy available to Noteholder Representative either at law or in equity.

Noteholder Representative shall have all of the rights and remedies of a secured party under the UCC and other applicable laws. All costs and expenses, including reasonable attorneys' fees and expenses, incurred or paid by Noteholder Representative in exercising or protecting any interest, right, power or remedy conferred by this Agreement, shall bear interest at a per annum rate of interest equal to the then highest rate of interest charged on any of the Obligations from the date of payment until repaid in full and shall, along with the interest thereon, constitute and become a part of the Obligations secured by this Agreement.

Each Pledgor hereby constitutes Noteholder Representative as the attorney-in-fact of such Pledgor during the continuance of an Event of Default under the Loan Documents (including but not limited to this Agreement) to take such actions and execute such documents as Noteholder Representative may deem appropriate in the exercise of the rights and powers granted to Noteholder Representative in this Agreement, including, but not limited to, filling-in blanks in the Transfer Power to cause a transfer of the Ownership Interests and other Collateral pursuant to a sale of the Collateral. The power of attorney granted hereby shall be irrevocable and coupled with an interest and shall terminate only upon the payment in full of the Obligations. Subject to and in accordance with the Note Purchase Agreement, such Pledgor shall indemnify and hold Noteholder Representative harmless for all losses, costs, damages, fees, and expenses suffered or incurred in connection with the exercise of this power of attorney and shall release Noteholder Representative from any and all liability arising in connection with the exercise of this power of attorney.

9. Performance by Noteholder Representative If any Pledgor shall fail to perform, observe or comply with any of the conditions, terms, or covenants contained in this Agreement or any of the other Loan Documents, Noteholder Representative, without notice to or demand upon such Pledgor and without waiving or releasing any of the Obligations or any Event of Default, may (but shall be under no obligation to) at any time thereafter perform such conditions, terms or covenants for the account and at the expense of such Pledgor, and may enter upon the premises of such Pledgor for that purpose and take all such action on the premises as Noteholder Representative may consider necessary or appropriate for such purpose. All sums paid or advanced by Noteholder Representative in connection with the foregoing and all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection with the foregoing, together with interest thereon at a per annum rate of interest equal to the then highest rate of interest charged on the principal of any of the Obligations, from the date of payment until repaid in full, shall be paid by such Pledgor to Noteholder Representative on demand and shall constitute and become a part of the Obligations secured by this Agreement.

10. Indemnification. Noteholder Representative shall not in any way be responsible for the performance or discharge of, and Noteholder Representative does not hereby undertake to perform or discharge, any obligation, duty, responsibility, or liability of such Pledgor in connection with the Collateral or otherwise. Subject to and in accordance with the Note Purchase Agreement, each Pledgor hereby agrees to indemnify Noteholder Representative and hold Noteholder Representative harmless from and against all losses, liabilities, damages, claims, or demands suffered or incurred by reason of this Agreement, including without limitation, incurred in connection with the exercise of the power of attorney granted in Section 8 hereof, or by reason of any alleged responsibilities or undertakings on the part of Noteholder Representative to perform or discharge any obligations, duties, responsibilities, or liabilities of such Pledgor in connection with the Collateral or otherwise; *provided, however*, that the foregoing indemnity and agreement to hold harmless shall not apply to losses, liabilities, damages, claims, or demands suffered or incurred by reason of Noteholder Representative's own gross negligence or willful misconduct. Noteholder Representative shall have no duty to collect any amounts due or to become due in connection with the Collateral or enforce or preserve such Pledgor's rights under this Agreement.

11. Termination. Upon payment in full of the Obligations, and termination of any further obligation of Noteholder Representative and the Purchasers to extend any credit to Borrower under the Loan Documents, this Agreement shall terminate and Noteholder Representative shall promptly execute appropriate documents to evidence such termination.

12. Release. Without prejudice to any of Noteholder Representative's rights under this Agreement, Noteholder Representative may take or release other security for the payment or performance of the Obligations, may release any party primarily or secondarily liable for the Obligations, and may apply any other security held by Noteholder Representative to the satisfaction of the Obligations.

13. Pledgor's Liability Absolute. The liability of each Pledgor under this Agreement shall be direct and immediate and not conditional or contingent upon the pursuit of any remedies against such Pledgor or any other person, nor against other securities or liens available to Noteholder Representative or Noteholder Representative's respective successors, assigns, or agents. Each Pledgor waives any right to require that resort be had to any security or to any balance of any deposit account or credit on the books of Noteholder Representative in favor of any other person.

14. Preservation of Collateral. Noteholder Representative shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral and in preserving rights under this Agreement if Noteholder Representative takes action for those purposes as such Pledgor may reasonably request in writing, *provided, however*, that failure to comply with any such request shall not, in and of itself, be deemed a failure to exercise reasonable care, and no failure by Noteholder Representative to preserve or protect any rights with respect to the Collateral or to do any act with respect to the preservation of the Collateral not so requested by such Pledgor shall be deemed a failure to exercise reasonable care in the custody or preservation of the Collateral.

15. Private Sale. Each Pledgor recognizes that Noteholder Representative may be unable to effect a public sale of the Collateral by reason of certain provisions contained in the federal Securities Act of 1933, as amended, and applicable state securities laws and, under the circumstances then existing, may reasonably resort to a private sale to a restricted group of purchasers who will be obliged to agree, among other things, to acquire the Collateral for their own account for investment and not with a view to the distribution or resale of the Collateral. Each Pledgor agrees that a private sale so made may be at a price and on other terms less favorable to the seller than if the Collateral were sold at public sale and that Noteholder Representative has no obligation to delay sale of the Collateral for the period of time necessary to permit such Pledgor, even if such Pledgor would agree to register or qualify the Collateral for public sale under the Securities Act of 1933, as amended, and applicable state securities laws. Each Pledgor agrees that a private sale made under the foregoing circumstances and otherwise in a commercially reasonable manner shall be deemed to have been made in a commercially reasonable manner under the UCC.

16. General.

(a) Final Agreement and Amendments. This Agreement, together with the other Loan Documents, constitutes the final and entire agreement and understanding of the parties and any term, condition, covenant or agreement not contained herein or therein is not a part of the agreement and understanding of the parties. Neither this Agreement, nor any term, condition, covenant or agreement hereof may be changed, waived, discharged or terminated except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

(b) Waiver. No party hereto shall be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing (and, without limiting the generality of the foregoing, no delay or omission by any party hereto in exercising any such right shall be deemed a waiver of its future exercise). No such waiver made in any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right. No single or partial exercise of any power or right shall preclude other or further exercise of the power or right or the exercise of any other power or right. No course of dealing between the parties hereto shall be construed as an amendment to this Agreement or a waiver of any provision of this Agreement. No notice to or demand on Pledgor in any case shall thereby entitle Pledgor to any other or further notice or demand in the same, similar or other circumstances.

(c) Headings. The headings of the Sections, subsections, paragraphs and subparagraphs hereof are provided herein for and only for convenience of reference, and shall not be considered in construing their contents.

(d) Construction. As used herein, all references made (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well, and (iii) to any Section, subsection, paragraph or subparagraph shall, unless therein expressly indicated to the contrary, be deemed to have been made to such Section, subsection, paragraph or subparagraph of this Agreement. The Recitals are incorporated herein as a substantive part of this Agreement and the parties hereto acknowledge that such Recitals are true and correct.

(e) Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns hereunder. In the event of any assignment or transfer by Noteholder Representative of any of such Pledgor's obligations under the Loan Documents or the collateral therefor, Noteholder Representative thereafter shall be fully discharged from any responsibility with respect to such collateral so assigned or transferred, but Noteholder Representative shall retain all rights and powers given by this Agreement with respect to any of such Pledgor's obligations under the Loan Documents or collateral not so assigned or transferred. Such Pledgor shall have no right to assign or delegate its rights or obligations hereunder.

(f) Severability. If any term, provision, covenant or condition of this Agreement or the application of such term, provision, covenant or condition to any party or circumstance shall be found by a court of competent jurisdiction to be, to any extent, invalid or unenforceable, the remainder of this Agreement and the application of such term, provision, covenant, or condition to parties or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, provision, covenant or condition shall be valid and enforced to the fullest extent permitted by law.

(g) Notices. All notices required or permitted hereunder shall be given and shall become effective as provided inSection of the Note Purchase Agreement. All notices to a Pledgor shall be addressed in accordance with the information provided on the signature page hereto.

(h) Remedies Cumulative. Each right, power and remedy of Noteholder Representative as provided for in this Agreement, or in any of the other Loan Documents or now or hereafter existing by law, shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement, or in any of the other Loan Documents now or hereafter existing by law, and the exercise or beginning of the exercise by Noteholder Representative of any one or more of such rights, powers or remedies shall not preclude the later exercise by Noteholder Representative of any other rights, powers or remedies.

(i) Time of the Essence; Survival. Time is of the essence of this Agreement and each and every term, covenant and condition contained herein. All covenants, agreements, representations and warranties made in this Agreement or in any of the other Loan Documents shall continue in full force and effect so long as any of the obligations of any party under the Loan Documents (other than Noteholder Representative) remain outstanding.

(j) Further Assurances. Each Pledgor hereby agrees that at any time and from time to time, at the expense of such Pledgor, such Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or that Noteholder Representative may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby, or to enable Noteholder Representative or any of its agents to exercise and enforce its rights and remedies under this Agreement with respect to any portion of such collateral.

(k) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Loan Documents may be transmitted and/or signed by facsimile or other electronic transmission. The effectiveness of any such documents and signatures shall, subject to applicable Law, have the same force and effect as manually signed originals and shall be binding on the parties. Noteholder Representative may also require that any such documents and signatures be confirmed by a manually signed original thereof; provided, however, that the failure to request or deliver the same shall not limit the effectiveness of any facsimile document or signature. As used in this Agreement, the term "this Agreement" shall include all attachments, exhibits, schedules, riders and addenda.

(l) Costs. Each Pledgor shall be responsible for the payment of any and all reasonable fees, costs and expenses which Noteholder Representative may incur by reason of this Agreement, including, but not limited to, the following: (i) any taxes of any kind related to any property or interests assigned or pledged hereunder; (ii) expenses incurred in filing public notices relating to any property or interests assigned or pledged hereunder; and (iii) any and all costs, expenses and fees (including, without limitation, reasonable attorneys' fees and expenses and court costs and fees), whether or not litigation is commenced, incurred by Noteholder Representative in protecting, insuring, maintaining, preserving, attaching, perfecting, enforcing, collecting or foreclosing upon any lien, security interest, right or privilege granted to Noteholder Representative or any obligation of such Pledgor under this Agreement, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or related to this Agreement or any property or interests assigned or pledged hereunder.

(m) No Defenses. Pledgors' obligations under this Agreement shall not be subject to any set-off, counterclaim or defense to payment that such Pledgor now has or may have in the future.

(n) Cooperation in Discovery and Litigation. In any litigation, trial, arbitration or other dispute resolution proceeding relating to this Agreement, all directors, officers, employees and agents of any Pledgor or of its affiliates shall be deemed to be employees or managing agents of such Pledgor for purposes of all applicable law or court rules regarding the production of witnesses by notice for testimony (whether in a deposition, at trial or otherwise). Each Pledgor agrees that Noteholder Representative's counsel in any such dispute resolution proceeding may examine any of these individuals as if under cross-examination and that any discovery deposition of any of them may be used in that proceeding as if it were an evidence deposition. Each Pledgor in any event will use all commercially reasonable efforts to produce in any such dispute resolution proceeding, at the time and in the manner requested by Noteholder Representative, all persons and entities, documents (whether in tangible, electronic or other form) or other things under its control and relating to the dispute in any jurisdiction that recognizes that (or any similar) distinction.

(o) CHOICE OF LAW; VENUE. THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS, EXCEPT TO THE EXTENT THAT ANY OTHER LOAN DOCUMENT INCLUDES AN EXPRESS ELECTION TO BE GOVERNED BY THE LAWS OF ANOTHER JURISDICTION. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS SHALL BE LITIGATED IN SUCH COURT OF THE COMMONWEALTH OF MASSACHUSETTS.

17. WAIVER OF JURY TRIAL. EACH PARTY HEREBY (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY A JURY, AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN, KNOWINGLY AND VOLUNTARILY, BY EACH PARTY, AND THIS WAIVER IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A JURY TRIAL WOULD OTHERWISE ACCRUE. EACH PARTY IS HEREBY AUTHORIZED AND REQUESTED BY THE OTHER PARTY TO SUBMIT THIS AGREEMENT TO ANY COURT HAVING JURISDICTION OVER THE SUBJECT MATTER AND THE PARTIES HERETO, SO AS TO SERVE AS CONCLUSIVE EVIDENCE OF EACH PARTY'S WAIVER OF THE RIGHT TO JURY TRIAL. FURTHER, EACH PARTY HEREBY CERTIFIES THAT NO REPRESENTATIVE OF THE OTHER PARTY (INCLUDING NOTEHOLDER REPRESENTATIVE'S COUNSEL) HAS REPRESENTED, EXPRESSLY OR OTHERWISE, TO SUCH PARTY THAT THE OTHER PARTY WILL NOT SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION.

[Signature Pages Follow]

Signature Page to Pledge Agreement

IN WITNESS WHEREOF, intending to be legally bound each of the parties have caused this Agreement to be executed as of the day and year first above mentioned.

PLEDGORS:

TILT HOLDINGS, INC.,
a British Columbia corporation

Per: /s/ Mark Scatterday
Name: Mark Scatterday
Title: Interim Chief Executive Officer

JIMMY JANG HOLDINGS INC.,
a British Columbia corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

BAKER TECHNOLOGIES, INC.,
a Delaware corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

JIMMY JANG, L.P., a Delaware limited partnership, by its general partner, JIMMY JANG HOLDINGS INC., a British Columbia corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

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BLACKBIRD LOGISTICS CORPORATION, a Nevada corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: President

BRITESIDE HOLDINGS LLC, a Tennessee limited liability company

Per: /s/ Mark Scatterday
Name: Mark Scatterday
Title: Manager

YARIS ACQUISITION LLC, a Delaware limited liability company

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Manager

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COMPANY:

BAKER TECHNOLOGIES, INC., a Delaware corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

JUPITER RESEARCH, LLC, an Arizona limited liability company, by its Managing Member, BAKER TECHNOLOGIES, INC., a Delaware corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

BLACKBIRD LOGISTICS CORPORATION, a Nevada corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: President

BLKBRD SOFTWARE LLC, a Nevada limited liability company, by its Managing Member, YARIS ACQUISITION LLC, a Delaware limited liability company

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Manager

BRITESIDE ECOMMERCE LLC, a Tennessee limited liability company

Per: /s/ Mark Scatterday
Name: Mark Scatterday

Title: Manager

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BRITESIDE HOLDINGS LLC, a Tennessee limited liability company

Per: /s/ Mark Scatterday
Name: Mark Scatterday
Title: Manager

BRITESIDE MODULAR LLC, a Tennessee limited liability company

Per: /s/ Mark Scatterday
Name: Mark Scatterday
Title: Manager

DEFENDER MARKETING SERVICES, LLC, a Washington limited liability company

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Manager

STANDARD FARMS LLC, a Pennsylvania limited liability company, by its Sole Member, BAKER TECHNOLOGIES, INC., a Delaware corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

WHITE HAVEN RE LLC, a Pennsylvania limited liability company, by its Sole Member, BAKER TECHNOLOGIES, INC., a Delaware corporation

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Chief Operating Officer

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YARIS ACQUISITION LLC, a Delaware limited liability company

Per: */s/ Timothy Conder*
Name: Timothy Conder
Title: Manager

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NOTEHOLDER REPRESENTATIVE
NR 1, LLC

