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

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of **June, 2021**.

Commission File Number: **333-253466**

AYR WELLNESS INC.
(Exact Name of Registrant as Specified in Charter)

199 Bay Street, Suite 5300
Toronto, Ontario, M5L 1B9
Canada
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☐ Form 40-F ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

INCORPORATION BY REFERENCE

Exhibits 99.7, 99.8, 99.9, 99.15, 99.16 and 99.17 to this Form 6-K of Ayr Wellness Inc. (the "Company") are hereby incorporated by reference as exhibits to the Registration Statement on Form F-10 (File No. 333-253466) of the Company, as amended or supplemented.

SIGNATURE

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

AYR WELLNESS INC.
(Registrant)

Date: June 2, 2021

By: */s/ Brad Asher*
Name: Brad Asher
Title: Chief Financial Officer

EXHIBIT INDEX

99.1	News Release dated March 1, 2021
99.2	News Release dated March 10, 2021
99.3	News Release dated March 12, 2021
99.4	News Release dated March 23, 2021

99.5	News Release dated March 30, 2021
99.6	News Release dated March 31, 2021
99.7	Material Change Report dated April 5, 2021
99.8	Membership Interest Purchase Agreement dated January 27, 2021
99.9	First Amendment to Membership Interest Purchase Agreement dated March 23, 2021
99.10	News Release dated April 8, 2021
99.11	News Release dated April 20, 2021
99.12	News Release dated April 21, 2021
99.13	News Release dated April 26, 2021
99.14	News Release dated May 17, 2021
99.15	Notice of Articles
99.16	Certificate of Amalgamation
99.17	Articles of Ayr Wellness Inc.
99.18	News Release dated May 26, 2021

Exhibit 99.1

Ayr Wellness Announces Opening of Third Las Vegas Location of The Dispensary NV

The Dispensary NV Opened February 27, 2021

Toronto, Ontario, March 1, 2021 – Ayr Wellness (CSE: AYR.A, OTCQX: AYRWF, "Ayr" or "the Company"), a leading vertically integrated cannabis multi-state operator, is pleased to announce the opening of its third Las Vegas location under The Dispensary NV banner on February 27, 2021. This is Ayr's fourth location under The Dispensary NV banner and sixth location in Nevada, including two dispensaries under the Mynt banner in the Reno area.

The Dispensary NV Eastern Express is located just across the border of West Henderson at 8605 South Eastern Ave, Suite A, near a high-traffic intersection in the vicinity of McCarren International Airport. Its sister location, The Dispensary NV Henderson, one of the Nevada's most productive dispensaries with ~1,500 transactions per day, serves East Henderson, approximately seven miles away.

"We're thrilled to open our third premier Las Vegas location. We live by a *Fast, Fresh* and *Friendly* approach in all aspects of our business, and our new Eastern Express location is here to offer the greater Las Vegas community a seamless process to finding the right product, at the right price, as quickly as possible," said Zed Schlott, Head of Nevada Operations.

The 2,100 ft^2 location has nine points of sale and is designed for easy access, fast in-store and curbside pick-up times. The Dispensary is targeting 10-minutes from order to curbside pick-up, the fastest turnaround time in Nevada. Store hours are Monday to Sunday 8 AM PT - 11 PM PT. Customers will have Order Online options 24/7, with Same Day Delivery on orders before 5 PM and Curbside Pickup from 8 AM PT – 11 AM PT seven days a week.

The Dispensary NV Eastern Express opened on February 27, 2021. Details on opening promotions, the store menu and hours of operation can be found at https://www.thedispensarynv.com/.

"Our continued development in Nevada, particularly in the important Greater Las Vegas market, is a testament to the strength of Ayr's disciplined, strategic approach to expansion. We continue to deepen our presence in our existing markets while concurrently expanding into new states," said Jonathan Sandelman, CEO of Ayr Wellness.

Forward-Looking Statements

Certain information contained in this news release may be forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "target", "expect", "anticipate", "believe", "foresee", "could", "would", "estimate", "goal", "outlook", "intend", "plan", "seek", "will", "may", "tracking", "pacing" and "should" and similar expressions or words suggesting future outcomes. This news release includes forward-looking information and statements pertaining to, among other things, Ayr's future growth plans. Numerous risks and uncertainties could cause the actual events and results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: anticipated strategic, operational and competitive benefits may not be realized; events or series of events, including in connection with COVID-19, may cause business interruptions; required regulatory approvals may not be obtained; acquisitions may not be able to be completed on satisfactory terms or at all; and Ayr may not be able to raise additional debt or equity capital. Among other things, Ayr has assumed that its businesses will operate as anticipated, that it will be able to complete acquisitions on reasonable terms, and that all required regulatory approvals will be obtained on satisfactory terms and within expected time frames.

About Ayr Wellness Inc.

Ayr is an expanding vertically integrated, U.S. multi-state cannabis operator, focused on delivering the highest quality cannabis products and customer experience throughout its footprint. Based on the belief that everything starts with the quality of the plant, the Company is focused on superior cultivation to grow superior branded cannabis products. Ayr strives to enrich consumers' experience every day through the wellness and wonder of cannabis.

Ayr's leadership team brings proven expertise in growing successful businesses through disciplined operational and financial management, and is committed to driving positive impact for customers, employees and the communities they touch. For more information, please visit www.ayrwellness.com.

Company Contact:

Megan Kulick
Head of Investor Relations
T: (646) 977-7914
Email: IR@ayrwellness.com

Investor Relations Contact:

Sean Mansouri, CFA
Gateway Investor Relations
T: (949) 574-3860
Email: IR@ayrwellness.com

Ayr Wellness Reports Fourth Quarter and Full Year 2020 Results

- *Q4 Revenue up 48% Y/Y to $47.8 Million; Full Year Revenue up 25%[1] Despite Covid-Related Shutdowns in 2Q*
- *Q4 Adjusted EBITDA up 111% Y/Y to $19.4 Million; Full Year Adjusted EBITDA up 63%[1]*
- *Successfully Raised $110 Million in Debt and $48 Million in Warrant Exercise, Ending 2020 with $127 Million of Cash; Raised Additional $118 Million in Equity Subsequent to Year-End*
- *Generated Over $7 Million in Cash from Operations in Q4 and $36 Million for the Year*
- *Closed on its Two Acquisitions in Pennsylvania in Q4; Opened Second Pennsylvania Dispensary in February*
- *Recently Closed Acquisition of Liberty Health Sciences, Adding 31 Retail Dispensaries, the Fourth Largest Footprint in Florida*
- *Arizona and Ohio Acquisitions Expected to Close Later this Month*
- *Pending Acquisitions in Arizona, Ohio and New Jersey Will Bring Addressable Market to Over 73 Million in Seven States*

Toronto, Ontario, March 11, 2021 – Ayr Wellness Inc. (CSE: AYR.A, OTCQX: AYRWF) ("Ayr" or the "Company"), a vertically-integrated cannabis multi-state operator (MSO), is reporting financial results for the three months and full-year ended December 31, 2020. Unless otherwise noted, all results are presented in U.S. dollars.