By: */s/ Mark Silva*
Name: Mark Silva
Title: Attorney-in-fact

Address: c/o Reitler Kailas & Rosenblatt LLC
885 Third Avenue

New York, New York 10022
Attn: John F.F. Watkins

SCHEDULE I

PLEDGED INTERESTS

Name of Pledgor	Company Name	Type of Organization	Jurisdiction of Organization	Class of Equity Interest	Percentage of Outstanding Equity Interests
Jimmy Jang, L.P.	Jupiter Research, LLC	Limited liability company	AZ	Membership interest	100%
Jimmy Jang, L.P.	Baker Technologies, Inc.	Corporation	DE	Common stock	100%
Baker Technologies, Inc.	Defender Marketing Services LLC	Limited liability company	WA	Membership interest	100%
Baker Technologies, Inc.	Yaris Acquisition LLC	Limited liability company	DE	Membership interest	100%
Baker Technologies, Inc.	Briteside Holdings, LLC	Limited liability company	TN	Membership interest	100%
Baker Technologies, Inc.	Standard Farms LLC	Limited liability company	PA	Membership interest	100%
Baker Technologies, Inc.	White Haven RE LLC	Limited liability company	PA	Membership interest	100%
Yaris Acquisition LLC	Blackbird Logistics Corporation	Corporation	NV	Common stock	96.854%
Yaris Acquisition LLC	Blkbrd Software LLC	Limited liability company	NV	Membership interest	100%
Blackbird Logistics Corporation	Blkbrd CA	Corporation	CA	Common stock	100%
Blackbird Logistics Corporation	Blkbrd NV LLC	Limited liability company	NV	Membership interest	100%
Briteside Holdings, LLC	Briteside Modular LLC	Limited liability company	TN	Membership interest	100%
Briteside Holdings, LLC	Briteside Ecommerce LLC	Limited liability company	TN	Membership interest	100%

Name of Pledgor	Company Name	Type of Organization	Jurisdiction of Organization	Class of Equity Interest	Percentage of Outstanding Equity Interests
Briteside Holdings, LLC	Briteside Oregon LLC	Limited liability company	OR	Membership interest	100%

SCHEDULE II

PLEDGOR INFORMATION

Ple dgor	Jurisdiction of Organization	Type of Organization	Organizational Identification Number
TILT Holdings, Inc.	British Columbia	Corporation	
Jimmy Jang Holdings, Inc.	British Columbia	Corporation	
Jimmy Jang, L.P..	DE	Limited partnership	7189094

Baker Technologies, Inc.	DE	Corporation	5784273
Yaris Acquisition LLC	DE	Limited liability company	7167156
Blackbird Logistics Corporation	NV	Corporation	E0005002015-6
Briteside Holdings, LLC	TN	Limited partnership	000878300

SCHEDULE III

TRANSFER POWER

FOR VALUE RECEIVED, the undersigned, _____ , a ("**Ple dgor**"), does hereby sell, assign and transfer to _____ * all of its Equity Interests (as hereinafter defined) [represented by Certificate No(s). _____ * ,] in _____ ("**Issuer**"), standing in the name of Pledgor on the books of said Issuer. Pledgor does hereby irrevocably constitute and appoint _____ *, as attorney, to transfer the Equity Interest in said Issuer with full power of substitution in the premises. The term "**Equity Interest**" means any security, share, unit, partnership interest, membership interest, ownership interest, equity interest, option, warrant, participation, "equity security" (as such term is defined in Rule 3(a)11 1 of the General Rules and Regulations of the Securities Exchange Act of 1934, as amended, or any similar statute then in effect, promulgated by the Securities and Exchange Commission and any successor thereto) or analogous interest (regardless of how designated) of or in a corporation, partnership, limited partnership, limited liability company, limited liability partnership, business trust or other entity, of whatever nature, type, series or class, whether voting or nonvoting, certificated or uncertificated, common or preferred, and all rights and privileges incident thereto.

Dated: _____*

PLEDGOR:

[FOR ENTITY]

By: _____
Name: _____
Its: _____

*To Remain Blank - Not Completed at Closing

SCHEDULE IV

PLEDGE AMENDMENT

This Pledge Amendment, dated _____ , 20__ is delivered pursuant to Section 5(i) of the Pledge Agreement referred to below. All defined terms herein shall have the meanings ascribed thereto or incorporated by reference in the Pledge Agreement. The undersigned hereby certifies that the representations and warranties in Section 4 of the Pledge Agreement are true and correct as to the Collateral pledged pursuant to this Pledge Amendment. The undersigned further agrees that this Pledge Amendment may be attached to that certain Pledge Agreement, dated November 1, 2019 between undersigned, as Pledgor, and NR 1, LLC, as Noteholder Representative (as may be amended, restated, supplemented or otherwise modified from time to time, the "**Pledge Agreement**"), and that the Ownership Interests listed on this Pledge Amendment shall be and become a part of the Pledged Interests and Pledged Collateral referred to in said Pledge Agreement and shall secure all Obligations referred to and in accordance with said Pledge Agreement. Schedule I of the Pledge Agreement shall be deemed amended to include the Ownership Interests listed on this Pledge Amendment. The undersigned acknowledge that any Ownership Interests issued by Company owned by Pledgor not included in the Pledged Collateral at the discretion of Noteholder Representative may not otherwise be pledged by Pledgor to any other Person or otherwise used as security for any obligations other than the Obligations.

PLEDGOR:

[_____]

By: _____
Name: _____
Its: _____

SCHEDULE IV- continued

Name and Address of Pledgor	Company	Class of Equity Interest	Certificate Number(s)	Number of Shares

Initial Principal Amount	Issue Date	Maturity Date	Interest Rate

NOTICE OF PLEDGE

TO: _____ ("**Company"**)

Notice is hereby given that, pursuant to that certain Pledge Agreement of even date with this Notice (the "**Agreement**"), from undersigned (collectively in the singular, "**Pledgor**"), to **NR 1, LLC** (in such capacity, together with its successors and assigns, "**Noteholder Representative**") in connection with financing arrangements in effect for Company, Noteholder Representative and certain financial institutions, Pledgor has pledged and assigned to Noteholder Representative and granted to Noteholder Representative, for its benefit and the benefit of the Purchasers, a continuing first priority security interest in, all of its right, title and interest, whether now existing or hereafter arising our acquired, in, to, and under the following (the "**Collateral**"):

(a) all of the stock, shares, membership interests, partnership interests and other equity ownership interests in Company now or hereafter held by Pledgor (collectively, the "**Ownership Interests**") and all of Pledgor's rights to participate in the management of Company, all rights, privileges, authority and powers of Pledgor as owner or holder of its Ownership Interests in Company, including, but not limited to, all investment property, contract rights related thereto, all rights, privileges, authority and powers relating to the economic interests of Pledgor as owner or holder or its Ownership Interests in Company, including, without limitation, all contract rights related thereto, all options and warrants of Pledgor for the purchase of any Ownership Interest in Company, all documents and certificates representing or evidencing Pledgor's Ownership Interests in Company, all of Pledgor's right, title and interest to receive payments of principal and interest on any loans and/or other extensions of credit made by Pledgor to Company, and any other right, title, interest, privilege, authority and power of Pledgor in or relating to Company, all whether existing or hereafter arising, and whether arising under any operating agreement, shareholder's agreement, partnership agreement or any other agreement, or any bylaws of Company (as the same may be amended, modified or restated from time to time), or the certificate of formation or existence of Company (as the same may be amended, modified or restated from time to time) or otherwise, or at law or in equity and all books and records of Pledgor pertaining to any of the foregoing and all options, warrants, distributions, investment property, cash, instruments and other rights and options from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Ownership Interests, and Pledgor shall promptly thereafter deliver to Noteholder Representative a certificate duly executed by Pledgor describing such percentage interests, options or warrants and certifying that the same have been duly pledged hereunder;

(b) all rights to receive cash distributions, profits, losses and capital distributions (including, but not limited to, distributions in kind and liquidating dividends) and any other rights and property interests related to the Ownership Interests;

(c) all other securities, instruments or property (including cash) paid or distributed in respect of or in exchange for the Ownership Interests, whether or not as part of or by way of spin-off, merger, consolidation, dissolution, reclassification, combination or exchange of stock (or other Ownership Interests), asset sales, or similar rearrangement or reorganization or otherwise; and

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(d) all proceeds (both cash and non-cash) of the foregoing, whether now or hereafter arising under the foregoing.

Pursuant to the Agreement, Company is hereby authorized and directed, and Company hereby agrees, to:

(i) register on its books Pledgor's pledge to Noteholder Representative of the Collateral; and

(ii) upon the occurrence and during the continuance of an Event of Default under the Agreement make direct payment to Noteholder Representative of any amounts due or to become due to Pledgor that are attributable, directly or indirectly, to Pledgor's ownership of the Collateral.

Pledgor hereby directs Company to, and Company hereby agrees to, comply with instructions originated by Noteholder Representative with respect to the Collateral without further consent of the Pledgor. It is the intention of the foregoing to grant "control" to Noteholder Representative within the meaning of Articles 8 and 9 of the UCC, to the extent the same may be applicable to the Collateral.

Company acknowledges and agrees that upon the delivery of any certificates representing the Collateral endorsed to Noteholder Representative or in blank, Noteholder Representative's security interest in the Collateral shall be perfected by "control" (as such term is used in Articles 8 and 9 of the UCC).

Pledgor hereby requests Company to indicate its acceptance of this Notice and consent to and confirmation of its terms and provisions by signing a copy of this Notice where indicated below and returning it to Noteholder Representative.

[Signature Pages Follow]

Signature Page to Notice of Pledge

PLEDGOR: **[_____]**

By: _____
Name:
Title:

Signature Page to Notice of Pledge

ACKNOWLEDGED BY COMPANY as of this _____ day of_____, 20___:

COMPANY:

[_____]

By: _____
Name:
Title:

Exhibit 10.14

EXECUTION VERSION

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

CANADIAN SECURITY AGREEMENT

This CANADIAN SECURITY AGREEMENT, dated as of November 1, 2019 (as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "**Agreement**"), is made by Tilt Holdings, Inc. as "Grantor" (the "**Grantor**"), in favor of NR 1, LLC, a Delaware limited liability company (in such capacity, the "**Secured Party**") on behalf of the purchasers named in the Purchase Agreement (the "**Purchasers**").

WHEREAS, on the date hereof, Jimmy Jang, L.P., a Delaware limited partnership, Baker Technologies, Inc., a Delaware corporation, Jupiter Research, LLC, an Arizona limited liability company, and Commonwealth Alternative Care, Inc., a Massachusetts corporation (together, the "**Borrowers**"), as borrowers, the Secured Party, the Secured Party, and the other parties thereto, executed and delivered a Secured Note Purchase Agreement (as amended, supplemented or otherwise modified from time to time, the "**Purchase Agreement**") providing for the purchase and sale of up to U.S. Thirty Five Million and No/100 Dollars (U.S. $35,000,000). All capitalized terms not otherwise defined herein shall have the respective meanings given in the Purchase Agreement.

WHEREAS, pursuant to a guaranty dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the "**Guaranty**"), delivered by the Grantor in favor of the Secured Party, the Grantor has guaranteed the payment and performance of the Borrowers' obligations under or relating to the Notes, as more fully set forth therein.

WHEREAS, this Agreement is given by the Grantor in favor of the Secured Party to secure the payment and performance of all of the Secured Obligations; and

WHEREAS, it is a condition under the Purchase Agreement that the Grantor shall execute and deliver this Agreement to the Secured Party for the benefit of the Purchasers;

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

1. Definitions.

(a) Unless otherwise specified herein, all references to Sections and Schedules herein are to Sections and Schedules of this Agreement.

(b) Unless otherwise defined herein, terms used herein that are defined in the PPSA or the STA shall have the meanings assigned to them in the PPSA or STA.

(c) For purposes of this Agreement, the following terms shall have the following meanings:

"**Collateral**" has the meaning set forth in Section 2.

"**Event of Default**" has the meaning set forth in the Purchase Agreement.

"**First Priority**" means, with respect to any lien and security interest purported to be created in any Collateral pursuant to this Agreement, such lien and security interest is the most senior lien to which such Collateral is subject (subject only to Permitted Liens).

"**Laws**" has the meaning set forth in the Purchase Agreement.

"**PPSA**" means the *Personal Property Security Act* (Ontario), including the regulations thereto, provided that, if perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security as in effect in a jurisdiction other than Ontario, "PPSA" means the Personal Property Security Act or such other applicable legislation as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"**Proceeds**" means "proceeds" as such term is defined in the PPSA and, in any event, shall include, without limitation, all dividends or other income from the Collateral, collections thereon or distributions with respect thereto.

"**Secured Obligations**" has the meaning set forth in Section 3.

"**STA**" means the *Securities Transfer Act*, 2006 (Ontario), including the regulations thereto, provided that, to the extent that perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder on Collateral that is Investment Property is governed by the laws in effect in any province or territory of Canada other than Ontario in which there is in force legislation substantially the same as the Securities Transfer Act, 2006 (Ontario) (an "Other STA Province"), then STA shall mean such other legislation as in effect from time to time in such Other STA Province for purposes of the provisions hereof referring to or incorporating by reference provisions of the STA; and to the extent that such perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder on the Collateral is governed by the laws of a jurisdiction other than Ontario or an Other STA Province, then references herein to the STA shall be disregarded except for the terms "Certificated Security" and "Uncertificated Security", which shall have the meanings herein as defined in the Securities Transfer Act, 2006 (Ontario) regardless of whether the STA is in force in the applicable jurisdiction.

2. Grant of Security Interest. The Grantor hereby pledges and grants to the Secured Party, and hereby creates a continuing First Priority security interest in favor of the Secured Party in and to all of its right, title and interest in and to the following, wherever located, whether now existing or hereafter from time to time arising or acquired (collectively, the "**Collateral**"):

(a) all personal property of every kind and nature including but not limited to all accounts, goods (including inventory and equipment), documents of title, instruments, promissory notes, chattel paper, letters of credit, securities and all other investment property, intangibles, money, accounts, and any other contract rights or rights to the payment of money; and

(b) all Proceeds and products of each of the foregoing, all books and records relating 2 to the foregoing, all supporting obligations related thereto, and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to the Grantor from time to time with respect to any of the foregoing.

Notwithstanding the foregoing or anything contained in this Agreement or any other Loan Document to the contrary, the term "Collateral" shall not include, and a security interest is not granted in, any right or interest in any permit, license, lease or contract if under the terms of such permit, license, lease or contract, or applicable Laws with respect thereto, the grant of a security interest or lien therein is prohibited and such prohibition or restriction has not been waived or the requisite consent in respect of such permit, license, lease or contract has not been obtained (or is not able to be obtained) or the grant of a security interest or lien therein would, under the terms of such permit, license, lease or contract, result in the voiding or termination of or give rise to a right of termination of such permit, license, lease or contract, provided that, such permit, license, lease or contract shall be included in the term "Collateral" and a security interest shall be granted therein, at such time as the grant of a security interest therein is no longer prohibited, or the requisite consent in respect thereof has been obtained.

The last day of any term reserved by any real property lease, written or unwritten, or any agreement to lease real property, now held or subsequently acquired by the Grantor is excepted out of the security interest granted hereunder. As further security for the payment of its Secured Obligations, the Grantor agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for the Lender for the purpose of this Agreement. The Grantor shall assign and dispose of the same in such manner as the Secured Party may from time to time direct in writing without cost or expense to the Secured Party. Upon any sale, assignment, sublease or other disposition of such lease or agreement to lease, the Secured Party shall, for the purpose of vesting the residue of any such term in any purchaser, sublessee or such other acquiror of the real property lease, agreement to lease or any interest in any of them, be entitled by deed or other written instrument to assign to such other person, the residue of any such term in place of the Grantor and to vest the residue freed and discharged from any obligation whatsoever respecting the same.

3. Secured Obligations; Attachment; Value.

(a) The Collateral secures the due and prompt payment and performance of all loans, advances, debts, covenants, duties, obligations and liabilities of any kind and description, owed by the Grantor under or in connection with the Notes, the Purchase Agreement, the Guaranty, and each of the other Loan Documents to which the Grantor is a party, including all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Grantor, in each case, whether direct or indirect, absolute or contingent, now existing or hereafter arising, due or to become due, and whether or not arising after the commencement of a proceeding under the *Bankruptcy and Insolvency Act* (Canada) (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding (collectively, the "**Secured Obligations**"). Attachment; Value.

(b)The security interest created hereby is intended to attach, in respect of Collateral 3 in which the Grantor has rights at the time this Agreement is signed by the Grantor and delivered to the Lender, and, in respect of Collateral in which the Grantor subsequently acquires rights, at the time the Grantor subsequently acquires such rights. The Grantor and the Lender hereby acknowledge that (a) value has been given; (b) the Grantor has rights in the Collateral in which it has granted a security interest; and (c) this Agreement constitutes a security agreement as that term is defined in the PPSA.

4. Perfection of Security Interest and Further Assurances

(a) The Grantor shall, from time to time, as may be required by the Secured Party with respect to all Collateral, take all actions as may be requested by the Secured Party to perfect the security interest of the Secured Party in the Collateral, including, without limitation, with respect to all Collateral over which control may be obtained within the meaning of section 1(2) of the PPSA. The Grantor shall take all actions as may be requested from time to time by the Secured Party so that control of such Collateral is obtained and at all times held by the Secured Party. All of the foregoing shall be at the sole cost and expense of the Grantor.

(b) The Grantor hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any relevant jurisdiction any financing statements and financing change statements that contain the information required under the PPSA for the filing of any financing statement or financing change statement relating to the Collateral, including any financing or financing change statements or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by the Grantor hereunder, including the filing of a financing statement describing the Collateral as all present and after-acquired personal property of the Grantor, or words of similar effect. The Grantor agrees to provide all information required by the Secured Party pursuant to this Section promptly to the Secured Party upon request.

(c) If any Collateral is at any time in the possession of a bailee, the Grantor with title to such Collateral shall promptly notify the Secured Party thereof and, at the Secured Party's request and option, shall promptly obtain an acknowledgment from the bailee, in form and substance satisfactory to the Secured Party, that the bailee holds such Collateral for the benefit of the Secured Party and the bailee agrees to comply, without further consent of the Grantor, at any time with instructions of the Secured Party as to such Collateral.

(d) The Grantor agrees that at any time and from time to time, at the expense of such Grantor, such Grantor will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that the Secured Party may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder or under any other agreement with respect to any Collateral.

5. Representations and Warranties. The Grantor hereby represents and warrants as follows:

(a) At the time the Collateral becomes subject to the lien and security interest created by this Agreement, the Grantor will be the sole, direct, legal and beneficial owner thereof, free and clear of any lien, security interest, encumbrance, claim, option or right of others except for Permitted Liens.

(b) The grant of the Collateral pursuant to this Agreement creates a valid and perfected First Priority security interest in the Collateral, securing the payment and performance when due of the Secured Obligations.

(c) It has full power, authority and legal right to pledge its Collateral pursuant to this Agreement.

(d) This Agreement and the Guaranty have been duly authorized, executed and delivered by the Grantor and each constitutes a legal, valid and binding obligation of the Grantor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to equitable principles (regardless of whether enforcement is sought in equity or at law).

(e) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the pledge by the Grantor of the Collateral pursuant to this Agreement or for the execution and delivery of this Agreement by the Grantor or the performance by the Grantor of its obligations hereunder.

(f) The execution and delivery of this Agreement by the Grantor and the performance by the Grantor of its obligations hereunder, will not violate any provision of any applicable Laws or regulation or any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, applicable to the Grantor or any of its property, or the organizational or governing documents of the Grantor or any agreement or instrument to which the Grantor is party or by which it or its property is bound.

(g) The Collateral consisting of securities has been duly authorized and validly issued, and is fully paid and non-assessable and subject to no options to purchase or similar rights. None of the Collateral constitutes, or is the proceeds of, (i) timber to be cut or (ii) aircraft, aircraft engines, satellites, ships or railroad rolling stock. None of the account debtors or other persons obligated on any of the Collateral is a governmental authority.

(h) No person other than the Grantor or the Secured Party has control or possession of all or any part of the Collateral.

(i) The Grantor has delivered to the Secured Party an information certificate containing*inter alia*, the Grantor's exact legal name, its jurisdiction of incorporation, its registered office, its places of business and the location of its assets. All information provided therein is true, complete and correct in all material respects.

(j) The Grantor is not an "insolvent person" within the meaning of the*Bankruptcy and Insolvency Act* (Canada), as amended from time to time.

6. Voting, Distributions and Receivables.

(a) The Secured Party agrees that unless an Event of Default shall have occurred and be continuing, the Grantor may, to the extent the Grantor has such right as a holder of the Collateral consisting of securities, other Equity Interests or indebtedness owed by any obligor, vote and give consents, ratifications and waivers with respect thereto.

(b) The Secured Party agrees that the Grantor may, unless an Event of Default shall have occurred and be continuing, receive and retain all dividends and other distributions with respect to the Collateral consisting of securities, other Equity Interests or indebtedness owed by any obligor.

(c) If any Event of Default shall have occurred and be continuing, the Secured Party may, or at the request and option of the Secured Party, the Grantor shall, notify account debtors and other persons obligated on any of the Collateral of the security interest of the Secured Party in any account, chattel paper, general intangible, instrument or other Collateral and that payment thereof is to be made directly to the Secured Party.

7. Covenants. The Grantor hereby covenants as follows:

(a) The Grantor will not, without providing at least 30 days' prior written notice to the Secured Party, change its legal name, identity, type of organization, jurisdiction of organization, corporate structure, location of its chief executive office or its principal place of business or its organizational identification number. The Grantor will, prior to any change described in the preceding sentence, take all actions reasonably requested by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.

(b) The Grantor shall, at its own cost and expense, defend title to the Collateral and the First Priority lien and security interest of the Secured Party therein against the claim of any person claiming against or through the Grantor and shall maintain and preserve such perfected First Priority security interest for so long as this Agreement shall remain in effect.

(c) The Grantor will not sell, offer to sell, dispose of, convey, assign or otherwise transfer, grant any option with respect to, restrict, or grant, create, permit or suffer to exist any mortgage, pledge, lien, security interest, option, right of first offer, encumbrance or other restriction or limitation of any nature whatsoever on, any of the Collateral or any interest therein except for Permitted Dispositions and Permitted Liens.

(d) The Grantor will keep the Collateral in good order and repair and will not use the same in violation of Applicable Law or any policy of insurance thereon. The Grantor will permit the Secured Party, or its designee, to inspect the Collateral at any reasonable time, wherever located; provided, however, that such an inspection shall not be made more than once every sixty (60) days in the absence of a continuing Event of Default.

( ) The Grantor will pay promptly when due all taxes, assessments, governmental charges, and levies upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this Agreement.

(a) The Grantor will continue to operate its business in compliance with all Applicable Law.

8. Secured Party Appointed Attorney-in-Fact. The Grantor hereby appoints the Secured Party the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time during the continuance of an Event of Default in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement (but the Secured Party shall not be obligated to and shall have no liability to the Grantor or any third party for failure to do so or take action). This appointment, being coupled with an interest, shall be irrevocable. The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

0. Secured Party May Perform. If the Grantor fails to perform any obligation contained in this Agreement, the Secured Party may itself perform, or cause performance of, such obligation, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Grantor; provided that the Secured Party shall not be required to perform or discharge any obligation of the Grantor.

0. Reasonable Care. The Secured Party shall have no duty with respect to the care and preservation of the Collateral beyond the exercise of reasonable care. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property, it being understood that the Secured Party shall not have any responsibility for (a) ascertaining or taking action with respect to any claims, the nature or sufficiency of any payment or performance by any party under or pursuant to any agreement relating to the Collateral or other matters relative to any Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral. Nothing set forth in this Agreement, nor the exercise by the Secured Party of any of the rights and remedies hereunder, shall relieve the Grantor from the performance of any obligation on the Grantor's part to be performed or observed in respect of any of the Collateral.

0. Remedies Upon Default.

(a) If any Event of Default shall have occurred and be continuing, upon (a) receipt of written notice of Event of Default and at the direction of the Secured Party, the Grantors shall within forty-five (45) days of such notice commence a sale process (the "Sale Process") with respect to Collateral with a value that is sufficient to satisfy the Obligations. The Secured Party shall have sixty (60) days after the commencement of the Sale Process to enter into a term sheet with respect to the disposition of the Collateral, and shall have sixty (60) days following the execution of such term sheet to enter into a transaction with respect to the disposition of the Collateral providing proceeds sufficient to pay off the Secured Obligations in their entirety at such closing. If the Grantors fail to comply with the requirements of this Section 11(a) in running the Sale Process diligently and in good faith, then the Secured Party shall have the right to exercise any and all remedies it may have under applicable Laws.

(b) Subject to Section 11(a), if any Event of Default shall have occurred and be continuing, the Secured Party, without any other notice to or demand upon the Grantor, may assert all rights and remedies of a secured party under the PPSA or other applicable Laws, including, without limitation, the right to take possession of, hold, collect, sell, lease, deliver, grant options to purchase or otherwise retain, liquidate or dispose of all or any portion of the Collateral. If notice prior to disposition of the Collateral or any portion thereof is necessary under applicable Laws, written notice mailed to the Grantor at its notice address as provided in Section 15 hereof 15 days (or such other number of days as may be required by applicable Law) prior to the date of such disposition shall constitute reasonable notice, but notice given in any other reasonable manner shall be sufficient. So long as the sale of the Collateral is made in a commercially reasonable manner, the Secured Party may sell such Collateral on such terms and to such purchaser(s) as the Secured Party in its absolute discretion may choose, without assuming any credit risk and without any obligation to advertise or give notice of any kind other than that necessary under applicable Laws. Without precluding any other methods of sale, the sale of the Collateral or any portion thereof shall have been made in a commercially reasonable manner if conducted in conformity with reasonable commercial practices of creditors disposing of similar property. The Grantor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security for the Secured Obligations or otherwise. At any such sale, unless prohibited by applicable Laws, the Secured Party or any custodian may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. The Secured Party shall not be obligated to clean-up or otherwise prepare the Collateral for sale.

(c) Subject to Section 11(a), if any Event of Default shall have occurred and be continuing, any cash held by the Secured Party as Collateral and all cash Proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied in whole or in part by the Secured Party to the payment of expenses incurred by the Secured Party in connection with the foregoing or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Party hereunder, including reasonable attorneys' fees, and the balance of such proceeds shall be applied or set off against all or any part of the Secured Obligations in such order as the Secured Party shall elect. Any surplus of such cash or cash Proceeds held by the Secured Party and remaining after payment in full of all the Secured Obligations shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive such surplus. The Grantor shall remain liable for any deficiency if such cash and the cash Proceeds of any sale or other realization of the Collateral are insufficient to pay the Secured Obligations and the fees and other charges of any attorneys employed by the Secured Party to collect such deficiency.

12. No Waiver and Cumulative Remedies. The Secured Party shall not by any act (except by a written instrument pursuant to Section 14), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

13. Security Interest Absolute. The Grantor hereby waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. All rights of the Secured Party and liens and security interests hereunder, and all Secured Obligations of the Grantor hereunder, shall be absolute and unconditional irrespective of:

(a) any illegality or lack of validity or enforceability of any Secured Obligation or any related agreement or instrument;

(b) any change in the time, place or manner of payment of, or in any other term of, the Secured Obligations, or any rescission, waiver, amendment or other modification of the Purchase Agreement, the Guaranty, this Agreement or any other agreement, including any increase in the Secured Obligations resulting from any extension of additional credit or otherwise;

(c) any taking, exchange, substitution, release, impairment or non-perfection of any Collateral or any other collateral, or any taking, release, impairment, amendment, waiver or other modification of any guaranty, for all or any of the Secured Obligations;

(d) any manner of sale, disposition or application of proceeds of any Collateral or any other collateral or other assets to all or part of the Secured Obligations;

(e) any default, failure or delay, wilful or otherwise, in the performance of the Secured Obligations;

(f) any defense, set-off or counterclaim (other than a defense of payment or performance) that may at any time be available to, or be asserted by, the Grantor against the Secured Party; or

(g) any other circumstance (including, without limitation, any statute of limitations) or manner of administering the Notes or any existence of or reliance on any representation by the Secured Party that might vary the risk of the Grantor or otherwise operate as a defense available to, or a legal or equitable discharge of, the Grantor or any other grantor, guarantor or surety.

14. Amendments. Subject to Section 11.10 of the Purchase Agreement, none of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Grantor therefrom shall be effective unless the same shall be in writing and signed by the Secured Party, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

15. Addresses For Notices. All notices and other communications provided for in this Agreement shall be in writing and shall be given in the manner and become effective as set forth in the Purchase Agreement, and addressed to the respective parties at their addresses as specified on the signature pages hereof or as to either party at such

other address as shall be designated by such party in a written notice to each other party.

16. Continuing Security Interest; Further Actions. This Agreement shall create a continuing First Priority lien and security interest in the Collateral and shall (a) subject to Section 17, remain in full force and effect until payment and performance in full of the Secured Obligations, (b) be binding upon the Grantor, its successors and assigns, and (c) inure to the benefit of the Secured Party and its successors, transferees and assigns; provided that the Grantor may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Secured Party.

17. Termination; Release. On the date on which all Secured Obligations have been paid and performed in full, the Secured Party will, at the request and sole expense of the Grantor, (a) duly assign, transfer and deliver to or at the direction of the Grantor (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Secured Party, together with any monies at the time held by the Secured Party hereunder, and (b) execute and deliver to the Grantors a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement.

18. Governing Law. This Agreement and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute, will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

19. Jurisdiction and Venue. ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE INSTITUTED IN THE COURTS OF THE PROVINCE OF ONTARIO, AND EACH PARTY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

20. Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE SECURITIES OR THE SUBJECT MATTER HEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, PURSUANT TO CONTRACT, TORT (INCLUDING NEGLIGENCE), BREACH OF DUTY, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER REPRESENTS AND WARRANTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

21. Judgment Currency

(a) If, for purposes of obtaining or enforcing a judgment in any court, it is necessary to convert into a particular currency (the "**Judgment Currency**") an amount due under this Agreement in any other currency (the "**Original Currency**"), then conversion shall be made at the rate of exchange prevailing on the business day before the day on which final judgment is given (the "**Conversion Date**"). For purposes of this Section 21, "rate of exchange" means the rate at which the party to whom the judgment is granted (the "**Judgment Creditor**") is able, on the Conversion Date, to purchase the Original Currency with the Judgment Currency in accordance with normal banking procedures in Toronto, Ontario.

(b) The obligations of the judgment debtor (the "**Judgment Debtor**") in respect of any amount due in the Original Currency from it to the Judgment Creditor under the Agreement will, notwithstanding any judgment in the Judgment Currency, be discharged only to the extent that on the business day following receipt by the Judgment Creditor of any sum adjudged to be so due in the Judgment Currency, the Judgment Creditor may, in accordance with normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the amount originally due to the Judgment Creditor in the Original Currency, the Judgment Debtor agrees, as a separate obligation and notwithstanding the judgment, to indemnify the Judgment Creditor against any loss arising as a result of such deficiency. In addition, the amount of the Original Currency so purchased exceeds the amount originally due to the Judgment Creditor in the Original Currency, the Judgment Creditor shall remit such excess to the Judgment Debtor. The indemnity in favour of the Judgment Creditor constitutes an obligation separate and independent from the other obligations contained in this Agreement, gives rise to a separate and independent cause of action, applies irrespective of any indulgence granted by the Judgment Creditor from time to time and continues in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement or under any judgment or order.

22. Verification Statement. The Grantor hereby waives the requirement to be provided with a copy of any verification statement issued in respect of a financing statement or financing change statement filed under the PPSA in connection with this Agreement.

23. Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

[*Signature pages follow.*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

"SECURED PARTY"

Address for Notices:
[***]

NR 1, LLC

Email Address:
[***]

Per: */s/ Mark Silva*
Name: Mark Silva
Title: Attorney-in-fact

"GRANTOR"

Address for Notices:

[***]

TILT HOLDINGS INC.

Per: */s/ Mark Scatterday*
Name: Mark Scatterday
Title: Interim Chief Executive Officer

[Signature Page to Canadian Security Agreement]

Exhibit 10.21

EXECUTION VERSION

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

CONSULTING SERVICES AGREEMENT

This **Consulting Services Agreement (**"**Agreement**"**)** is made this 1st day of January, 2022 ("**Effective Date**") by and between **TILT Holdings Inc.** (the "**Company**" or "**TILT**"), a corporation organized under the laws of the Province of British Columbia, Canada, with a principal place of business at 2801 E. Camelback Road, Suite 180, Phoenix, Arizona 85016, and Marshall Horowitz (the "**Consultant**"**)**, an individual. The Company and Consultant are collectively referred to herein as '**Parties**" and individually as a **"Party.**"

RECITALS

WHEREAS, the Company is a vertically integrated company involved in the business of providing products and services for the regulated cannabis industry ("**Industry**");

WHEREAS, Consultant is a provider of consulting services to legal departments;

WHEREAS, the Company desires to engage Consultant, on a non-exclusive basis, to provide certain consulting services to the Legal Department of the Company in connection with the Company's business (as stated in detail below); and

WHEREAS, Consultant is willing and able to assist the Company;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants of each to the other contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound hereby, agree as follows:

TERMS

1. INCORPORATION OF THE RECITALS.

The recitals above are incorporated herein as terms and conditions of this Agreement.