"2020 was a year of transformation for Ayr," said Jon Sandelman, CEO of Ayr Wellness. "We are excited to report a strong finish to the year with fourth quarter revenues up 48% year-over-year and adjusted EBITDA up over 100% and we continue to maintain margins at the high end of the industry. And while we continued to deliver strong operating results throughout the year at our market leading operations in Massachusetts and Nevada, the Ayr story of 2020 was about building a foundation for a new Ayr Wellness, a bigger and better MSO. We spent the end of 2020 aggressively expanding our footprint and investing in our business to be positioned for exceptional growth in 2021 and 2022. We began 2020 as a 2-state MSO and we begin 2021 as a seven-state, top-5 MSO and we aren't done yet.

"2020 was also a year of great change for the industry as new states moved forward with adult-use programs and the federal election shifted the tides in Washington. We enter 2021 with leading scale, talent and a recently bolstered balance sheet, that currently has more than $236 million of cash. The investments we made in the fourth quarter in additional infrastructure and people will prove critical as our new operations in Pennsylvania, Florida, New Jersey, Arizona and Ohio begin to ramp in 2021. We opened our second Ayr Wellness dispensary in Pennsylvania a couple weeks ago and the cultivations are on track for first harvest this spring. Our remaining four stores in Pennsylvania will open throughout 2021 and as the cultivation expands further, we expect Pennsylvania to be a meaningful contributor to our top and bottom line in the back half 2021."

Mr. Sandelman continued, "We firmly believe that everything we do starts with the plant. We continue to demonstrate our commitment to this belief by investing additional resources in our cultivation facilities and team. These investments will prove to be impactful as we begin the integration efforts in Florida to bring that important asset up to the productivity level we know is achievable. The same will be true when we close on Arizona and Ohio later this month and New Jersey this summer. We expect to realize the benefit of these investments as we move through 2021. The full impact will be realized in 2022 when, as we've stated before, we expect to reach at least $725 million of revenue and $325 million of Adjusted EBITDA."

Fourth Quarter Financial Highlights *($ in millions, excl. margin items)*

	Q4 2019	Q3 2020	Q4 2020	% Change Y/Y	% Change Q/Q
Revenue	$ 32.3	$ 45.5	**$ 47.8**	48%	5%
Gross Profit before Fair Value Adj.	$ 11.4	$ 27.4	**$ 27.5**	142%	0%
Gross Profit	$ 8.3	$ 40.8	**$ 18.6**	125%	-54%
Operating Income/(Loss)	$ (16.9)	$ 22.0	**$ (2.2)**	N/M	N/M
Adj. EBITDA	$ 9.2	$ 19.3	**$ 19.4**	111%	0%
AEBITDA Margin	28.6%	42.4%	**40.5%**	1190 bps	-190 bps

Full Year 2020 Financial Highlights *($ in millions, excl. margin items)*

	FY 2019 Actual	FY 2019 Annualized[1]	FY 2020	% Change Y/Y
Revenue	$ 75.2	$ 124.2	**$ 155.1**	25%
Gross Profit before Fair Value Adj.	$ 34.4	$ 63.0	**$ 88.6**	41%
Gross Profit	$ 26.3	N/M	**$ 103.1**	293%
Operating Income/(Loss)	$ (37.5)	N/M	**$ 16.0**	N/M
Adj. EBITDA	$ 20.9	$ 34.5	**$ 56.2**	63%
AEBITDA Margin	27.8%	27.8%	**36.2%**	840 bps

[1]Due to the qualifying transaction completed on May 24, 2019, the 2019 annual results have been normalized by taking the 221-day period and annualizing it to produce a full year of results.

Ayr Wellness Footprint (Pro-forma)

	MA	NJ	PA	OH	FL	AZ	NV	TOTAL
Population	6.9 M	9.2 M	12.7 M	11.7 M	21.5 M	7.4 M	3.1 M	**72.5 M**
Adult Use or Medical	AU	AU	Med	Med	Med	AU	AU	**4 AU/ 3 Med**
Est. 2021 Market Size[4]	$1 B	$1 B	$1 B	$400 M	$1.5 B	$1 B	$800 M	**$6.7 B**
Forward AEBITDA Mult. Paid	N/A	4.0x	3.2x	1.0x	4.8x[5]	3.1x	N/A	
Planned Capex	$38 M	$15 M	$24 M	$20 M	$20 M	$10	<$1 M	**$127 M**
Dispensaries: Current → YE 2021	2 → 4[1]	3	2 → 6	-	31 → 42[3]	3	6[2]	**43 → 64**
Key Retail Markets	Greater Boston	Central NJ	Pittsburgh Philadelphia	-	Miami Tampa Orlando	Phoenix	Las Vegas Reno	
Cultivation-Production: Current → YE 2021 Sq Ft	50K → 140K	30K → 105K	83K → 253K	9K → 67K	300K	10K → 90K	72K	**554K → 1,027K**
Employees	267	113	72	10	349	165	478	**1,454**

1) Includes two co-located AU/Med dispensaries (Somerville and Watertown), one AU-only dispensary in Boston and one Med-only dispensary in Needham
2) Five dispensaries currently open; pending final approvals additional LV dispensary expected to open shortly
3) 31 currently open, four complete and pending CMMU approval, seven are currently under construction
4) Source: Arcview, MJBiz Daily, Company estimates
5) Based on purchase price and forecasted 2022 AEBITDA at the time of announcement

Fourth Quarter Operational Highlights

Nevada Results

- Average daily retail revenues were over $290,000 in the fourth quarter; daily transaction volumes of 4,685, with an average ticket of $62 per transaction
- Sales increased 21% year-over-year, driven by a 15% increase in transaction volumes and 6% increase in average ticket
- Recently opened sixth dispensary in Nevada, in Clark County
- Increased market share despite increased competition in the locals' market and difficult economic environment due to COVID-19

Massachusetts Results

- Average daily retail revenues (medical only) increased to over $64,000 in the fourth quarter; daily transaction volumes of ~410, with an average ticket of $157 per transaction
- Retail sales increased 136% year-over-year, driven by a ~90% increase in transactions and ~45% increase in average ticket
- Selling to 78 of the state's 110 adult-use dispensaries, and Ayr remains one of the market share leaders in flower, vapes and concentrates according to BDS Analytics
- Wholesale revenues ramped to over $13.4 million in the quarter, growth of 109% y/y reflecting the increase in capacity brought on in May 2020

Pennsylvania Update

- Ayr closed its two acquisitions in Pennsylvania during the fourth quarter
- Completed first phase of cultivation construction; 15,000ft2 of canopy due for first harvest this spring
- 21,000 ft2 of addition space approved for cultivation in February and first harvest expected in early summer

- Two dispensaries recently opened under the Ayr Wellness banner, in New Castle and Plymouth Meeting

Conference Call

Ayr CEO Jonathan Sandelman, COO Jennifer Drake and CFO Brad Asher will host the conference call, followed by a question and answer period.

Conference Call Date: Thursday, March 11, 2021
Time: 8:30 a.m. Eastern time
Toll-free dial-in number: (877) 282-0546
International dial-in number: (270) 215-9898
Conference ID: 2287507

Please call the conference telephone number 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Gateway Investor Relations at (949) 574-3860.

The conference call will be broadcast live and available for replayhere.