2. COMPANY ASSIGNMENT; SERVICES.

(a) Company Assignment. The Company retains the Consultant to provide the services described in **Exhibit A: Statement of Work #1** ("**SOW #1**") (the "**Services**").

(b) Services. Without limiting the scope of Services described in **SOW #1**, the Consultant shall:

(i) Perform the Services set forth in **SOW #1**. However, if a conflict exists between this Agreement and any term in **SOW #1**, the terms in this Agreement shall control;

(ii) Devote as much productive time, energy, and ability to the performance of the duties under this Agreement as may be necessary to provide the required Services in a timely and productive manner;

(iii) Communicate with the Company about progress the Consultant has made in performing the Services; and

(iv) Remove, replace, or correct all or any portion of the work or end products found defective or unsuitable, without additional cost or risk to the Company.

(c) Company's Obligations. The Company shall make timely payments of amounts earned by the Consultant under this Agreement and notify the Consultant of any changes to its procedures affecting the Consultant's obligations under this Agreement at least thirty (30) calendar days before implementing those changes.

(d) Subsequent Statement of Work. The Parties agree that for convenience, if Company desires to retain Consultant for services subsequent to and in addition to the Services specified in **SOW #1**, under the same terms and conditions set forth in this Agreement, the Parties shall simply create a new and subsequent **Statement of Work** ("**SOW**"). That new and subsequent SOW shall be numbered in sequence to the previous SOW, meaning, 2, 3 and so forth.

3. NATURE OF RELATIONSHIP AND SUBCONTRACTING.

(a) Independent Consultant Status.

(i) The relationship of the Parties under this Agreement is one of independent Consultant; no joint venture, partnership, agency, employer-employee, or similar relationship is created in or by this Agreement. Neither Party may assume or create obligations on behalf of the other Party, including, without limitation, the incurring of fees for services rendered by third party legal counsel to the Company. Neither Party may take any action that creates the appearance of such authority to bind the other Party. Both Parties acknowledge that only a Party has the authority to act on behalf of itself.

(ii) The Consultant has the sole right to control and direct the means, details, manner, and method by which the Services will be performed, and the right to perform the Services at any time or location, generally. The Consultant or the Consultant's staff shall perform the Services, and the Company is not required to hire, supervise, or pay any assistants to help the Consultant perform the Services.

(iii) Company will not:

- withhold FICA (Social Security and Medicare taxes) from Consultant's payments or make FICA payments on Consultant's behalf;

- make state or federal unemployment compensation contributions on Consultant's behalf;
- withhold local, state or federal income tax from Consultant's payments; or
- be subject to a workers compensation claim by Consultant.

Consultant shall pay all taxes incurred while performing the Services under this Agreement, including all applicable income taxes, and, if Consultant is not a corporation, self-employment (Social Security) taxes.

(b) Subcontracting.

(i) Consultant may appoint subcontractors to assist with performing any portion of the Services hereunder. However, such subcontracting is only permitted provided that: (a) Consultant notifies Company in writing of the proposed subcontractor and identifies the specific work to be performed by such individual, (b) such individual performs the work in a manner consistent with the terms, conditions, and obligations of this Agreement, and (c) Consultant remains liable to Company for the performance, acts and omissions of such individual, as if such performance, acts and omissions were the performance, acts, and omissions of Consultant. Company's prior written consent hereunder will be confirmation that Consultant is authorized to subcontract specific portions of the Services to which the consent refers. Any additional costs as a result of such arrangement will be identified with allocation determined by the Parties upfront.

4. DIRECTION AND REPORTING.

The Consultant shall receive direction from the Chief Executive Officer or such other officer or employee as may be designated in writing by the Company. The Chief Executive Officer designates the Deputy General Counsel as his representative.

5. PAYMENT.

(a) Terms and Conditions. The Company shall pay Consultant in accordance with **SOW #1** or any subsequent SOW.

(b) No Payments in Certain Circumstances. No payment will be payable to Consultant under any of the following circumstances:

(i) If prohibited under applicable government law, regulation or policy;

(ii) If Consultant did not perform or complete the Services described in **SOW #1** or any subsequent SOW;

(iii) If the Services performed occurred after the expiration or termination of the Term of this Agreement, unless otherwise agreed to in writing between the Parties.

(c) No Other Payment. The payment set out above or in accordance with the applicable SOW will be Consultant's sole compensation under this Agreement.

(d) Reimbursable Expenses. In addition to compensation for specific Services, Consultant shall be reimbursed for the actual out-of-pocket and pre-approved expenses directly related to performing the Services, in accordance with **SOW #1** or any subsequent SOW. Consultant must provide documentation (e.g., payments slips and receipts). Mileage for any travel in state and/or to from Consultant's residence will not be reimbursable. Professional licensing fees are pre-approved.

(e) Taxes. Consultant is solely responsible for the payment of all income, social security, employment-related, or other taxes incurred as a result of the performance of the Services by Consultant under this Agreement, and for all obligations, reports, and timely notifications relating to those taxes. The Company has no obligation to pay or withhold any sums for those taxes.

(f) No Other Benefits, Compensation or Equity Awards. Consultant has absolutely no claim against the Company under this Agreement or otherwise for paid time-off, vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, employee benefits of any kind, short-term incentive compensation, long-term incentive compensation, or any stock equity award of any kind. Again, pursuant to Section 3(a)(2) above, Consultant is an independent contractor, not an employee of the Company, and Consultant shall be free from the control of the Company in performing the Services under this Agreement.

(g) Invoicing, Payments & Late Payment Interest. Consultant shall submit a monthly invoice to the Company for payment. Invoices shall be submitted by electronic mail by Consultant to the Company within five (5) business days after the end of each month. Consultant shall submit monthly invoices detailing the Services rendered pursuant to this Agreement. Pre-approved and reimbursable expenses shall be billed at cost with supporting documentation. Payments shall be made within thirty (30) calendar days of the Company's receipt and approval of such invoices, unless the Parties agree to an alternative arrangement, as set forth in **SOW #1** or any subsequent SOW. All payments shall be specified and made in U.S. dollars. The Company reserves the right to review and verify the accuracy of information and satisfactory performance of the work. In the event of any good faith dispute regarding an invoice, the Company may withhold payment of disputed amounts pending resolution of the dispute. The Company shall pay disputed amounts within thirty (30) days of resolution of the dispute.

6. TERM AND TERMINATION.

(a) Term. The term ("**Term**") of this Agreement shall commence on the Effective Date. Unless it is terminated earlier in accordance with Subsection 6(b), this Agreement shall continue until July 1, 2022 and shall thereafter renew by mutual agreement, confirmed in writing, between the Parties. Nothing in this Agreement guarantees additional work for Consultant.

(b) Termination.

(i) Each Party may terminate this Agreement for any reason or no reason upon ten (10) days' written notice to the other Party.

(ii) Company may immediately terminate this Agreement if (i) Consultant commits any act of fraud, misappropriation, or personal dishonesty intended to result in the substantial personal enrichment of Consultant at the expense of Company, or (ii) Consultant is convicted of or enters a plea of nolo contendere to any felony or any misdemeanor involving moral turpitude.

(iii) Each Party may immediately terminate this Agreement if the other Party materially breaches or is in default of any obligation hereunder, except a monetary default on behalf of Company which is cured within five (5) business days of written notice of such default, or if the other Party becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of the receiver for his/her/its business or assets, or becomes subject to any proceeding under any bankruptcy or insolvency law, whether domestic or foreign, dissolved or liquidated, voluntarily or otherwise. Upon the occurrence of any of the above events, immediate notice of such event shall be given to the non-defaulting Party by the Party so affected. The aforementioned right of termination is not exclusive of any remedies to which either Party may otherwise be entitled at law or in equity in the event of a breach of this Agreement.

(c) Effect of Termination. After the termination of this Agreement, for any reason or no reason, the Company shall promptly pay Consultant for Services rendered before the effective date of the termination. No other payment, of any nature or type, shall be payable after the termination of this Agreement, unless required by applicable law.

(i) Consultant shall promptly return to Company all property of Company in Consultant's possession or control which refers or relates to Company's business, or which are otherwise the property of Company, including, but not limited to, all confidential and proprietary business information, papers, documents, letters, invoices, notes, memoranda, records, client and supplier lists, materials or other documents, and computers and computer data, whether created by Consultant or any other employees, agents or suppliers of Company in the course of their employment or relationship with Company, regardless of the form or medium retained or stored in (including electronic or digital form).

(ii) Consultant shall promptly return to Company or destroy any copies or multiple versions of any written documentation, files or other information required to be returned by Consultant under clause (i) of this Subsection 6(c), regardless of the form or medium in which such information is retained or stored (including electronic or digital form).

7. CONFIDENTIAL INFORMATION.

As used in this Agreement, "**Confidential Information**" means: (i) all information and material of Company or any of its respective parents, subsidiaries, or affiliates (including directors, officers, employees, lawyers, accountants, consultants, agents, financial advisors, or any other person or entity acting on behalf of Company) ("**Company Parties**"), in oral, written, graphic, electronic or any other form or medium, that has or shall come into Consultant's possession or knowledge in connection with or as a result of the Services, including information and material concerning the past, present or future customers, suppliers, technology, or business of Company; (ii) any analyses, compilations, studies or other documents prepared by Consultant containing, incorporating or reflecting any Company Confidential Information; and (iii) all information about an identifiable individual or other information that is subject to any federal, provincial, state or other applicable statute, law or regulation of any governmental or regulatory authority in Canada or the United States, as the case may be, relating to the collection, use, storage and/or disclosure of information about an identifiable individual.

(a) For the purposes of this definition, "information" and "material" includes know-how, data, patents, copyrights, trade secrets, processes, business rules, tools, business processes, techniques, programs, designs, formulae, marketing, advertising, financial, commercial, sales or programming materials, equipment configurations, system access codes and passwords, written materials, compositions, drawings, diagrams, computer programs, website design and coding, studies, works in progress, visual demonstrations, ideas, concepts, and other data.

(b) For purposes of this definition, "trade secrets" means (i) information including but not limited to techniques, methods of business, formula, practice, process, design, instrument, pattern, commercial method, or compilation of information not generally known or reasonably ascertainable by others by which a business can obtain an economic advantage over competitors or customers, or (ii) as otherwise defined by applicable law.

8. USE AND DISCLOSURE OF CONFIDENTIAL INFORMATION.

(a) From time to time during the Term of this Agreement or during performance of the Services hereunder, Company has disclosed or shall disclose Confidential Information to Consultant and/or Consultant may otherwise learn additional Confidential Information. All Confidential Information shall be:

(i) Received and maintained in confidence by Consultant and shall not be disclosed or permitted to be disclosed, directly or indirectly, by Consultant to any party whatsoever or used to Consultant's benefit (or the benefit of any third party) or to the detriment of Company;

(ii) Used by Consultant only for the performance of the Services hereunder;

(iii) Disclosed by Consultant only to such of its agents having a good faith need to know the Confidential Information in order for Consultant to perform the Services under this Agreement, and who are bound by a written confidentiality agreement at least as restrictive as the terms of this Agreement and specifically allowing for enforcement by Company; and

(b) Consultant shall execute such documents or maintain such records as Company may reasonably require to evidence or demonstrate its compliance with the obligations of confidentiality, non-use and non-disclosure imposed by this Section 8.

9. LIMITATIONS ON OBLIGATIONS OF SECTION 8.

(a) The obligations of confidentiality, non-use, non-disclosure and ownership imposed by this Agreement shall not apply:

(i) To any information which Consultant can demonstrate was owned or developed by Consultant independently prior to any association with Company or any

association with Company's parents, subsidiaries, or affiliates, and not at the direction of Company or Company's parents, subsidiaries, or affiliates, or any of Company's or Company's parents', subsidiaries', or affiliates' agents or principals, and which is capable of independent use apart from the work products;

(ii) To any information which is or becomes available in issued patents, published patent applications or printed publications of general public circulation other than by acts or omissions of Consultant; or

(iii) To any information which Consultant hereafter lawfully obtains from a third party other than a third party whom Consultant knows, or should know, obtained such information from Company or any other source unlawfully, or disclosed such information in violation of an obligation of confidentiality with Company.

(b) Notwithstanding Consultant's belief that any information falls within the scope of this Section 9, Consultant shall not disclose or use any such information except as permitted by Subsection 8(a)(2) hereof, unless and until (i) Consultant has given notice to Company of such belief specifying the facts and other documentary or other evidence upon which such belief is based; (ii) Consultant has furnished Company with such additional data and information as Company may reasonably request; and (iii) Company has determined that the information in question does, in fact, fall within the scope of this Section 9.

(c) The obligations of confidentiality, non-disclosure and non-use with respect to Confidential Information do not restrict Consultant from complying with any valid legal order issued by a court or governmental agency of competent jurisdiction that compels Consultant to disclose the Confidential Information; however, Consultant must promptly notify Company in writing of the legal order to allow Company a reasonable opportunity to seek to protect the Confidential Information. If such protective order or other remedy is not obtained by Company, or Company waives compliance with the provision hereof, Consultant agrees to disclose or furnish only that portion of the Confidential Information that Consultant is, in the view of its counsel, legally required to be disclosed or furnished, and Consultant agrees to use reasonable commercial efforts to ensure that confidential treatment shall be accorded such information.

(d) The obligations of confidentiality, non-disclosure and non-use with respect to Confidential Information shall continue for a period of five (5) years from the Effective Date of this Agreement. However, with respect to those items of Confidential Information which constitute trade secrets under applicable law, the confidentiality obligations shall survive to the greatest extent permitted by applicable law. Money damages may not be a sufficient remedy for any breach of this Section 9 by Consultant and, in addition to all other remedies, the Company may seek, as a result of such breach, specific performance and injunctive or other equitable relief as a remedy, as provided under applicable law.

10. NO LICENSE GRANTED TO CONSULTANT.

All rights in the Confidential Information and the work products, including rights relating to copyrights, trademarks, inventions, discoveries, patent applications or patents that may derive from or relate to the Confidential Information or the work products, now or hereafter in existence, are reserved by Company for its use, non-use or other disposition at any time, without obligation to Consultant. Company shall be the sole owner of all inventions, discoveries, updates, improvements, modifications and enhancements relating to the work products, whether in written or unwritten form and whether developed by Consultant or Company, including any such improvements. Company shall retain the exclusive right to reproduce, publish, patent, copyright, sell, license or otherwise make use of the work products and any and all inventions, discoveries, updates, improvements, modifications or enhancements developed by anyone.

11. INTELLECTUAL PROPERTY RIGHTS.

(a) All rights, title, and interest, including patent and copywriting interests, in any data, deliverable, software, artwork or other work done by Company that is system discovered, developed, learned, created, produced, or provided by Consultant, alone or in combination with any contractor or employee of Company, arising in connection with the Services or including any Confidential Information of Company, and whether arising prior to or during the Term, are the property of Company. Consultant agrees that any contributions by Consultant to the creation of such works, including all patent and copywriting interests therein, shall be considered works made for hire by Consultant for Company under *17 U.S.C. § 101* and that such works shall, upon their creation, be owned exclusively by Company, whether or not patent, copyright or other applications for intellectual property protection are filed thereon. To the extent that any such works may not be considered works made for hire for Company under applicable law, Consultant agrees to assign and, upon their creation, automatically assigns to Company, the ownership of such works, including copywriting interests and any other intellectual property therein, without the necessity of any further consideration.

(b) Consultant shall not include in any data, deliverable or artwork delivered to Company or incorporated in the work products, without the written approval of Company, any data or material which is or will be copyrighted by Consultant or others unless Consultant provides Company with the written permission of the copywriting owner for Company to use such copyrighted material in the manner provided in Subsection 11(b) hereof.

(c) Consultant will keep full and complete written records of all intellectual property and will promptly disclose all intellectual property completely and in writing to Company. The records shall be the sole and exclusive property of Company, and Consultant will surrender them upon the termination of the Agreement, or upon Company's request.

(d) Consultant agrees that it is not entitled to any additional or special compensation or reimbursement regarding any ideas, designs, concepts, writings, discoveries, inventions, improvements, processes, procedures, techniques, or developments that are deemed to be the property of Company by the terms of this Agreement.

(e) Consultant shall assign (or cause to be assigned) to Company all right, title and interest in and to all such intellectual property associated with the work products herein, including without limitation any worldwide copyright(s), moral rights, patent(s) and any and all other such rights of whatever kind, and the right to obtain registrations, renewals, reissues and extensions of the same. Consultant agrees to execute such further documents and to do such further acts as may be necessary to perfect the foregoing assignments and to protect Company's rights. In the event Consultant fails or refuses to execute such documents, Consultant hereby appoints Company as Consultant's attorney-in-fact (this appointment to be irrevocable and a power coupled with an interest) to act on Consultant's behalf and to execute such documents.

12. USE OF MARKS.

Consultant may not use, reproduce, and distribute the Company's service marks, trademarks, and trade names (if any) (collectively, the "**Company Marks**") in connection with the performance of the Services, except as otherwise expressly agreed by the Company in writing. Any goodwill received from this use, if permitted, will accrue to the Company, which will remain the sole owner of the Company Marks. Consultant may not engage in activities or commit acts, directly or indirectly, that may contest, dispute, or otherwise impair the Company's interest in the Company Marks. Consultant may not cause diminishment of value of the Company Marks through any act or representation. Consultant may not apply for, acquire, or claim any interest in any Company Marks, or others that may be confusingly similar to any

of them, through advertising or otherwise. At the expiration or earlier termination of this Agreement, Consultant will have no further right to use the Company Marks, if ever permitted, unless the Company provides written approval for each such use.

13. REPRESENTATIONS AND WARRANTIES.

(a) Representations and Warranties of Consultant. Consultant represents and warrants to Company that: (i) Services shall be performed in a professional manner and as specified in the applicable SOW; and (ii) Consultant shall have sufficient skill, knowledge and training to perform the Services.

EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 13, CONSULTANT IS MAKING NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY, QUALITY, OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY REPRESENTATION OR WARRANTY FROM COURSE OF DEALING OR USAGE OF TRADE, WITH RESPECT TO THE SERVICES RENDERED OR THE RESULTS OBTAINED, AND THE COMPANY AGREES THAT ALL SUCH OTHER REPRESENTATIONS AND WARRANTIES THAT ARE NOT PROVIDED IN THIS SECTION 13 ARE HEREBY EXCLUDED AND DISCLAIMED.

(b) Representations and Warranties of Company. The Company represents and warrants to Consultant as follows: (i) The Company has full power and authority to execute, deliver and perform this Agreement; (ii) This Agreement has been duly and validly authorized, executed and delivered by the Company and constitutes a valid and binding agreement enforceable against the Company, in accordance with its terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to creditors' rights generally and by principles of equity; and (iii) There are no pending or threatened lawsuits, claims, disputes or actions that may adversely affect the Company's ability to perform its obligations under this Agreement.

14. FEDERAL LAW EXCEPTION.

Parties acknowledge that the U.S. Controlled Substances Act lists cannabis as a Schedule 1 narcotic, and that the cultivation, manufacturing, supply, purchase, sale, distribution and dispensing of cannabis is in violation of federal law, although it is permitted by certain states' laws. Neither Party shall be liable for any damages whatsoever of the other Party or the indemnification of the other Party, nor shall any Party be held to be in default or breach, in connection with such Party's noncompliance with any federal laws related to cannabis. Federal illegality does not constitute a viable defense for any claim emerging from this Agreement. Parties give up the right to attempt to claim this defense or to void this Agreement on such grounds.

15. OTHER ACTIVITIES/NON-EXCLUSIVITY.

During the Term of this Agreement, Consultant shall have the right to unilaterally decide to work with other companies/clients at any given time on services similar to those covered by this Agreement. Consultant is free to engage in other independent contracting activities, except that Consultant may not accept work, enter into contracts, or accept obligations inconsistent or incompatible with Consultant's obligations or the scope of Services to be rendered for the Company under this Agreement.

16. INDEMNIFICATION.

(a) Of Consultant by Company. At all times after the Effective Date, Company shall indemnify Consultant and its officers, managers, employees, affiliates, subsidiaries, successors, and agents (collectively, the "**Consultant Indemnitees**") from all damages, liabilities, expenses, claims, or judgments (including interest, penalties, reasonable attorneys' fees, accounting fees, expert witness fees, costs of investigation, court costs, other litigation expenses, and related business expenses) (collectively, the "**Claims**") that any of the Consultant Indemnitees may incur and that arise as a result of any action or omission by Company, their employees or agents, or any independent contractor for work related to this Agreement, except to the extent any such injuries, losses, claims, or damages are caused by Consultant's negligence, gross negligence, or willful misconduct

(b) The Company has the absolute right to defend any claim arising from any actions or omissions highlighted above and shall have the right to have counsel of its own choosing, the reasonable cost of which shall be borne by Company.

17. INSURANCE.

Consultant shall procure and maintain, at its expense, all insurance coverage required under applicable law;provided, however, Company agrees and acknowledges that the Services are not legal services and Consultant is not required to procure and maintain professional malpractice insurance..

18. LEGAL COMPLIANCE.

Consultant shall perform the Services in accordance with standards prevailing in the Company's industry, and in accordance with applicable laws, rules, or regulations. Consultant shall obtain all business permits, certificates, and licenses required to comply with those standards, laws, rules, or regulations subject to the Section 17 above.

19. NO SOLICITATION OF EMPLOYEES.

During the period of one (1) year following the Effective Date, Consultant shall not solicit for hire or employment, directly or indirectly, any officer or employee of the Company or its parents, subsidiaries, or affiliates, and Consultant shall not agree to employ any officer or employee so solicited. Notwithstanding the foregoing, nothing in this Agreement shall prevent the Consultant from hiring any officer or employee of the Company who: (i) is solicited by non-targeted advertising placed in a newspaper, trade journal, through a web site or via other media of general circulation; (ii) is solicited by an employee of an executive search firm acting on the Consultant's behalf where the Consultant did not identify to such search firm the name of such officer or employee and the Consultant did not direct, instruct, or encourage the solicitation of the specific officer or employee, (iii) is terminated by the Company prior to their commencement of employment discussions with the Consultant, or (iv) initiates discussions regarding such employment without any direct solicitation by the Consultant.

20. FORCE MAJEURE.

No Party shall be considered in breach of or in default of this Agreement because of, and will not be liable to the other Party for, any delay or failure to perform its obligations under this Agreement by reason of fire, earthquake, flood, tornado, hurricane, explosion, strike, riot, war, terrorism, epidemic, pandemic, or similar event beyond that Party's reasonable control (each a "**Force Majeure Event**"). However, if a Force Majeure Event occurs, the affected Party shall, as soon as practicable:

(a) Notify the other Party of the Force Majeure Event and its impact on performance under this Agreement; and

(b) Use reasonable efforts to resolve any issues resulting from the Force Majeure Event and perform its obligations under this Agreement.

21. DISPUTE RESOLUTION.

Any non-time barred, legally actionable controversy or claim arising out of or relating to this Agreement, its enforcement, arbitrability or interpretation, or because of an alleged breach, default, or misrepresentation in connection with any of its provisions, or any other non-time barred, legally actionable controversy or claim arising out of or relating to the Consultant's Services, shall be submitted to individual, final and binding arbitration, to be held in Maricopa County, Arizona, before a single arbitrator selected from **Judicial Arbitration and Mediation Services, Inc. ("JAMS")**, in accordance with the then-current JAMS Arbitration Rules and Procedures, as modified by the terms and conditions in this Section. Parties will select the arbitrator by mutual agreement or, if the Parties cannot agree, then by striking from a list of qualified arbitrators supplied by JAMS. Final resolution of any dispute through arbitration may include any remedy or relief that is provided for through any applicable state or federal statutes, or common law. Statutes of limitations shall be the same as would be applicable were the action to be brought in court. The arbitrator selected pursuant to this Agreement may order such discovery as is necessary for a full and fair exploration of the issues and dispute, consistent with the expedited nature of arbitration. The Parties agree, and the arbitrator shall issue an order providing, that all pleadings, motions, discovery responses, depositions, testimony, and documents exchanged or filed in relation to the arbitration be kept strictly confidential. At the conclusion of the arbitration, the arbitrator shall issue a written decision that sets forth the essential findings and conclusions upon which the arbitrator's award or decision is based. Any award or relief granted by the arbitrator under this Agreement shall be final and binding on the Parties to this Agreement and may be enforced by any court of competent jurisdiction. The Company will pay those arbitration costs that are unique to arbitration, including the arbitrator's fee (recognizing that each side bears its own deposition, witness, expert and attorneys' fees and other expenses to the same extent as if the matter were being heard in court). If, however, any Party prevails on a statutory claim, which affords the prevailing party attorneys' fees and costs, then the arbitrator may award reasonable fees and costs to the prevailing party. The arbitrator may not award attorneys' fees to a Party that would not otherwise be entitled to such an award under the applicable statute. The arbitrator shall resolve any dispute as to the reasonableness of any fee or cost. Except as expressly provided in this Agreement, the Parties acknowledge and agree that they are hereby waiving any rights to trial by jury or a court in any action or proceeding brought by either of the Parties against the other in connection with any matter whatsoever arising out of or in any way connected with this Agreement or the Consultant's Services.

This Agreement to arbitrate is freely negotiated between the Parties and is mutually entered into between the Parties. Each Party fully understands and agrees that they are giving up certain rights otherwise afforded to them by civil court actions, including but not limited to the right to a jury trial.

22. GOVERNING LAW, CHOICE OF FORUM, AND ATTORNEYS' FEES.

(a) Governing Law. This Agreement, for all purposes, shall be construed in accordance with the laws of the State of Arizona, without regard to conflicts of law principles, except for the arbitration provisions which shall be governed solely by the Federal Arbitration Act, 9 U.S.C. §§ 1-4. In furtherance of the foregoing, the internal laws of the State of Arizona will control the interpretation and construction of this Agreement, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

(b) Choice of Forum. Both Parties consent to the personal jurisdiction of the state and federal courts in Maricopa County, City of Phoenix, State of Arizona.

(c) Attorneys' Fees. If either Party employs attorneys to enforce any rights arising out of or relating to this Agreement, in any legal proceeding (judicial or arbitral), the losing Party shall reimburse the prevailing Party (as defined by the courts of Arizona, and as decided by the court or arbitrator) for their reasonable attorneys' fees.

23. AMENDMENTS.

This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each Party hereto.

24. ASSIGNMENT AND DELEGATION.

(a) No Assignment. Neither Party may assign any of its rights under this Agreement, except with the prior written consent of the other Party, which consent shall not be unreasonably withheld. All voluntary assignments of rights are limited by this subsection. However, the Company may assign this Agreement to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company.

(b) No Delegation. Neither Party may delegate any performance under this Agreement, except with the prior written consent of the other Party, which consent shall not be unreasonably withheld.

(c) Enforceability of an Assignment or Delegation. If a purported assignment or purported delegation is made in violation of this Section 24, it is null and void from the initial date of the purported assignment or delegation.

25. COUNTERPARTS AND ELECTRONIC SIGNATURES.

(a) Counterparts. The Parties may execute this Agreement in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

(b) Electronic Signatures. This Agreement, agreements ancillary to this Agreement, and related documents entered into in connection with this Agreement are signed when a Party's signature is delivered by facsimile, email, or another electronic medium. These signatures must be treated in all respects as having the same force and effect as original signatures.

26. SEVERABILITY.

If any one or more of the provisions contained in this Agreement is, for any reason, held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability will not affect any other provisions of this Agreement, but this Agreement will be construed as if those invalid, illegal, or unenforceable provisions had never been contained in it, unless the deletion of those provisions would result in such a material change so as to cause completion of the transactions contemplated by this Agreement to be unreasonable.

27. NOTICES.

(a) Writing; Permitted Delivery Methods. Each Party giving or making any notice, request, demand, or other communication required or permitted by this Agreement shall give that notice in writing and use one of the following types of delivery, each of which is a writing for purposes of this Agreement: (i) personal delivery, (ii) mail (registered or certified mail, (iii) postage prepaid, return-receipt requested), (iv) nationally recognized overnight courier (fees prepaid), (v) facsimile, or (vi) email.

(b) Addresses. A Party shall address notices under this Section 27 to a Party at the following addresses:

If to Company:
TILT Holdings Inc.
ATTN: Gary F. Santo, Jr., CEO
2801 E. Camelback Road, Suite 180
Phoenix, AZ 85016
Email: gsanto@tiltholdings.com

If to Consultant:
ATTN: Marshall Horowitz
[* * *]

(c) Effectiveness. A notice is effective only if the Party giving notice complies with Subsections 27 (a) and (b) and if the recipient receives the notice. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via electronic mail, five (5) days after deposit in the U.S. mail, and one (1) day after deposit with a reputable overnight courier service.

28. WAIVER.

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement will be effective unless it is in writing and signed by the Party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy will be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, and no waiver will constitute a continuing waiver, unless the writing so specifies.

29. ENTIRE AGREEMENT.

This Agreement constitutes the final agreement of the Parties. It is the complete and exclusive expression of the Parties' agreement about the subject matter of this Agreement. All prior and contemporaneous communications, negotiations, and agreements between the Parties relating to the subject matter of this Agreement are expressly merged into and superseded by this Agreement. The provisions of this Agreement may not be explained, supplemented, or qualified by evidence of trade usage or a prior course of dealings. Neither Party was induced to enter this Agreement by, and neither Party is relying on, any statement, representation, warranty, or agreement of the other Party except those set forth expressly in this Agreement. Except as set forth expressly in this Agreement, there are no conditions precedent to this Agreement's effectiveness.

30. SURVIVAL.

Upon the expiration or other termination of this Agreement, the respective rights and obligations of the Parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the Parties under this Agreement.

31. HEADINGS.

The descriptive headings of the sections and subsections of this Agreement are for convenience only and do not affect this Agreement's construction or interpretation.

32. NECESSARY ACTS; FURTHER ASSURANCES.

Each Party and its officers and directors shall use all reasonable efforts to take, or cause to be taken, all actions necessary or desirable to consummate and make effective the transactions this Agreement contemplates or to evidence or carry out the intent and purposes of this Agreement.

(The remainder of this page is intentionally left blank. The signature page is below.)

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

COMPANY:

TILT HOLDINGS INC.

Signature: /s/ Gary F. Santo, Jr.

By: Gary F. Santo, Jr.

Title: Chief Executive Officer

Date: January 4, 2022

CONSULTANT:

/s/ Marshall Horowitz
Marshall Horowitz

Date: January 4, 2022

EXHIBIT A:
STATEMENT OF WORK #1 (SOW #1)

OBJECTIVES, EFFECTIVE DATE, SERVICES, FEES, REIMBURSEABLE EXPENSES, AND SUBSEQUENT STATEMENTS OF WORK

1. OBJECTIVES.

Provision of consulting services to Legal Department, including, but not limited to, (i) providing guidance and assistance with any refinancing of the Company's debt and related debt and (ii) providing guidance and assistance with regard to litigation matters, specifically the actions involving O'Melveney & Myers and the Haze Corporation.

2. EFFECTIVE DATE.

This **SOW #1** shall become effective as of the dates the **SOW #1** is signed by the Parties, as set forth in the signature section below. The date on which this **SOW #1** is signed by the last Party (as indicated by the date associated with that Party's signature) shall be deemed the effective date of this **SOW #1**.

3. SERVICES.

Consultant shall perform the following Services:

Availability and provision of guidance and counsel with regard to the above objectives.

Consultant shall not (i) engage any outside legal counsel or other vendor on behalf of the Company or (ii) direct outside legal counsel or other vendor to act on behalf of the Company.

4. FEES.

Consultant's standard monthly service fee is $15,000.

5. REIMBURSEABLE EXPENSES.

In addition to the fees for specific Services, Consultant shall be reimbursed for the actual pre-approved, out-of-pocket expenses directly related to undertaking the Services. Professional licensing fees are pre-approved.

6. SUBSEQUENT STATEMENTS OF WORK.

The Parties agree that for convenience, if Company desires to retain Consultant for services subsequent to and in addition to the Services specified in this **SOW #1**, under the same terms and conditions set forth in this Agreement, the Parties shall simply create a new and subsequent SOW. That new and subsequent SOW shall be numbered in sequence to the previous SOW, meaning, 2, 3 and so forth.

IN WITNESS WHEREOF, the Parties have executed this **SOW #1** as of the date first written above.

COMPANY:

TILT HOLDINGS INC.

Signature: /s/ Gary F. Santo

By: Gary F. Santo, Jr.