A telephonic replay of the conference call will also be available after 11:30 a.m. Eastern time on the same day through March 18, 2021.

Toll-free replay number: (855) 859-2056
International replay number: (404) 537-3406
Replay ID: 2287507

Financial Statements

Certain financial information reported in this news release is extracted from Ayr's Consolidated Financial Statements for the year ended December 31, 2020 and 2019. Ayr files its annual financial statements on SEDAR. All such financial information contained in this news release is qualified in its entirety by reference to such financial statements.

Definition and Reconciliation of Non-IFRS Measures

The Company reports certain non-IFRS measures that are used to evaluate the performance of its businesses and the performance of their respective segments, as well as to manage their capital structures. As non-IFRS measures generally do not have a standardized meaning, they may not be comparable to similar measures presented by other issuers. Securities regulators require such measures to be clearly defined and reconciled with their most comparable IFRS measure.

The Company references non-IFRS measures and cannabis industry metrics in this document and elsewhere. Non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these are provided as additional information to complement those IFRS measures by providing further understanding of the results of the operations of the Company from management's perspective. Accordingly, these measures should not be considered in isolation, nor as a substitute for analysis of the Company's financial information reported under IFRS. Non-IFRS measures used to analyze the performance of the Company's businesses include "adjusted EBITDA."

The Company believes that these non-IFRS financial measures provide meaningful supplemental information regarding the Company's performances and may be useful to investors because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making. These financial measures are intended to provide investors with supplemental measures of the Company's operating performances and thus highlight trends in the Company's core businesses that may not otherwise be apparent when solely relying on the IFRS measures.

Adjusted EBITDA

"Adjusted EBITDA" represents income (loss) from operations, as reported, before interest and tax, adjusted to exclude non-recurring items, other non-cash items, including stock-based compensation expense, depreciation and amortization, the adjustments for the accounting of the fair value of biological assets, and further adjusted to remove acquisition related costs.

A reconciliation of how Ayr calculates adjusted EBITDA is provided below. Additional reconciliations of adjusted EBITDA and other disclosures concerning non-IFRS measures will be provided in our MD&A for the three and twelve months ended December 31, 2020. As well, the Company reminds you that adjusted EBITDA is a non-IFRS measure.

Forward-Looking Statements

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Forward-looking estimates and assumptions involve known and unknown risks and uncertainties that may cause actual results to differ materially. While Ayr believes there is a reasonable basis for these assumptions, such estimates may not be met. These estimates represent forward-looking information. Actual results may vary and differ materially from the estimates.

Assumptions

Forward-looking information in this subject to the assumptions and risks as described in our MD&A for December 31, 2020. For more information about the Company's 2020 operations and outlook, please view Ayr's corporate presentation posted in the Investors section of the Company's website at www.ayrwellness.com. As well, we remind you that adjusted EBITDA is a non-IFRS measure. Additional reconciliations and other disclosures concerning non-IFRS measures will be provided in our MD&A for the three and twelve months ended December 31, 2020.

About Ayr Wellness Inc.

Ayr is an expanding vertically integrated, U.S. multi-state cannabis operator, focused on delivering the highest quality cannabis products and customer experience throughout its footprint. Based on the belief that everything starts with the quality of the plant, the Company is focused on superior cultivation to grow superior branded cannabis products. Ayr strives to enrich consumers' experience every day through the wellness and wonder of cannabis.

Ayr's leadership team brings proven expertise in growing successful businesses through disciplined operational and financial management, and is committed to driving positive impact for customers, employees and the communities they touch. For more information, please visit www.ayrwellness.com.

Company Contact:

Megan Kulick
Head of Investor Relations
T: (646) 977-7914
Email: IR@ayrwellness.com

Investor Relations Contact:

Sean Mansouri, CFA
Gateway Investor Relations
T: (949) 574-3860
Email: IR@ayrwellness.com

Ayr Wellness Inc. (formerly, Ayr Strategies Inc.)

Unaudited Condensed Interim Consolidated Statements of Financial Position

(Expressed in United States Dollars)

	As of	
	December 31, 2020	December 31, 2019
ASSETS		
Current		
Cash and cash equivalents	**$ 127,238,165**	$ 8,403,196
Accounts receivable	**3,464,401**	2,621,239
Due from related parties	**135,000**	85,000
Inventory	**28,257,942**	13,718,840
Biological assets	**12,069,851**	2,935,144
Prepaid expenses, deposits, and other current asset	**5,270,381**	2,163,329
	176,435,740	29,926,748
Non-current		
Property, plant, and equipment	**69,104,080**	37,152,861
Intangible assets	**252,357,676**	189,802,136
Right-of-use assets	**22,604,065**	12,315,417
Goodwill	**92,321,934**	84,837,304
Equity investments	**503,509**	427,399
Deposits and other assets	**2,540,675**	638,394
Total assets	**615,867,679**	355,100,259
LIABILITIES		
Current		
Trade payables	**8,899,786**	6,806,053
Accrued liabilities	**8,706,813**	5,123,865

Lease obligations - current portion	**866,304**	1,087,835
Purchase consideration payable	**9,053,057**	9,831,700
Income tax payable	**21,585,523**	5,202,943
Debts payable - current portion	**8,644,633**	6,628,843
	57,756,116	34,681,239
Non-current		
Deferred tax liabilities	**47,935,998**	41,077,761
Warrant liability	**151,949,611**	36,874,124
Lease obligations - non-current portion	**23,864,059**	13,033,310
Contingent consideration	**22,961,412**	22,656,980
Debts payable - non-current portion	**53,587,948**	37,366,818
Senior secured notes - non-current portion	**103,652,963**	-
Accrued interest payable	**3,301,155**	815,662
Total liabilities	**465,009,262**	186,505,894
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital	**518,992,215**	382,210,006
Treasury stock	**(556,899)**	(245,469)
Contributed surplus	**60,035,984**	28,879,225
Accumulated other comprehensive (loss) income	**(5,765,218)**	3,265,610
Deficit	**(421,847,665)**	(245,515,007)
Total shareholders' equity	**150,858,417**	168,594,365
Total liabilities and shareholders' equity	**615,867,679**	355,100,259

Ayr Wellness Inc. (formerly, Ayr Strategies Inc.)

Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in United States Dollars)

	Three Months Ended		Year Ended	
	December 31, 2020	December 31, 2019	**December 31, 2020**	December 31, 2019
Revenues, net of discounts	$ **47,764,775**	$ 32,282,616	$ **155,114,454**	$ 75,195,556
Cost of goods sold before biological asset adjustments	**20,298,130**	17,158,918	**66,555,710**	37,009,909
Incremental costs to acquire cannabis inventory in a business combination	**-**	3,764,678	**-**	3,764,678
Cost of goods sold	**20,298,130**	20,923,596	**66,555,710**	40,774,587
Gross profit before fair value adjustments	**27,466,645**	11,359,020	**88,558,744**	34,420,969
Fair value adjustment on sale of inventory	**(12,971,862)**	(4,838,814)	**(34,147,938)**	(18,272,212)
Unrealized gain on biological asset transformation	**4,115,927**	1,765,527	**48,690,657**	10,108,105
Gross profit	**18,610,710**	8,285,733	**103,101,463**	26,256,862
Expenses				
General and administrative	**9,258,098**	7,248,271	**36,342,955**	19,036,452
Sales and marketing	**563,686**	463,452	**2,150,536**	1,345,009
Depreciation	**714,933**	1,017,198	**2,364,224**	1,392,994
Amortization	**3,028,714**	2,434,288	**12,024,715**	7,222,595
Stock-based compensation	**5,207,204**	13,296,643	**31,156,759**	28,879,225
Acquisition expense	**1,890,428**	724,139	**2,945,194**	5,847,800
Total expenses	**20,663,063**	25,183,991	**86,984,383**	63,724,075
Income (Loss) from operations	**(2,052,353)**	(16,898,258)	**16,117,080**	(37,467,213)
Other (expense) income				
Share of loss on equity investments	**(2,208)**	241,115	**(33,591)**	(72,600)
Foreign exchange	**1,256**	(17,904)	**(7,782)**	(141,106)
Fair value loss on financial liabilities	**(134,720,905)**	2,771,673	**(164,042,264)**	(119,235,147)
Interest expense	**(1,867,275)**	(1,176,278)	**(4,115,775)**	(3,035,492)
Interest income	**5,625**	8,483	**10,112**	404,835
Other	**84,960**	185,458	**104,931**	202,610
Total other (expense) income	**(136,498,547)**	2,012,547	**(168,084,369)**	(121,876,900)
Loss before income tax	**(138,550,900)**	(14,885,711)	**(151,967,289)**	(159,344,113)
Current tax [Note 20]	**(7,035,194)**	(3,795,071)	**(21,976,761)**	(8,728,061)
Deferred tax [Note 20]	**2,005,050**	1,216,549	**(2,388,608)**	3,892,570
Net loss	**(143,581,044)**	(17,464,233)	**(176,332,658)**	(164,179,604)

Foreign currency translation adjustment	**(8,611,181)**	468,229	**(9,030,828)**	(156,510)
Net loss and comprehensive loss	**(152,192,225)**	(16,996,004)	**(185,363,486)**	(164,336,114)
Basic and diluted loss per share	**(4.82)**	(0.65)	**(6.32)**	(9.43)
Weighted average number of shares outstanding (basic and diluted)	**29,814,594**	26,672,864	**27,892,441**	17,404,742

Ayr Wellness Inc. (formerly, Ayr Strategies Inc.)

Unaudited Condensed Interim Consolidated Statements of Cash Flows

(Expressed in United States Dollars)

	Year Ended	
	December 31, 2020	December 31, 2019
Operating activities		
Net loss	**$ (176,332,658)**	$ (164,179,604)
Adjustments for:		
Acquisition costs associated with financing activities	**-**	129,235
Net fair value loss on financial liabilities	**164,042,264**	119,235,147
Stock-based compensation	**31,156,759**	28,879,225
Depreciation	**4,720,198**	2,172,373
Amortization on intangible assets	**13,716,502**	8,137,864
Share of loss on equity investments	**33,591**	72,600
Incremental costs to acquire cannabis inventory in a business combination	**-**	3,764,678
Fair value adjustment on sale of inventory	**34,147,938**	18,272,212
Unrealized gain on biological asset transformation	**(48,690,657)**	(10,108,105)
Deferred tax expense (benefit)	**2,388,608**	(3,892,570)
Amortization on financing costs	**90,858**	-
Interest accrued	**2,214,061**	1,652,510
Changes in non-cash operations, net of business acquisition:		
Accounts receivable	**(843,162)**	(1,308,328)
Inventory and biological assets	**(8,876,748)**	(5,809,848)
Prepaid expenses and other assets	**(2,529,212)**	(1,459,072)
Trade payables	**1,616,253**	2,992,073
Accrued liabilities	**3,274,488**	(179,574)
Income tax payable	**16,382,580**	5,202,943
Cash provided by operating activities	**36,511,663**	3,573,759
Investing activities		
Transfer of restricted cash and short term investments held in escrow and interest income	**-**	99,684,243
Purchase of property, plant, and equipment	**(14,367,690)**	(14,417,635)
Purchases of intangible assets	**(400,000)**	-
Deferred underwriters commission paid	**-**	(3,457,154)
Cash paid for business combinations and asset acquisitions, net of cash acquired	**(35,174,880)**	(74,714,171)
Cash paid for business combinations and asset acquisitions, bridge financing	**(8,040,804)**	-
Cash paid for business combinations and asset acquisitions, working capital	**(2,354,375)**	(547,042)
Payments for interests in equity accounted investments	**(109,700)**	(500,000)
Advances to related corporation	**(50,000)**	(809,191)
Deposits for business combinations	**(1,750,000)**	-
Cash (used in) provided by investing activities	**(62,247,449)**	5,239,050
Financing activities		
Proceeds from exercise of Warrants	**48,483,750**	2,460,150
Proceeds from senior secured notes, net of financing costs	**103,571,105**	-
Redemption of Class A shares	**-**	(7,519)
Repayments of debts payable	**(5,615,225)**	(2,879,329)
Repayments of lease obligations (principal portion)	**(1,557,445)**	(763,878)
Repurchase of Subordinate Voting Shares	**(311,430)**	(311,674)
Cash provided by (used in) financing activities	**144,570,755**	(1,502,250)
Net increase in cash	**118,834,969**	7,310,559
Effect of foreign currency translation	**-**	982,685
Cash and cash equivalents, beginning of the year	**8,403,196**	109,952
Cash and cash equivalents, end of the year	**127,238,165**	8,403,196

Supplemental disclosure of cash flow information:		
Interest paid during the year	**2,526,294**	1,679,612
Taxes paid during the year	**5,594,181**	3,525,118

Ayr Wellness Inc. (formerly, Ayr Strategies Inc.)

Unaudited Condensed Interim Consolidated Adjusted EBITDA Reconciliation

(Expressed in United States Dollars)

	Three Months ended December 31,		Year ended December 31,	
	2020	**2019**	**2020**	**2019**
(Loss) Income from operations	(2,052,353)	(16,898,258)	16,117,080	(37,467,213)
Non-cash items accounting for biological assets and inventory				
Incremental costs to acquire cannabis inventory in business combination	-	3,764,678	-	3,764,678
Fair value adjustment on sale of inventory	12,971,862	4,838,814	34,147,938	18,272,212
Unrealized gain on biological asset transformation	(4,115,927)	(1,765,527)	(48,690,657)	(10,108,105)
	8,855,935	6,837,965	(14,542,719)	11,928,785
Interest	258,077	295,630	986,870	295,630
Depreciation and amortization (from statement of cash flows)	5,017,319	4,511,734	18,436,700	10,310,237
Acquisition costs	1,890,428	724,139	2,945,194	5,847,800
Stock-based compensation expense, non-cash	5,207,204	13,296,643	31,156,759	28,879,225
Other non-operating[1]	182,343	472,326	1,089,912	1,105,694
	12,555,371	19,300,472	54,615,435	46,438,586
Adjusted EBITDA (non-IFRS)	**19,358,953**	**9,240,179**	**56,189,796**	**20,900,158**

[1] Other non-operating adjustments made to exclude the impact of non-recurring items

Ayr Wellness Provides Outlook for 2022

Toronto, Ontario, March 12, 2021 – Ayr Wellness Inc. (CSE: AYR.A, OTCQX: AYRWF) ("Ayr" or the "Company"), a vertically-integrated cannabis multi-state operator (MSO), on March 11, 2021 in connection with its fourth quarter and year-end 2020 results, provided an outlook for 2022, which included target revenues of US$725 million and Adjusted EBITDA (see "Non-IFRS Measures below) of US$325 million. As 2021 is expected to be a transitional year, no outlook is being provided for 2021.