Title: Chief Executive Officer

Date: January 4, 2022

CONSULTANT:

/s/ Marshall Horowitz
Marshall Horowitz

Date: January 4, 2022

Certain identified information has been omitted from this document because it is not material and is treated as private or confidential. Such information has been marked with "[***]" to indicate where omissions have been made.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into this the 5th day of August 2020, with effect as of July 29, 2020 (the "Effective Date"), by and between **TILT Holdings, Inc.** (the "Company"), and Marshall Horowitz (the "Executive").

RECITALS

THE PARTIES ENTER THIS AGREEMENT on the basis of the following facts, understandings and intentions:

A. The Company desires to further employ the Employee, and the Employee desires to accept such employment, on the terms and conditions set forth in this Agreement.

B. This Agreement shall be effective as of July 29th, 2020 (the "Effective Date") and shall govern the employment relationship between the Employee and the Company from and after the Effective Date and, as of the Effective Date, supersedes and negates all previous agreements and understandings with respect to such relationship.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals incorporated herein and the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the parties agree as follows:

1. Retention and Duties.

1.1 Retention. The Company does hereby hire, engage and employ the Executive for the Period of Employment (as such term is defined in Section 2) on the terms and conditions expressly set forth in this Agreement. The Executive does hereby accept and agree to such hiring, engagement and employment, on the terms and conditions expressly set forth in this Agreement. Certain capitalized terms used herein are defined in Section 5.5 of this Agreement.

1.2 Duties. During the Period of Employment, the Executive shall serve the Company as its **General Counsel** and shall have the powers, authorities, duties and obligations of management usually vested in the office of the General Counsel of a company of a similar size and similar nature of the Company, and such other powers, authorities, duties and obligations commensurate with such positions as the Company's Chief Executive Officer or Board of Directors (the "Board") may assign from time to time, all subject to the directives of the Board and the corporate policies of the Company as they are in effect from time to time throughout the Period of Employment. During the Period of Employment, the Executive shall report to the **Chief Executive Officer**.

1.3 No Other Employment; Minimum Time Commitment. During the Period of Employment, the Executive shall (i) devote substantially all of the Executive's business time, energy and skill to the performance of the Executive's duties for the Company, (ii) perform such duties in a faithful, effective and efficient manner to the best of his abilities, and (iii) hold no other employment. The Executive's service on the boards of directors (or similar body) of other business entities is subject to the prior written approval of the Board. The Company shall have the right to require the Executive to resign from any board or similar body (including, without limitation, any association, corporate, civic or charitable board or similar body) which he may then serve if the Board reasonably determines that the Executive's service on such board or body interferes with the effective discharge of the Executive's duties and responsibilities to the Company or that any business related to such service is then in direct or indirect competition with any business of the Company or any of its Affiliates, successors or assigns. Notwithstanding the foregoing, the Executive may serve as the trustee of any trust for the benefit of any family member, including himself, or personal friend, and as an advisor to any person or entity for whom or which he currently serves as an advisor.

1.4 No Breach of Contract. The Executive hereby represents to the Company and agrees that: (i) the execution and delivery of this Agreement by the Executive and the Company and the performance by the Executive of the Executive's duties hereunder do not and shall not constitute a breach of, conflict with, or otherwise contravene or cause a default under, the terms of any other agreement or policy to which the Executive is a party or otherwise bound or any judgment, order or decree to which the Executive is subject; (ii) the Executive will not enter into any new agreement that would or reasonably could contravene or cause a default by the Executive under this Agreement; (iii) the Executive has no information (including, without limitation, confidential information and trade secrets) relating to any other Person which would prevent, or be violated by, the Executive entering into this Agreement or carrying out his duties hereunder; (iv) to the extent the Executive has any confidential or similar information that he is not free to disclose to the Company, he will not disclose such information to the extent such disclosure would violate applicable law or any other agreement or policy to which the Executive is a party or by which the Executive is otherwise bound; and (v) the Executive understands the Company will rely upon the accuracy and truth of the representations and warranties of the Executive set forth herein and the Executive consents to such reliance.

1.5 Travel. The Executive acknowledges that his primary work location will be in or around the area of San Marino, CA, but he will be required to travel from time to time in the course of performing his duties for the Company. All such travel is subject to company policy applicable to similarly situated executives of the Company.

2. Period of Employment. The "Period of Employment" shall be a period of **two** years commencing on the Effective Date and ending at the close of business on the second anniversary of the Effective Date (the "Termination Date"); provided, however, that this Agreement shall be automatically renewed, and the Period of Employment shall be automatically extended for one (1) additional year on the Termination Date and each anniversary of the Termination Date thereafter, unless either party gives written notice at least sixty (60) days prior to the expiration of the Period of Employment (including any renewal thereof) of such party's desire to terminate the Period of Employment (such notice to be delivered in accordance with Section 18). The term "Period of Employment" shall include any extension thereof pursuant to the preceding sentence. Notwithstanding the foregoing, the Period of Employment is subject to earlier termination as provided below in this Agreement.

3. Compensation.

3.1 **Base Salary.** During the Period of Employment, the Company shall pay the Executive a base salary (the "Base Salary"), which shall be paid in accordance with the Company's regular payroll practices in effect from time to time but not less frequently than in monthly installments. The Executive's Base Salary shall be at an annualized rate of **four hundred thousand** ($400,000.00) US Dollars. The Board (or a committee thereof) may, in its sole discretion, increase the Executive's rate of Base Salary.

3.2 **Incentive Bonus.** The Executive shall be eligible to receive an incentive bonus for each full fiscal year of active employment with the Company that occurs during the Period of Employment ("Incentive Bonus"). The Incentive Bonus shall be equal to between 50%-100% of Executive's annualized base salary for each fiscal year, but shall in no event be less than 50% of the Executive's highest annualized base salary for the applicable fiscal year. Subject to the provisions of this Section, Executive's actual Incentive Bonus amount for a particular fiscal year shall be determined by the Board (or a committee thereof) in its sole discretion, based on performance objectives (which may include corporate, business unit or division, financial, strategic, individual or other objectives) established with respect to that particular fiscal year by the Board (or a committee thereof) using the targeted guidance of 50%-100% of annualized salary. The Incentive Bonus will be paid to the Executive upon the earlier of: (x) the date when bonuses are paid to any other executive level employee or (y) 60 days after the end of the prior calendar year to which the Incentive Bonus relates.

3.3 **Equity Award .** Subject to approval by the Board or any duly appointed committee thereby, as soon as practical after the Company has an open trading window pursuant to its Insider Trading Policy, after the Effective Date, the Company will grant the Executive a stock option (the "Option") to purchase shares of the Company's common stock in accordance with the Company's Equity and Incentive plan, in the amount of 800,000 incentive stock options at a price per share not less than the per-share fair market value of a share of the common stock of the Company on the date of grant, as reasonably determined by the Board (the "2020 Options"). Such number of shares is subject to adjustment, as provided in the adjustment provisions of the Company's Amended and Restated 2018 Stock and Incentive Plan, should a stock split, reverse stock split, or certain other events occur before the date of grant of the Option. The 2020 Options shall vest, subject to the Executive's continued employment by the Company, over a period of twenty-four (24) months, with respect to 25% of the shares subject to this option on each of the following dates: (i) on the date that is six (6) months from the Effective Date, (ii) on the date that is twelve (12) months from the Effective Date, (iii) on the date that is eighteen (18) months from the Effective Date, and (iv) on the date that is twenty-four (24) months from the Effective Date.

4. Benefits.

4.1 **Retirement, Welfare and Fringe Benefits.** During the Period of Employment, the Executive shall be entitled to participate in all employee pension and welfare benefit plans and programs, and fringe benefit plans and programs, made available by the Company to the Company's employees generally, in accordance with the eligibility and participation provisions of such plans and as such plans or programs may be in effect from time to time.

4.2 **Reimbursement of Business Expenses.** The Executive is authorized to incur reasonable expenses in carrying out the Executive's duties for the Company under this Agreement and shall be entitled to reimbursement for all reasonable business expenses the Executive incurs prior to or during the Period of Employment in connection with carrying out the Executive's duties for the Company, including in connection with his home office, subject to the Company's expense reimbursement policies and any pre-approval policies in effect from time to time. The Executive agrees to promptly submit and document any reimbursable expenses in accordance with the Company's expense reimbursement policies to facilitate the timely reimbursement of such expenses.

4.3 **Paid Time Off and Other Leave.** During the Period of Employment, the Executive's annual rate of paid time off accrual shall be one-hundred and sixty hours (160) per year, with such time off to accrue and be subject to the Company's PTO policies in effect for executives of the Company from time to time, including any policy which may limit time off accruals and/or limit the amount of accrued but unused time off to carry over from year to year. The Executive shall also be entitled to all other holiday and leave pay generally available to other executives of the Company.

5. Termination.

5.1 **Termination by the Company.** During the Period of Employment, the Executive's employment by the Company, and the Period of Employment, may be terminated at any time by the Company: (i) with Cause, or (ii) with no less than thirty (30) days' advance written notice to the Executive (such notice to be delivered in accordance with Section 18), without Cause, or (iii) in the event of the Executive's death, or (iv) in the event that the Board determines in good faith that the Executive has a Disability.

5.2 **Termination by the Executive.** During the Period of Employment, the Executive's employment by the Company, and the Period of Employment, may be terminated by the Executive with thirty (30) days' advance written notice to the Company (such notice to be delivered in accordance with Section 18); provided, however, that in the case of a termination for Good Reason, the Executive may provide immediate written notice of termination once the applicable cure period (as contemplated by the definition of Good Reason) has lapsed if the Company has not reasonably cured the circumstances that gave rise to the basis for the Good Reason termination. The Company may direct the Executive to refrain from performing the Executive's duties, and/or place the Executive on paid administrative leave, during the thirty (30) day notice period (or any portion thereof), and such action shall not constitute a breach by the Company of this Agreement nor shall it constitute Good Reason.

5.3 **Benefits upon Termination.** If the Executive's employment by the Company is terminated for any reason by the Company or by the Executive (the date that the Executive's employment by the Company terminates is referred to as the "Severance Date"), the Company shall have no further obligation to make or provide to the Executive, and the Executive shall have no further right to receive or obtain from the Company, any payments or benefits except as follows:

(a) The Company shall pay the Executive (or, in the event of his death, the Executive's estate) any Accrued Obligations;

(b) If the Executive's employment with the Company terminates during the Period of Employment as a result of a termination by the Company without Cause (other than due to the Executive's death or Disability) or a resignation by the Executive for Good Reason, the Executive shall be entitled to the following benefits:

(i) The Company shall pay or reimburse the Executive (in addition to the Accrued Obligations), for his premiums charged to continue medical coverage, plus his prorated portion of the Executive's minimum Incentive Bonus amount as in effect on the Severance Date. Such amount is referred to hereinafter as the "Severance Benefit." The coverage of medical premiums is pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), at the same or reasonably equivalent medical coverage for the Executive (and, if applicable, the Executive's eligible dependents) as in effect immediately prior to the Severance Date, to the extent that the Executive elects such continued coverage; provided that the Company's obligation to make any payment or reimbursement pursuant to this clause (i) shall, subject to Section 21(b), commence with continuation coverage for the month following the month in which the Executive's Separation from Service occurs and shall cease with continuation coverage for the sixth month following the month in which the Executive's Separation from Service occurs (or, if earlier, shall cease upon the first to occur of the Executive's death, the date the Executive becomes eligible for coverage under the health plan of a future employer, or the date the Company ceases to offer group medical coverage to its active executive employees or the Company is otherwise under no obligation to offer COBRA continuation coverage to the Executive). To the extent the Executive elects COBRA coverage, he shall notify the Company in writing of such election prior to such coverage taking effect and complete any other continuation coverage enrollment procedures the Company may then have in place. The Company's obligations pursuant to this Section 5.3(b)(i) are subject to the Company's ability to comply with applicable law and provide such

benefit without resulting in material adverse tax consequences.

(ii) Based upon the Company pay practices at the time of separation; on the next regularly scheduled pay date following the Executive's Separation from Service, subject to the execution of the general release attached as Exhibit A and other requirements of Paragraph 5.4 below, the Company shall pay the Executive the amount of Base Salary equal to one (1) week at the rate of pay upon separation per every one (1) month that the Executive was actively and continuously employed by the Company up to a maximum of twelve (12) months; provided, however, the amount of these additional severance payments will be reduced dollar-for-dollar by the amount of compensation for providing services (whether as employee, consultant, independent contractor or otherwise) earned by Executive from any source following the Severance Date. In no case shall the total payment owed under this Paragraph 5.3(b)(ii) exceed the total Base Salary earned by the Executive in the prior twelve (12) months, regardless of the Executive's tenure at the time of separation. For the purposes of clarity, any calendar month in which the Executive is actively employed by the Company for at least one (1) business day counts as a full month for the purposes of this payment. The duration of Executive's active and continuous employment with the Company shall be calculated without regard to the employment agreement then in effect, so long as the Executive was actively and continuously employed by the Company. Additionally, the Company shall pay the Executive a prorated portion of the Executive's minimum Incentive Bonus with respect to the fiscal year in which the Severance Date occurs, such amount to equal (x) the Executive's minimum annual Incentive Bonus amount as in effect on the Severance Date multiplied by (y) a fraction, the numerator of which is the total number of days in such fiscal year in which the Executive was employed by the Company and the denominator of which is the total number of days in such fiscal year. The payments in subsections (i) and (ii) herein shall be known as the "Severance Benefits."

(iii) As to each then-outstanding stock option and other equity-based award granted by the Company to the Executive that vests based solely on the Executive's continued service with the Company, the Executive shall vest as of the Severance Date in the portion of any such award that is outstanding and unvested immediately prior Severance Date and was otherwise scheduled to vest (in accordance with the time-based vesting schedule applicable to the award) in the thirty (30) day period immediately following the Severance Date. Any other stock option or other equity-based award granted by the Company to the Executive that is then-outstanding and unvested on the Severance Date, and any unvested portion of any stock option or other-equity based award referred to in the preceding sentence that remains unvested after giving effect to the acceleration of vesting provided for in the preceding sentence, shall terminate on the Severance Date and the Executive shall have no further right with respect thereto or in respect thereof. If a stock option or other equity-based award granted by the Company the Executive includes accelerated vesting provisions that are more favorable to the Executive in the circumstances than the provisions of this clause (iii), the provisions of the award (and not this clause (iii)) will apply as to that particular award.

(c) If the Executive's employment with the Company terminates during the Period of Employment as a result of the Executive's death or Disability, the Company shall have no further obligation to pay the Executive. The Executive's then-outstanding stock option and other equity-based awards granted by the Company to Executive shall be treated as provided in Section 5.3(b)(iii).

(d) Notwithstanding the foregoing provisions of this Section 5.3, if the Executive breaches his obligations under Section 6 of this Agreement at any time, from and after the date of such breach and not in any way in limitation of any right or remedy otherwise available to the Company, the Executive will no longer be entitled to, and the Company will no longer be obligated to pay, any remaining unpaid portion of the Severance Benefit, or to any continued Company-paid or reimbursed coverage pursuant to Section 5.3(b)(i); provided that, if the Executive provides the Release contemplated by Section 5.4, in no event shall the Executive be entitled to benefits pursuant to Section 5.3(b) of less than $5,000 (or the amount of such benefits, if less than $5,000), which amount the parties agree is good and adequate consideration, in and of itself, for the Executive's Release contemplated by Section 5.4.

(e) The foregoing provisions of this Section 5.3 shall not affect: (i) the Executive's receipt of benefits otherwise due terminated employees under group insurance coverage consistent with the terms of the applicable Company welfare benefit plan; (ii) the Executive's rights under COBRA to continue health coverage; or (iii) the Executive's receipt of benefits otherwise due in accordance with the terms of the Company's 401(k) plan (if any).

5.4 Release; Exclusive Remedy; Leave.

(a) This Section 5.4 shall apply notwithstanding anything else contained in this Agreement or any stock option or other equity-based award agreement to the contrary. As a condition precedent to any Company obligation to the Executive pursuant to Section 5.3(b) or any other obligation to accelerate vesting of any equity-based award in connection with the termination of the Executive's employment, the Executive shall provide the Company with a valid, executed general release agreement in substantially the form attached hereto as Exhibit A (with such changes as may be reasonably required to such form to help ensure its enforceability in light of any changes in applicable law) (the "Release"), and such Release shall have not been revoked by the Executive pursuant to any revocation rights afforded by applicable law. The Company shall provide the final form of Release to the Executive not later than seven (7) days following the Severance Date, and the Executive shall be required to execute and return the Release to the Company within twenty-one (21) days (or forty-five (45) days if such longer period of time is required to make the Release maximally enforceable under applicable law) after the Company provides the form of Release to the Executive.