In developing the guidance set forth above, Ayr made the following assumptions and relied on the following factors and considerations (as well as those referred to under "Forward-Looking Information" below):

- The targets are subject to the timing of pending M&A transactions:
  - Arizona and Ohio will close by the end of Q1 2021
  - New Jersey will close by the end of Q3 2021
- The targets are subject to the timing of on-line dates for cultivation and manufacturing capacity as well as retail store openings:
  - **Pennsylvania:**
    - 45,000 sq ft of cultivation and manufacturing capacity will come on-line in Q2 2021, followed by an additional 38,000 in Q3 2021 and an additional cultivation expansion in Q3 2022
    - Four additional retail locations will open in the second half of 2021, bringing total store count to six
  - **Arizona:** 80,000 sq ft of additional cultivation and manufacturing capacity will come on-line in Q4 2021
  - **New Jersey:**
    - 76,000 sq ft of additional cultivation and manufacturing capacity will come on-line in Q1 2022
    - Adult-use sales will begin in Q1 2022
  - **Massachusetts:**
    - Three adult-use retail locations in Greater Boston will be approved to open and will open by Q1 2022
    - 93,000 sq ft of additional cultivation and manufacturing capacity will come on-line in Q2 2022
  - **Florida:**
    - 42 retail locations in Florida by the end of 2021
    - Steady, gradual improvement in cultivation yields in Florida and retail throughput in 2021 to reach annual retail revenues of roughly $4 million per store by year end 2022
  - **Ohio:**
    - 58,000 sq ft of cultivation and manufacturing capacity will come on-line in Q3 2022

Note: 2022 guidance is based on IFRS accounting standards. Ayr Wellness expects to transition to US GAAP beginning in Q1 2021 and any impact on the 2022 outlook related to the change in accounting standards is planned to be discussed in detail on the Q1 2021 conference call.

The Ayr Wellness fourth quarter and full year 2020 results press release dated March 11, 2021 can be found here. The conference call is available for replay here.

A telephonic replay of the conference call is through March 18, 2021.

Toll-free replay number: (855) 859-2056
International replay number: (404) 537-3406
Replay ID: 2287507

Financial Statements

Certain financial information reported in this news release is extracted from Ayr's Consolidated Financial Statements for the year ended December 31, 2020. Ayr files its annual financial statements on SEDAR. All such financial information contained in this news release is qualified in its entirety by reference to such financial statements.

Definition and Reconciliation of Non-IFRS Measures

The Company reports certain non-IFRS measures that are used to evaluate the performance of its businesses and the performance of their respective segments, as well as to manage their capital structures. As non-IFRS measures generally do not have a standardized meaning, they may not be comparable to similar measures presented by other issuers. Securities regulators require such measures to be clearly defined and reconciled with their most comparable IFRS measure.

The Company references non-IFRS measures and cannabis industry metrics in this document and elsewhere. Non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these are provided as additional information to complement those IFRS measures by providing further understanding of the results of the operations of the Company from management's perspective. Accordingly, these measures should not be considered in isolation, nor as a substitute for analysis of the Company's financial information reported under IFRS. Non-IFRS measures used to analyze the performance of the Company's businesses include "Adjusted EBITDA."

The Company believes that these non-IFRS financial measures provide meaningful supplemental information regarding the Company's performances and may be useful to investors because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making. These financial measures are intended to provide investors with supplemental measures of the Company's operating performances and thus highlight trends in the Company's core businesses that may not otherwise be apparent when solely relying on the IFRS measures.

Adjusted EBITDA

"Adjusted EBITDA" represents income (loss) from operations, as reported, before interest and tax, adjusted to exclude non-recurring items, other non-cash items, including stock-based compensation expense, depreciation and amortization, the adjustments for the accounting of the fair value of biological assets, and further adjusted to remove acquisition related costs.

A reconciliation of how Ayr calculates Adjusted EBITDA is provided below. Additional reconciliations of Adjusted EBITDA and other disclosures concerning non-IFRS measures is provided in our MD&A for the year ended December 31, 2020. As well, the Company reminds you that Adjusted EBITDA is a non-IFRS measure.

Forward-Looking Statements

Certain information contained in this news release may be forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "target", "expect", "anticipate", "believe", "foresee", "could", "would", "estimate", "goal", "outlook", "intend", "plan", "seek", "will", "may", "tracking", "pacing" and "should" and similar expressions or words suggesting future outcomes. This news release includes forward-looking information and statements pertaining to, among other things, Ayr's future growth plans. Numerous risks and uncertainties could cause the actual events and results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: anticipated strategic, operational and competitive benefits may not be realized; events or series of events, including in connection with COVID-19, may cause business interruptions; required regulatory approvals may not be obtained; acquisitions may not be able to be completed on satisfactory terms or at all or may if completed not be successful; and Ayr may not be able to raise additional debt or equity capital if required. Among other things, Ayr has assumed that its businesses will operate as anticipated, that it will be able to complete acquisitions on reasonable terms, and that all required regulatory approvals will be obtained on satisfactory terms and within expected time frames. In particular, there can be no assurance that we will complete the pending acquisitions in or enter into agreements with respect to other acquisitions.

Forward-looking estimates and assumptions involve known and unknown risks and uncertainties that may cause actual results to differ materially. While Ayr believes there is a reasonable basis for these assumptions, such estimates may not be met. These estimates represent forward-looking information. Actual results may vary and differ materially from the estimates.

In making these statements, in addition to those described above and elsewhere herein, the parties have made assumptions with respect to expected cash provided by continuing operations, future capital expenditures, including the amount and nature thereof, trends and developments in the industry, business strategy and outlook, expansion and growth of business and operations, accounting policies, credit risks, anticipated acquisitions, opportunities available to or pursued by the parties, and other matters.

The Company's outlook is based on a number of factors, including the experience of its management team and advisors in growing cannabis businesses, management's local market expertise and management's views on the prospects for the U.S. cannabis market. The Company has also assumed that business and economic conditions will continue substantially in the ordinary course, including, without limitation, with respect to general industry conditions, competition, regulations (including those in respect of the cannabis industry), taxes, continued growing acceptance of cannabis, that there will be no material safety issues or material recalls required, and that there will be no unplanned material changes in the Company's facilities, equipment or customer or employee relations.

Forward-looking information is also subject to the assumptions and risks as described in our MD&A for December 31, 2020. For more information about the Company's 2020 operations and outlook, please view Ayr's corporate presentation posted in the Investors section of the Company's website at www.ayrwellness.com.

About Ayr Wellness Inc.

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Ayr's leadership team brings proven expertise in growing successful businesses through disciplined operational and financial management, and is committed to driving positive

impact for customers, employees and the communities they touch. For more information, please visit ayrwellness.com.