(b) The Executive agrees that the payments and benefits contemplated by Section 5.3 shall constitute the exclusive and sole remedy for any termination of his employment and the Executive covenants not to assert or pursue any other remedies at law or in equity, with respect to any termination of employment. The Company and the Executive acknowledge and agree that there is no duty of the Executive to mitigate damages under this Agreement. All amounts paid to the Executive pursuant to Section 5.3 shall be paid without regard to whether the Executive has taken or takes actions to mitigate damages. The Executive agrees to resign, on the Severance Date, as an officer and director of the Company and any Affiliate of the Company, and as a fiduciary of any benefit plan of the Company or any Affiliate of the Company, and to promptly execute and provide to the Company any further documentation, as requested by the Company, to confirm such resignation, and to remove himself as a signatory on any accounts maintained by the Company or any of its Affiliates (or any of their respective benefit plans).

(c) In the event that the Company provides the Executive notice of termination without Cause pursuant to Section 5.1 or the Executive provides the Company notice of termination pursuant to Section 5.2, the Company will have the option to place the Executive on paid administrative leave during the notice period.

5.5 Certain Defined Terms.

(a) As used herein, "Accrued Obligations" means:

(i) any Base Salary that had accrued but had not been paid (including accrued and unpaid vacation time) on or before the Severance Date; and

(ii) any reimbursement due to the Executive pursuant to Section 4.2 for expenses reasonably incurred by the Executive on or before the Severance Date and documented and pre-approved, to the extent applicable, in accordance with the Company's expense reimbursement policies in effect at the applicable time.

(b) As used herein, "Affiliate" of the Company means a Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company. As used in this definition, the term "control," including the correlative terms "controlling," "controlled by" and "under common control

with," means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person.

(c) As used herein, "Cause" shall mean that one or more of the following has occurred:

(i) the Executive is convicted of, pled guilty or pled *nolo contendere* to a felony (under the laws of the United States or any relevant state, or a similar crime or offense under the applicable laws of any relevant foreign jurisdiction);

(ii) the Executive has engaged in acts of fraud, dishonesty or other acts of willful misconduct in the course of his duties hereunder;

(iii) the Executive willfully fails to perform or uphold his duties under this Agreement and/or willfully fails to comply with reasonable directives of the Board; or

(iv) a breach by the Executive of any provision of Section 6, or any material breach by the Executive of any other provision of this Agreement or of any other contract he is a party to with the Company or any of its Affiliates;

provided, however, that any condition or conditions referenced in clauses (iii) and (iv) above, as applicable, shall not constitute Cause unless both (x) the Company provides written notice to the Executive of the condition claimed to constitute Cause (such notice to be delivered in accordance with Section 18), and (y) the Executive fails to remedy to the reasonable satisfaction of the Company such condition(s) within thirty (30) days of receiving such written notice thereof. However, no act or failure to act, on the Executive's part shall be considered "willful" unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that his action or omission was in the best interest of the Company.

(d) As used herein, "Disability" shall mean a physical or mental impairment which, as reasonably determined by the Board, renders the Executive unable to perform the essential functions of his employment with the Company, even with reasonable accommodation that does not impose an undue hardship on the Company, for more than 90 days in any 180-day period, unless a longer period is required by federal or state law, in which case that longer period would apply.

(e) As used herein, "Good Reason" shall mean the occurrence (without the Executive's consent) of any one or more of the following conditions:

(i) a material diminution in the Executive's rate of Base Salary; or

(ii) a material diminution in the Executive's authority, duties, or responsibilities; or

(iii) a requirement that the Executive relocate his primary place of work out of San Marino, California; or

(iv) a material breach by the Company of this Agreement;

provided, however, that any such condition or conditions, as applicable, shall not constitute Good Reason unless both (x) the Executive provides written notice to the Company of the condition claimed to constitute Good Reason within sixty (60) days of the initial existence of such condition(s) (such notice to be delivered in accordance with Section 18), and (y) the Company fails to remedy to the reasonable satisfaction of the Executive such condition(s) within thirty (30) days of receiving such written notice thereof; and provided, further, that in all events the termination of the Executive's employment with the Company shall not constitute a termination for Good Reason unless such termination occurs not more than one hundred and twenty (120) days following the initial existence of the condition claimed to constitute Good Reason.

(f) As used herein, the term "Person" shall be construed broadly and shall include, without limitation, an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

(g) As used herein, a "Separation from Service" occurs when the Executive dies, retires, or otherwise has a termination of employment with the Company that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h)(1), without regard to the optional alternative definitions available thereunder.

5.6. Notice of Termination; Employment Following Expiration of Period of Employment. Any termination of the Executive's employment under this Agreement shall be communicated by written notice of termination from the terminating party to the other party. This notice of termination must be delivered in accordance with Section 18 and must indicate the specific provision(s) of this Agreement relied upon in effecting the termination. If the Company or the Executive do not renew the terms of this agreement or execute a new agreement following the expiration of the Period of Employment, the Executive's employment by the Company following the expiration of the Period of Employment shall be on an at-will basis and may be terminated by the Company or by the Executive at any time, for any reason (or for no reason), with or without advance notice.

6. Protective Covenants.

6.1 Confidential Information; Inventions.

(a) The Executive shall not disclose or use at any time, either during the Period of Employment or thereafter, any Confidential Information (as defined below) of which the Executive is or becomes aware, whether or not such information is developed by him, except to the extent that such disclosure or use is directly related to and required by the Executive's performance in good faith of duties for the Company. The Executive will take all appropriate steps to safeguard Confidential Information in his possession and to protect it against disclosure, misuse, espionage, loss and theft. The Executive shall deliver to the Company at the termination of the Period of Employment, or at any time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) relating to the Confidential Information or the Work Product (as hereinafter defined) of the business of the Company or any of its Affiliates which the Executive may then possess or have under his control. Notwithstanding the foregoing, the Executive may truthfully respond to a lawful and valid subpoena or other legal process, but shall give the Company the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought, and shall assist the Company and such counsel in resisting or otherwise responding to such process.

(b)The Executive understands that nothing in this Agreement is intended to limit the Executive's right (i) to discuss the terms, wages, and working conditions of the Executive's employment to the extent permitted and/or protected by applicable labor laws, (ii) to report Confidential Information in a confidential manner either to a federal, state or local government official or to an attorney where such disclosure is ***solely*** for the purpose of reporting or investigating a suspected violation of law, (iii) to disclose information pursuant to California Civil Code section 1670.11, or (iv) to disclose Confidential Information in an anti-retaliation lawsuit or other legal proceeding, so long as that disclosure or filing is made under seal and the Executive does not otherwise disclose such Confidential Information, except pursuant to court order. The Company encourages Executive, to the extent legally permitted, to give the Company the earliest possible notice of any such report or disclosure.

(i) Pursuant to the Defend Trade Secrets Act of 2016, the Executive acknowledges that he may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of Confidential Information that: (a) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed in a lawsuit or other proceeding, provided that such filing is made under seal. Further, the Executive understands that the Company will not retaliate against him in any way for any such disclosure made in accordance with the law. In the event a disclosure is made, and the Executive files any type of proceeding against the Company alleging that the Company retaliated against him because of his disclosure, the Executive may disclose the relevant Confidential Information to his attorney and may use the Confidential Information in the proceeding if (x) the Executive files any document containing the Confidential Information under seal, and (y) the Executive does not otherwise disclose the Confidential Information except pursuant to court or arbitral order.

(ii) Nothing in this Agreement or any other agreement that Executive has with the Company shall prohibit Executive from (i) disclosing the underlying facts or circumstances relating to claims of sexual harassment, sex discrimination, sexual assault, failure to prevent an act of workplace harassment or discrimination based on sex or an act of retaliation against a person for reporting harassment or discrimination based on sex or any other unlawful or potentially unlawful conduct or (ii) responding to a valid subpoena, court order or similar legal process; provided, however, that prior to making any such disclosure, Executive shall provide the Company with written notice of the subpoena, court order or similar legal process sufficiently in advance of such disclosure to afford the Company a reasonable opportunity to challenge the subpoena, court order or similar legal process.

(c) As used in this Agreement, the term "Confidential Information" means information that is not generally known to the public and that is used, developed or obtained by the Company or its Affiliates in connection with their respective businesses, including, but not limited to, information, observations and data obtained by the Executive while employed by the Company or its Affiliates or any predecessors thereof (including those obtained prior to the Effective Date) concerning (i) the business or affairs of the Company or its Affiliates (or such predecessors), (ii) products or services, (iii) fees, costs and pricing structures and strategies, (iv) designs, (v) analyses, (vi) drawings, photographs and reports, (vii) computer software, including operating systems, applications and program listings, (viii) flow charts, manuals and documentation, (ix) databases, (x) accounting and business methods, (xi) inventions, devices, new developments, product roadmaps, methods and processes, whether patentable or unpatentable and whether or not reduced to practice, (xii) customers and clients, customer or client lists, and the preferences of, and negotiations with, customers and clients, (xiii) personnel information of other employees and independent contractors (including their compensation, unique skills, experience and expertise, and disciplinary matters), (xiv) other copyrightable works, (xv) all production methods, processes, technology and trade secrets, and (xvi) all similar and related information in whatever form. Confidential Information will not include any information that has been published (other than a disclosure by the Executive in breach of this Agreement) in a form generally available to the public prior to the date the Executive proposes to disclose or use such information. Confidential Information will not be deemed to have been published merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

(d) As used in this Agreement, the term "Work Product" means all inventions, innovations, improvements, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable, copyrightable, registerable as a trademark, reduced to writing, or otherwise) which relates to the Company's or any of its Affiliates' actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by the Executive (whether or not during usual business hours, whether or not by the use of the facilities of the Company or any of its Affiliates, and whether or not alone or in conjunction with any other person) while employed by the Company or its Affiliates (including those conceived, developed or made prior to the Effective Date) together with all patent applications, letters patent, trademark, trade name and service mark applications or registrations, copyrights and reissues thereof that may be granted for or upon any of the foregoing. All Work Product that the Executive may have discovered, invented or originated during his employment by the Company or any of its Affiliates prior to the Effective Date, that he may discover, invent or originate during the Period of Employment or at any time in the period of twelve (12) months after the Severance Date, shall be the exclusive property of the Company and its Affiliates, as applicable, and Executive hereby assigns all of Executive's right, title and interest in and to such Work Product to the Company or its applicable Affiliate, including all intellectual property rights therein. Executive shall promptly disclose all Work Product to the Company, shall execute at the request of the Company any assignments or other documents the Company may deem necessary to protect or perfect its (or any of its Affiliates', as applicable) rights therein, and shall assist the Company, at the Company's expense, in obtaining, defending and enforcing the Company's (or any of its Affiliates', as applicable) rights therein. The Executive hereby appoints the Company as his attorney-in-fact to execute on his behalf any assignments or other documents deemed necessary by the Company to protect or perfect the Company, the Company's (and any of its Affiliates', as applicable) rights to any Work Product.

6.2 Restriction on Competition. [INTENTIONALLY OMITTED]

6.3 Non-Solicitation of Employees and Consultants. During the Period of Employment and for a period of twelve (12) months after the Severance Date, the Executive will not directly or indirectly through any other Person solicit, induce or encourage, or attempt to solicit, induce or encourage, any employee or independent contractor of the Company or any Affiliate of the Company to leave the employ or service, as applicable, of the Company or such Affiliate, or become employed or engaged by any third party, or in any way interfere with the relationship between the Company or any such Affiliate, on the one hand, and any employee or independent contractor thereof, on the other hand.

6.4 Non-Interference with Customers. During the Period of Employment and for a period of twelve (12) months after the Severance Date, the Executive will not, directly or indirectly through any other Person, use any of the Company's trade secrets to influence or attempt to influence customers, vendors, suppliers, licensors, lessors, joint venturers, associates, consultants, agents, or partners of the Company or any Affiliate of the Company to divert their business away from the Company or such Affiliate, and the Executive will not otherwise use the Company's trade secrets to interfere with, disrupt or attempt to disrupt the business relationships, contractual or otherwise, between the Company or any Affiliate of the Company, on the one hand, and any of its or their customers, suppliers, vendors, lessors, licensors, joint venturers, associates, officers, employees, consultants, managers, partners, members or investors, on the other hand.

6.5 Cooperation. Following the Executive's last day of employment by the Company, the Executive shall reasonably cooperate with the Company and its Affiliates in connection with the transition of the Executive's duties, with respect to any internal or governmental investigation or administrative, regulatory, arbitral or judicial proceeding involving the Company and any Affiliates with respect to matters relating to the Executive's employment with, or service as a member of the board of directors of the Company or any Affiliate, and with respect to any audit of the financial statements of the Company or any Affiliate with respect to the period of time when the Executive was employed by the Company or any Affiliate. The Company will reimburse the Executive for any expenses that he reasonably incurs in connection with such cooperation.

6.6 Understanding of Covenants. The Executive acknowledges that, in the course of his employment with the Company and/or its Affiliates and their predecessors, he has become familiar, or will become familiar with the Company's and its Affiliates' and their predecessors' trade secrets and with other confidential and proprietary information concerning the Company, its Affiliates and their respective predecessors and that his services have been and will be of special, unique and extraordinary value to the Company and its Affiliates. The Executive agrees that the foregoing covenants set forth in this Section 6 (together, the "Restrictive Covenants") are reasonable and necessary to protect the Company's and its Affiliates' trade secrets and other confidential and proprietary information, good will, stable workforce, and customer relations.

Without limiting the generality of the Executive's agreement in the preceding paragraph, the Executive (i) represents that he is familiar with and has carefully considered the Restrictive Covenants, (ii) represents that he is fully aware of his obligations hereunder, (iii) agrees to the reasonableness of the length of time, scope and geographic coverage, as applicable, of the Restrictive Covenants, (iv) agrees that the Company and its Affiliates currently conducts business throughout the continental United States and Canada, and (v) agrees that the Restrictive Covenants will continue in effect for the applicable periods set forth above in this Section 6 regardless of whether the Executive is then entitled to receive severance pay or benefits from the Company. The Executive understands that the Restrictive Covenants may limit his ability to earn a livelihood in a business similar to the business of the Company and any of its Affiliates, but he nevertheless believes that he has received and will receive sufficient consideration and other benefits as an employee of the Company and as otherwise provided hereunder or as described in the recitals hereto to clearly justify such restrictions which, in any event (given his education, skills and ability), the Executive does not believe would prevent him from otherwise earning a living. The Executive agrees that the Restrictive Covenants do not confer a benefit upon the Company disproportionate to the detriment of the Executive.

6.7 Enforcement. The Executive agrees that the Executive's services are unique and that he has access to Confidential Information and Work Product. Accordingly, without limiting the generality of Section 17, the Executive agrees that a breach by the Executive of any of the covenants in this Section 6 may cause immediate and irreparable harm to the Company that would be difficult or impossible to measure, and that damages to the Company for any such injury would therefore be an inadequate remedy for any such breach. Therefore, the Executive agrees that in the event of any breach or threatened breach of any provision of this Section 6, the Company shall be entitled, in addition to and without limitation upon all other remedies the Company may have under this Agreement, at law or otherwise, to seek specific performance, injunctive relief and/or other appropriate relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Section 6, or require the Executive to account for and pay over to the Company all compensation, profits, moneys, accruals, increments or other benefits derived from or received as a result of any transactions constituting a breach of this Section 6 if and when final judgment of a court of competent jurisdiction or arbitrator, as applicable, is so entered against the Executive. The Executive further agrees that the applicable period of time any Restrictive Covenant is in effect following the Severance Date, as determined pursuant to the foregoing provisions of this Section 6, shall be extended by the same amount of time that Executive is in breach of any Restrictive Covenant following the Severance Date.

7. Withholding Taxes. Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this Agreement such federal, state and local income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation. Except for such withholding rights, the Executive is solely responsible for any and all tax liability that may arise with respect to the compensation provided under or pursuant to this Agreement.

8. Successors and Assigns.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Without limiting the generality of the preceding sentence, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor or assignee, as applicable, which assumes and agrees to perform this Agreement by operation of law or otherwise.

9. Number and Gender; Examples. Where the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include all other genders. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates.

10. Section Headings. The section headings, and titles of paragraphs and subparagraphs contained in this Agreement are for the purpose of convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation thereof.

11. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the state of **California,** without giving effect to any choice of law or conflicting provision or rule (whether of the state of **California** or any other jurisdiction) that would cause the laws of any jurisdiction other than the state of **California** to be applied. In furtherance of the foregoing, the internal law of the state of **California** will control the interpretation and construction of this Agreement, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

12. Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction or determined by an arbitrator pursuant to Section 16 to be invalid, prohibited or unenforceable under any present or future law, and if the rights and obligations of any party under this Agreement will not be materially and adversely affected thereby, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction, and to this end the provisions of this Agreement are declared to be severable; furthermore, in lieu of such invalid or unenforceable provision there will be added automatically as a part of this Agreement, a legal, valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible. Notwithstanding the foregoing, if such provision could be more narrowly drawn (as to geographic scope, period of duration or otherwise) so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

13. Entire Agreement. This Agreement embodies the entire agreement of the parties hereto respecting the matters within its scope. This Agreement supersedes all prior and contemporaneous agreements of the parties hereto that directly or indirectly bears upon the subject matter hereof. Any prior negotiations, correspondence, agreements, proposals or understandings relating to the subject matter hereof shall be deemed to have been merged into this Agreement, and to the extent inconsistent herewith, such negotiations, correspondence, agreements, proposals, or understandings shall be deemed to be of no force or effect. There are no representations, warranties, or agreements, whether express or implied, or oral or written, with respect to the subject matter hereof, except as expressly set forth herein.

14. **Modifications.** This Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this Agreement, which agreement is executed by both of the parties hereto.

15. **Waiver.** Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

16. **Arbitration.** Except as provided in Sections 6.7 and 17, any non-time barred, legally actionable controversy or claim arising out of or relating to this Agreement, its enforcement, arbitrability or interpretation, or because of an alleged breach, default, or misrepresentation in connection with any of its provisions, or any other non-time barred, legally actionable controversy or claim arising out of or relating to the Executive's employment or association with the Company or termination of the same, including, without limiting the generality of the foregoing, any alleged violation of state or federal statute, common law or constitution, shall be submitted to individual, final and binding arbitration, to be held in Los Angeles County, California, before a single arbitrator selected from Judicial Arbitration and Mediation Services, Inc. (" JAMS"), in accordance with the then-current JAMS Arbitration Rules and Procedures for employment disputes, as modified by the terms and conditions in this Section (which may be found at www.jamsadr.com under the Rules/Clauses tab). The parties will select the arbitrator by mutual agreement or, if the parties cannot agree, then by striking from a list of qualified arbitrators supplied by JAMS from their labor and employment law panel. Final resolution of any dispute through arbitration may include any remedy or relief that is provided for through any applicable state or federal statutes, or common law. Statutes of limitations shall be the same as would be applicable were the action to be brought in court. The arbitrator selected pursuant to this Agreement may order such discovery as is necessary for a full and fair exploration of the issues and dispute, consistent with the expedited nature of arbitration. At the conclusion of the arbitration, the arbitrator shall issue a written decision that sets forth the essential findings and conclusions upon which the arbitrator's award or decision is based. Any award or relief granted by the arbitrator under this Agreement shall be final and binding on the parties to this Agreement and may be enforced by any court of competent jurisdiction. The Company will pay those arbitration costs that are unique to arbitration, including the arbitrator's fee (recognizing that each side bears its own deposition, witness, expert and attorneys' fees and other expenses to the same extent as if the matter were being heard in court). If, however, any party prevails on a statutory claim, which affords the prevailing party attorneys' fees and costs, then the arbitrator may award reasonable fees and costs to the prevailing party. The arbitrator may not award attorneys' fees to a party that would not otherwise be entitled to such an award under the applicable statute. The arbitrator shall resolve any dispute as to the reasonableness of any fee or cost. **Except as provided in Section 6.7 and 17, the parties acknowledge and agree that they are hereby waiving any rights to trial by jury or a court in any action or proceeding brought by either of the parties against the other in connection with any matter whatsoever arising out of or in any way connected with this Agreement or the Executive's employment.**

17. **Remedies.** Each of the parties to this Agreement and any such person or entity granted rights hereunder whether or not such person or entity is a signatory hereto shall be entitled to enforce its rights under this Agreement specifically to recover damages and costs for any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that each party may in its sole discretion apply to any court of law or equity of competent jurisdiction for provisional injunctive or equitable relief and/or other appropriate equitable relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Agreement. Each party shall be responsible for paying its own attorneys' fees, costs and other expenses pertaining to any such legal proceeding and enforcement regardless of whether an award or finding or any judgment or verdict thereon is entered against either party.

18. **Notices.** Any notice provided for in this Agreement must be in writing and must be either personally delivered, transmitted via telecopier, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via telecopier, five days after deposit in the U.S. mail and one day after deposit with a reputable overnight courier service.

if to the Company:

Tilt Holdings, Inc.
2801 E Camelback Rd, Suite 180
Phoenix, AZ 85016
Attention: Tim Conder
Or [* * *]

if to the Executive, to the address most recently on file in the payroll records of the Company.

19. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as signatories. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

20. **Legal Counsel; Mutual Drafting.** Each party recognizes that this is a legally binding contract and acknowledges and agrees that they have had the opportunity to consult with legal counsel of their choice. Each party has cooperated in the drafting, negotiation and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such language. The Executive agrees and acknowledges that he has read and understands this Agreement, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Agreement and has had ample opportunity to do so.

21. **Section 409A.**

(a) It is intended that any amounts payable under this Agreement shall either be exempt from or comply with Section 409A of the Code (including the Treasury regulations and other published guidance relating thereto) ("Code Section 409A") so as not to subject the Executive to payment of any additional tax, penalty or interest imposed under Code Section 409A. The provisions of this Agreement shall be construed and interpreted to avoid the imputation of any such additional tax, penalty or interest under Code Section 409A yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Executive. Any installment payments provided for in this Agreement

shall be treated as a series of separate payments for purposes of Code Section 409A.

(b) If the Executive is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Executive's Separation from Service, the Executive shall not be entitled to any payment or benefit pursuant to Section 5.3(b) or (c) until the earlier of (i) the date which is six (6) months after his or her Separation from Service for any reason other than death, or (ii) the date of the Executive's death. The provisions of this Section 21(b) shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Code Section 409A. Any amounts otherwise payable to the Executive upon or in the six (6) month period following the Executive's Separation from Service that are not so paid by reason of this Section 21(b) shall be paid (without interest) as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after the Executive's Separation from Service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of the Executive's death).

(c) To the extent that any benefits pursuant to Section 5.3(b)(ii) or reimbursements pursuant to Section 4.2 are taxable to the Executive, any reimbursement payment due to the Executive pursuant to any such provision shall be paid to the Executive on or before the last day of the Executive's taxable year following the taxable year in which the related expense was incurred. The benefits and reimbursements pursuant to such provisions are not subject to liquidation or exchange for another benefit and the amount of such benefits and reimbursements that the Executive receives in one taxable year shall not affect the amount of such benefits or reimbursements that the Executive receives in any other taxable year.

[The remainder of this page has intentionally been left blank.]

IN WITNESS WHEREOF, the Company and the Executive have executed this Agreement as of the Effective Date.

"COMPANY"

TILT Holdings, Inc.
a **British Columbia** corporation

By: /s/ Mark Scatterday
Name: Mark Scatterday
Title: Chief Executive Officer

"EXECUTIVE"

By: /s/ Marshall Horowitz
Name: Marshall Horowitz

EXHIBIT A

FORM OF GENERAL RELEASE AGREEMENT

1. Release. **Marshall Horowitz** ("Executive"), on his own behalf and on behalf of his descendants, dependents, heirs, executors, administrators, assigns and successors, and each of them, hereby acknowledges full and complete satisfaction of and releases and discharges and covenants not to sue **Tilt Holdings, Inc.** (the "Company"), its divisions, subsidiaries, parents, or affiliated corporations, past and present, and each of them, as well as its and their assignees, successors, directors, officers, stockholders, partners, representatives, attorneys, agents or employees, past or present, or any of them (individually and collectively, "Releasees"), from and with respect to any and all claims, agreements, obligations, demands and causes of action, known or unknown, suspected or unsuspected, arising out of or in any way connected with Executive's employment or any other relationship with or interest in the Company or the termination thereof, including without limiting the generality of the foregoing, any claim for severance pay, profit sharing, bonus or similar benefit, pension, retirement, life insurance, health or medical insurance or any other fringe benefit, or disability, or any other claims, agreements, obligations, demands and causes of action, known or unknown, suspected or unsuspected resulting from any act or omission by or on the part of Releasees committed or omitted prior to the date of this General Release Agreement (this "Agreement") set forth below, including, without limiting the generality of the foregoing, any claim under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Family and Medical Leave Act, or any other federal, state or local law, regulation, ordinance, constitution or common law (collectively, the "Claims"); provided, however, that the foregoing release does not apply to any obligation of the Company to Executive pursuant to any of the following: (1) Section 5.3 of the Employment Agreement dated as of July 29, 2020 by and between the Company and Executive (the "Employment Agreement"); (2) any equity-based awards previously granted by the Company to Executive, to the extent that such awards continue after the termination of Executive's employment with the Company in accordance with the applicable terms of such awards; (3) any right to indemnification that Executive may have pursuant to the Company's bylaws, its corporate charter or under any written indemnification agreement with the Company (or any corresponding provision of any subsidiary or affiliate of the Company) with respect to any loss, damages or expenses (including but not limited to attorneys' fees to the extent otherwise provided) that Executive may in the future incur with respect to his service as an employee, officer or director of the Company or any of its subsidiaries or affiliates; (4) with respect to any rights that Executive may have to insurance coverage for such losses, damages or expenses under any Company (or subsidiary or affiliate) directors and officers liability insurance policy; (5) any rights to continued medical and dental coverage that Executive may have under COBRA; or (6) any rights to payment of benefits that Executive may have under a retirement plan sponsored or maintained by the Company that is intended to qualify under Section 401(a) of the Internal Revenue Code of 1986, as amended. In addition, this release does not cover any Claim that cannot be so released as a matter of applicable law. Notwithstanding anything to the contrary herein, nothing in this Agreement prohibits Executive from filing a charge with or participating in an investigation conducted by any state or federal government agencies. However, Executive does waive, to the maximum extent permitted by law, the right to receive any monetary or other recovery, should any agency or any other person pursue any claims on Executive's behalf arising out of any claim released pursuant to this Agreement. For clarity, and as required by law, such waiver does not prevent Executive from accepting a whistleblower award from the Securities and Exchange Commission pursuant to Section 21F of the Securities Exchange Act of 1934, as amended. Executive acknowledges and agrees that he has received any and all leave and other benefits that he has been and is entitled to pursuant to the Family and Medical Leave Act of 1993.

2. Acknowledgement of Payment of Wages. Except for accrued vacation (which the parties agree totals approximately**[____]** days of pay) and salary for the current pay period, Executive acknowledges that he has received all amounts owed for his regular and usual salary (including, but not limited to, any bonus, incentive or other wages), and

usual benefits through the date of this Agreement.

3. Waiver of Unknown Claims. This Agreement is intended to be effective as a general release of and bar to each and every Claim hereinabove specified. Accordingly, Executive hereby expressly waives any rights and benefits conferred by Section 1542 of the California Civil Code and any similar provision of any other applicable state law as to the Claims. Section 1542 of the California Civil Code provides:

"A GENERAL RELEASE DOES NOT EXTEND TO A CLAIM WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Executive acknowledges that he later may discover claims, demands, causes of action or facts in addition to or different from those which Executive now knows or believes to exist with respect to the subject matter of this Agreement and which, if known or suspected at the time of executing this Agreement, may have materially affected its terms. Nevertheless, Executive hereby waives, as to the Claims, any claims, demands, and causes of action that might arise as a result of such different or additional claims, demands, causes of action or facts.

4. ADEA Waiver. Executive expressly acknowledges and agrees that by entering into this Agreement, he is waiving any and all rights or claims that he may have arising under the Age Discrimination in Employment Act of 1967, as amended (the "ADEA"), and that this waiver and release is knowing and voluntary. Executive and the Company agree that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the date Executive signs this Agreement. Executive further expressly acknowledges and agrees that:

(a) In return for this Agreement, he will receive consideration beyond that which he was already entitled to receive before executing this Agreement;

(b) He is hereby advised in writing by this Agreement to consult with an attorney before signing this Agreement;

(c) He was given a copy of this Agreement on **[**_____, 2020**]**, and informed that he had **[**twenty-one (21)**]** days within which to consider this Agreement and that if he wished to execute this Agreement prior to the expiration of such **[**21**]**-day period he will have done so voluntarily and with full knowledge that he is waiving his right to have **[**twenty-one (21)**]** days to consider this Agreement; and that such **[**twenty-one (21)**]** day period to consider this Agreement would not and will not be re-started or extended based on any changes, whether material or immaterial, that are or were made to this Agreement in such **[**twenty-one (21)**]** day period after he received it;

(d) He was informed that he had seven (7) days following the date of execution of this Agreement in which to revoke this Agreement, and this Agreement will become null and void if Executive elects revocation during that time. Any revocation must be in writing and must be received by the Company during the seven-day revocation period. In the event that Executive exercises this revocation right, neither the Company nor Executive will have any obligation under this Agreement. Any notice of revocation should be sent by Executive in writing to the Company (attention Chris Hoban), 1385 Cambridge Street, Cambridge, MA 02139, so that it is received within the seven-day period following execution of this Agreement by Executive.

(e) Nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs for doing so, unless specifically authorized by federal law.

5. No Transferred Claims. Executive represents and warrants to the Company that he has not heretofore assigned or transferred to any person not a party to this Agreement any released matter or any part or portion thereof.

6. Return of Property. Executive represents and covenants that he has returned to the to the Company (a) all physical, computerized, electronic or other types of records, documents, proposals, notes, lists, files and any and all other materials, including computerized electronic information, that refer, relate or otherwise pertain to the Company or any of its Affiliates (as defined in the Employment Agreement) that were in Executive's possession, subject to Executive's control or held by Executive for others; and (b) all property or equipment that Executive has been issued by the Company or any of its Affiliates during the course of his employment or property or equipment that Executive otherwise possessed, including any keys, credit cards, office or telephone equipment, computers (and any software, power cords, manuals, computer bag and other equipment that was provided to Executive with any such computers), tablets, smartphones, and other devices. Executive acknowledges that he is not authorized to retain any physical, computerized, electronic or other types of copies of any such physical, computerized, electronic or other types of records, documents, proposals, notes, lists, files or materials, and is not authorized to retain any property or equipment of the Company or any of its Affiliates. Executive further agrees that Executive will immediately forward to the Company (and thereafter destroy any electronic copies thereof) any business information relating to the Company or any of its Affiliates that has been or is inadvertently directed to Executive following the date of the termination of Executive's employment.

7. Miscellaneous. The following provisions shall apply for purposes of this Agreement:

(a) Number and Gender. Where the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include all other genders.

(b) Section Headings. The section headings, and titles of paragraphs and subparagraphs contained in, this Agreement are for the purpose of convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation thereof.

(c) Governing Law. This Agreement, and all questions relating to its validity, interpretation, performance and enforcement, as well as the legal relations hereby created between the parties hereto, shall be governed by and construed under, and interpreted and enforced in accordance with, the laws of the State of California notwithstanding any other conflict of law provision to the contrary.

(d) Severability. If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of this Agreement are declared to be severable.

(e) Modifications. This Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this Agreement, which agreement is executed by both of the parties hereto.

(f) Waiver. No waiver of any breach of any term or provision of this Agreement shall be construed to be, nor shall be, a waiver of any other breach of this Agreement. No waiver shall be binding unless in writing and signed by the party waiving the breach.

(g) Arbitration. Any controversy arising out of or relating to this Agreement shall be submitted to arbitration in accordance with the arbitration provisions of the Employment Agreement.

(h) Counterparts. This Agreement may be executed in counterparts, and each counterpart, when executed, shall have the efficacy of a signed original. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

[Remainder of page intentionally left blank]

The undersigned have read and understand the consequences of this Agreement and voluntarily sign it. The undersigned declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

EXECUTED this _____ day of _____ 20__.

"EXECUTIVE"

_____Marshall Horowitz

EXECUTED this _____ day of _____ 20___,

"COMPANY"

Tilt Holdings, Inc.]

By: _____

_____

[Name**]**
[Title**]**