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Ayr Wellness Inc. (formerly, Ayr Strategies Inc.)

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Ayr Wellness Closes Acquisition of Blue Camo LLC

Arizona Becomes Fifth State in Company's Footprint

Toronto, Ontario, March 23, 2021– Ayr Wellness Inc. (CSE: AYR.A, OTCQX: AYRWF) ("Ayr," "Ayr Wellness," "we," "us," "our," or the "Company"), a vertically-integrated cannabis multi-state operator (MSO), today announced it has closed on the purchase of 100% of the membership interests of Blue Camo LLC, which operates under the name Oasis ("Oasis"). Oasis is a vertically integrated operation in Arizona that includes three medical and adult-use dispensaries in the greater Phoenix area, a 10,000 ft^2 triple-stacked cultivation and processing facility in Chandler, and an 86,000 ft^2 cultivation facility under development in Phoenix.

The total purchase consideration includes initial upfront consideration of $75.4 million, made up of $9.5 million in cash, $37.4 million in stock (paid in shares exchangeable into approximately 2.57 million subordinate voting shares of Ayr priced at the 10-day VWAP prior to announcement) and $28.5 million in seller notes, subject to working capital adjustments. An additional 2.0 million shares (priced at the 10-day VWAP prior to announcement) will be held in escrow and payable upon reaching certain cultivation targets at the facility under development.

Additional earn-out consideration through Q1 2023 may be paid in shares exchangeable into subordinate voting shares of Ayr, priced at the then 10-day VWAP, with the earnout value calculated based on a set discount to Ayr's then trading enterprise value to Adjusted EBITDA multiple and based on exceeding certain Adjusted EBITDA hurdles in each year.

"We are thrilled to welcome the Oasis team to the Ayr family and to be adding Arizona as the fifth state in our expanding footprint. Arizona has been a terrific medical market and its recreational program is off to a great start with the state moving quickly to make safe, tested and regulated cannabis available for adult-use," said Jonathan Sandelman, Chairman and Chief Executive Officer of Ayr.

"We look forward to integrating with the Ayr team to accelerate our growth in Arizona," said Jason Vedadi, CEO of Oasis Cannabis. "There is enormous opportunity for this market, especially as we complete the new cultivation facility later this year enabling us to improve margins through increased vertical integration and wholesale market penetration. Further, with the addition of the market-leading Ayr brands, our customers and patients will be thrilled with the improved and expanded selection available to them."

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Assumptions

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Ayr Wellness Closes Acquisition for Parma Wellness Center, LLC Management

Ohio Becomes Sixth State in Company's Footprint

Toronto, Ontario, March 30, 2021– Ayr Wellness Inc. (CSE: AYR.A, OTCQX: AYRWF) ("Ayr," "Ayr Wellness," "we," "us," "our," or the "Company"), a vertically-integrated cannabis multi-state operator (MSO), today announced it has closed on the purchase of 100% of the membership interests of the management company of Parma Wellness Center, LLC (Ohio) and associated real estate.

Total purchase consideration of US$17 million in cash will be allocated as $13 million for the management company interests and $4 million for real estate. The Company expects to spend $20 million in capital expenditures to complete construction of the facility and anticipates it will be operational in the first quarter of 2022.

Parma holds a provisional level 1 medical marijuana cultivator license in Ohio, with initial construction plans for 25,000 ft^2 of canopy inside a 58,000 ft^2 building. Following the closing and completion of the initial phase of the level 1 cultivation facility build-out, Ohio law provides Ayr flexibility to further expand canopy space subject to the approval of the Ohio Department of Commerce.

"We are thrilled to be entering the Ohio market at an early stage in its development. The Ohio medical program is expanding, and we are now the management company for one of only 19 level 1 cultivation licenses – the largest canopy license in the state – to serve a population of close to 12 million. We look forward to bringing Ayr's high quality cannabis products to the medical cannabis patients of Ohio," said Jonathan Sandelman, CEO of Ayr Wellness.

Forward-Looking Statements

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Ayr Wellness Closes Acquisition of Ohio Medical Solutions, Inc.

Toronto, Ontario, March 31, 2021– Ayr Wellness Inc. (CSE: AYR.A, OTCQX: AYRWF) ("Ayr," "Ayr Wellness," "we," "us," "our," or the "Company"), a vertically-integrated cannabis multi-state operator (MSO), today announced it has closed on the purchase of the assets of Ohio Medical Solutions, Inc. ("OMS"), the Ohio processor previously owned by Vireo Health (CSE: VREO, OTCQX: VREOF). Total purchase consideration of US$1.15 million was paid in cash.

OMS, which holds a Certificate of Operation in Ohio for the processing of medical marijuana, is based in Akron, OH and manufactures cannabis-based products in a 9,000 ft^2 processing facility.

The OMS acquisition deepens Ayr's presence in an important, growing medical marijuana market with a population of close to 12 million people. Yesterday, Ayr closed the acquisition for the management company of Parma Wellness Center, LLC and is now the manager of a provisional level 1 medical marijuana cultivator license in Ohio, with initial construction plans for 25,000 ft^2 of canopy inside a 58,000 ft^2 building.

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Assumptions

Forward-looking information in this subject to the assumptions and risks as described in our MD&A for December 31, 2020. For more information about the Company, please view Ayr's corporate presentation posted in the Investors section of the Company's website at www.ayrwellness.com. As well, we remind you that adjusted EBITDA is a non-IFRS measure. Additional reconciliations and other disclosures concerning non-IFRS measures is provided in our MD&A for the year ended December 31, 2020.

About Ayr Wellness Inc.

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FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 **Name and Address of Company**

Ayr Wellness Inc. (the "**Company**")
590 Madison Ave, 26th Floor
New York, NY 10022

Item 2 **Date of Material Change**

March 23, 2021

Item 3 **News Releases**

A news release was disseminated by the Company on March 23, 2021 through the facilities of Globe Newswire and was subsequently filed on SEDAR

Item 4 **Summary of Material Change**

On March 23, 2021, the Company announced it closed on the purchase of 100% of the membership interests of Blue Camo LLC, which operates under the name Oasis ("**Oasis**").

Item 5 **Full Description of Material Change:**

On March 23, 2021, the Company announced it closed on the purchase of 100% of the membership interests of Blue Camo LLC, which operates under the name Oasis. Oasis is a vertically integrated operation in Arizona that includes three medical and adult-use dispensaries in the greater Phoenix area, a 10,000 ft^2 triple-stacked cultivation and processing facility in Chandler, and an 86,000 ft^2 cultivation facility under development in Phoenix.

The total purchase consideration includes initial upfront consideration of $75.4 million, made up of $9.5 million in cash and $37.4 million in stock (paid in shares exchangeable into approximately 2.75 million subordinate voting shares of Ayr priced at the 10-day VWAP prior to announcement), and $28.5 million in seller notes, subject to working capital adjustments. An additional 2.0 million shares (priced at the 10-day VWAP prior to announcement) will be held in escrow and payable upon reaching certain cultivation targets at the facility under development.

Additional earn-out consideration through Q1 2023 may be paid in shares exchangeable into subordinate voting shares of Ayr, priced at the then 10-day VWAP, with the earnout value calculated based on a set discount to Ayr's then trading enterprise value to Adjusted EBITDA multiple and based on exceeding certain Adjusted EBITDA hurdles in each year.

Please refer to the press release of the Company March 23, 2021, attached as Schedule "A".

Item 6 **Reliance on Section 7.1(2) of National Instrument 51-102**

Not applicable.

Item 7 **Omitted Information**

Not applicable.

Item 8 **Executive Officer**

The following is the name and telephone number of a senior officer of the Company who is knowledgeable about the material change and this report:

Megan Kulick, Head of Investor Relations

Tel: (646) 977-7914

Item 9 **Date of Report**

April 5, 2021

Schedule "A"

Please see attached.

Ayr Wellness Closes Acquisition of Blue Camo LLC

Arizona Becomes Fifth State in Company's Footprint

Toronto, Ontario, March 23, 2021– Ayr Wellness Inc. (CSE: AYR.A, OTCQX: AYRWF) ("Ayr," "Ayr Wellness," "we," "us," "our," or the "Company"), a vertically-integrated cannabis multi-state operator (MSO), today announced it has closed on the purchase of 100% of the membership interests of Blue Camo LLC, which operates under the name Oasis ("Oasis"). Oasis is a vertically integrated operation in Arizona that includes three medical and adult-use dispensaries in the greater Phoenix area, a 10,000 ft^2 triple-stacked cultivation and processing facility in Chandler, and an 86,000 ft^2 cultivation facility under development in Phoenix.

The total purchase consideration includes initial upfront consideration of $75.4 million, made up of $9.5 million in cash, $37.4 million in stock (paid in shares exchangeable into approximately 2.57 million subordinate voting shares of Ayr priced at the 10-day VWAP prior to announcement) and $28.5 million in seller notes, subject to working capital adjustments. An additional 2.0 million shares (priced at the 10-day VWAP prior to announcement) will be held in escrow and payable upon reaching certain cultivation targets at the facility under development.

Additional earn-out consideration through Q1 2023 may be paid in shares exchangeable into subordinate voting shares of Ayr, priced at the then 10-day VWAP, with the earnout value calculated based on a set discount to Ayr's then trading enterprise value to Adjusted EBITDA multiple and based on exceeding certain Adjusted EBITDA hurdles in each year.

"We are thrilled to welcome the Oasis team to the Ayr family and to be adding Arizona as the fifth state in our expanding footprint. Arizona has been a terrific medical market and its recreational program is off to a great start with the state moving quickly to make safe, tested and regulated cannabis available for adult-use," said Jonathan Sandelman, Chairman and Chief Executive Officer of Ayr.

"We look forward to integrating with the Ayr team to accelerate our growth in Arizona," said Jason Vedadi, CEO of Oasis Cannabis. "There is enormous opportunity for this market, especially as we complete the new cultivation facility later this year enabling us to improve margins through increased vertical integration and wholesale market penetration. Further, with the addition of the market-leading Ayr brands, our customers and patients will be thrilled with the improved and expanded selection available to them."

Forward-Looking Statements

Certain information contained in this news release may be forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "target", "expect", "anticipate", "believe", "foresee", "could", "would", "estimate", "goal", "outlook", "intend", "plan", "seek", "will", "may", "tracking", "pacing" and "should" and similar expressions or words suggesting future outcomes. This news release includes forward-looking information and statements pertaining to, among other things, Ayr's future growth plans. Numerous risks and uncertainties could cause the actual events and results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: anticipated strategic, operational and competitive benefits may not be realized; events or series of events, including in connection with COVID-19, may cause business interruptions; required regulatory approvals may not be obtained; acquisitions may not be able to be completed on satisfactory terms or at all; the completion and success of our new Arizona cultivation facility; and Ayr may not be able to raise additional debt or equity capital if required. Among other things, Ayr has assumed that its businesses will operate as anticipated, that it will be able to complete acquisitions on reasonable terms, that its new Arizona cultivation facility will be completed on time and on budget and will be successful, and that all required regulatory approvals will be obtained on satisfactory terms and within expected time frames. In particular, there can be no assurance that we will complete all pending acquisitions in or enter into agreements with respect to other acquisitions.

Assumptions

Forward-looking information in this subject to the assumptions and risks as described in our MD&A for December 31, 2020. For more information about the Company, please view Ayr's corporate presentation posted in the Investors section of the Company's website at www.ayrwellness.com. As well, we remind you that adjusted EBITDA is a non-IFRS measure. Additional reconciliations and other disclosures concerning non-IFRS measures is provided in our MD&A for the year ended December 31, 2020.

Ayr is an expanding vertically integrated, U.S. multi-state cannabis operator, focused on delivering the highest quality cannabis products and customer experience throughout its footprint. Based on the belief that everything starts with the quality of the plant, the Company is focused on superior cultivation to grow superior branded cannabis products. Ayr strives to enrich consumers' experience every day through the wellness and wonder of cannabis.

Ayr's leadership team brings proven expertise in growing successful businesses through disciplined operational and financial management, and is committed to driving positive impact for customers, employees and the communities they touch. For more information, please visit www.ayrwellness.com.

Company Contact:

Megan Kulick
Head of Investor Relations
T: (646) 977-7914
Email: IR@ayrwellness.com

Investor Relations Contact:

Sean Mansouri, CFA or Cody Slach
Gateway Investor Relations
T: (949) 574-3860
Email: IR@ayrwellness.com

Exhibit 99.8

MEMBERSHIP INTEREST PURCHASE AGREEMENT

among

SELLERS LISTED ON THE SIGNATURE PAGE HERETO
the members of Blue Camo, LLC

TJV-168, LLC

as the Sellers' Representative

BLUE CAMO, LLC

the Company

CSAC ACQUISITION AZ CORP.

Buyer

and

AYR STRATEGIES INC.

Parent

January 27, 2021

MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement (this "**Agreement**"), dated to be effective as of January 27, 2021, is entered into by and among each of TJV-168, LLC, an Arizona limited liability company ("**TJV**"), First Clearest Choice, Inc., a Wyoming corporation ("**FCC**"), and each of the other Persons listed on the signature page hereto (each being referred to individually as a "**Seller**" and collectively as "**Sellers**"), TJV, as the representative of Sellers ("**Sellers' Representative**"), Blue Camo LLC, an Arizona limited liability company (the "**Company**"), CSAC Acquisition AZ Corp., a Nevada corporation ("**Buyer**"), and AYR Strategies Inc., a British Columbia corporation and parent corporation of Buyer ("**Parent**"). Sellers, the Company, Buyer and Parent may be referred to individually as a "**Party**" and collectively, as the "**Parties**."

RECITALS

WHEREAS, the Company through the Company Entities is engaged in the business of cultivating, producing and selling medical cannabis in the State of Arizona (the "**Business**"). "**Company Entities**" means each of: Total Health & Wellness, Inc., an Arizona non-profit corporation ("**THW**"), Ocotillo Vista, Inc., an Arizona corporation operated as a non-profit entity, ("**Ocotillo**" and together with THW, the "**Licensed Entities**"), 41S Consulting, LLC, an Arizona limited liability company, Fast Sales & Leasing, LLC, an Arizona limited liability company, Ocwen, LLC, an Arizona limited liability company, Post Haste Holdings, LLC, an Arizona limited liability company, Total Veracity, LLC, a Wyoming limited liability company, Clear Choice Admin Services, LLC, an Arizona limited liability company and LV 105 Management, LLC, an Arizona limited liability company;

WHEREAS, as of the date hereof, Sellers own all of the membership interests of the Company (the "**Company Interests**"), as set forth on Exhibit A;

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

WHEREAS, as a material inducement to Buyer and Parent to enter into this Agreement and consummate the transactions contemplated hereby, (a) each of [**********] entered into employment agreements with Buyer, copies of which are attached as Exhibit B (collectively, the "**Employment Agreements**"), and (b) Weber Dr LLC, an Arizona limited liability company ("**Weber Dr**") entered into a lease and an option agreement with Parent or one of its Affiliates ("**Weber Dr Lease**"), copies of which are attached as Exhibit C, pursuant to which Parent or such Affiliate is granted both a lease of, and an option to purchase, the real property, improvements thereon and the equipment located at 17006 S. Weber Dr., Chandler, Arizona with monthly lease payments of $37,500 for the equipment and the combined cultivation, production and dispensary facility and Be Green Real Estate LLC, an Arizona limited liability company ("**Be Green**") entered into a lease and an option agreement with Parent or one of its Affiliates, copies of which are attached as Exhibit D, pursuant to which Parent or such Affiliate is granted both a lease of, and an option to purchase, the real property, improvements thereon and equipment located at 26427 S. Arizona Dr., Chandler, Arizona with monthly lease payments of $17,500 (collectively with the Weber Dr Lease, the "**Real Estate Lease and Option Agreements**"), the performance of each of the foregoing of which are conditioned upon the closing of the sale of the Company Interests to Buyer pursuant hereto; and

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

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties and where applicable the Sellers' Representative (as described herein) agree as follows:

ARTICLE I

PURCHASE AND SALE

Section 1.01 Purchase and Sale, and Contribution, of Company Interests. On the terms and subject to the conditions of this Agreement, at the Closing, each Seller shall contribute, convey, transfer, assign and deliver to Buyer, and Buyer will acquire from each Seller, all of the Company Interests owned by such Seller (as set forth on Exhibit A), in exchange for (i) such Seller's share of the Stock Consideration and the Non-Stock Consideration set forth in the Funds Flow (as hereinafter defined) (which shall contain an update to Exhibit A to account for any changes to the allocation and/or amounts of the Stock Consideration and the Non-Stock Consideration and the other numbers and percentages set forth therein resulting from the determination of the Estimated Amount, the Estimated Capex Cash and the Estimated Working Capital as described in Section 1.01(b) and 1.01(c)) and (ii) such Seller's right to receive the Exchangeable Shares (if any) issued in connection with the 2021 Earn-out and the 2022 Earn-out in accordance with Section 1.01(e) (such exchange, the "**Membership Contribution**"), in each case free and clear of all Encumbrances, other than Encumbrances imposed by federal and state securities Laws and those imposed by the Company LLC Agreement (as hereinafter defined), with the latter to be waived by each Seller on or prior to the execution of this Agreement (collectively, the "**Permitted CI Encumbrances**"). As used in this Agreement, "**Encumbrances**" means any charge, claim, pledge, lien, mortgage, community property interest, option, security interest, right of first refusal or other similar restriction of any kind, in each case whether voluntary or involuntary. The Parties intend that the Membership Contribution together with the Parent Contribution be treated as a single integrated transaction qualifying as a partially tax-deferred contribution under Section 351(b) of the Code for U.S. federal income tax purposes and analogous state and local law tax provisions (the "**Intended Tax Treatment**").

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

(i) an aggregate of $9,500,000 in cash (the "**Cash Consideration)**;

(ii) an aggregate of up to $28,500,000 subject to adjustment as provided in Section 1.01(b), in deferred consideration in the form of promissory notes issued by Buyer in the form attached hereto as Exhibit E (each, a "**Promissory Note**" and collectively with the Cash Consideration, the "**Non-Stock Consideration**"), maturing four years from the Closing Date, with interest payable semi-annually in arrears at the rate of 10% per annum, secured by a pledge of all of the membership interests of the Company pursuant to a Pledge Agreement in the form attached hereto as Exhibit F (the "**Pledge Agreement**"), which will provide that such pledge may not be subordinated in any respects to any indebtedness or encumbrance of the Parent, the Buyer or any of their respective Affiliates; and

(iii) an aggregate of $66,500,000 (subject to adjustment for the payment of fractional shares as described herein) in Class B non-voting exchangeable shares of Buyer ("**Exchangeable Shares**"), based on price per share of $14.55 (subject to appropriate adjustment in the event of any stock dividend, stock split, stock combination or other similar transaction occurring after the date hereof but prior to the Closing Date (the "**Per Share Price**")), which Exchangeable Shares are exchangeable on a one-to-one basis for Subordinate Voting Shares (as hereinafter defined) that are listed on the Canadian Securities Exchange (the "**Stock Consideration**"); provided that in the event any Seller's pro rata portion of the Stock Consideration includes a fractional share, such Seller shall be paid, in lieu of such fractional share, an amount in cash equal to the product obtained by multiplying the Per Share Price by such fractional share (in each case, as set forth in the Funds Flow). As used in this Agreement, "**Aggregate Consideration**" means the Non-Stock Consideration plus the Stock Consideration.

(b) Estimated Working Capital. The aggregate principal amount of the Promissory Notes to be issued to Sellers at Closing shall be reduced or increased on a dollar-for-dollar basis based as described in this Section 1.01(b). Concurrently with the delivery of the Funds Flow (as hereinafter defined), the Company shall deliver: (i) an estimated consolidated balance sheet of the Company and the Company Entities estimated as of the Closing Date (but without giving effect to any actions taken by or at the direction of Buyer on the Closing Date after the Closing has occurred); (ii) based on such estimated balance sheet, the Company's calculation of the estimated consolidated Working Capital as of the Closing Date (the "**Estimated Working Capital**"); and (iii) the amount of the estimated Capex Cash (the "**Estimated Capex Cash**" and such documentation, the "**Estimated Working Capital And Capex Cash Statement**"). The Estimated Working Capital And Capex Cash Statement will be prepared in accordance with the same procedures and provisions used to calculate the Draft Post-Closing Adjustment Statement (as hereinafter defined). If the Estimated Working Capital exceeds $5,500,000 (the "**Working** Capital Target") then the aggregate principal amount of Promissory Notes shall be increased on a dollar for dollar basis by the amount of such excess but if the Estimated Working Capital is less than the Working Capital Target then the aggregate principal amount of Promissory Notes shall be decreased on a dollar for dollar basis by the amount of such difference, in each case based on such Seller's pro rata share as set forth in the Funds Flow of such excess or difference. If the Estimated Capex Cash is less than the Target Capex Cash (as hereinafter defined) then the aggregate principal amount of Promissory Notes shall be decreased on a dollar for dollar basis by the amount of such difference. "**Target Capex Cash**" means the aggregate amount set forth on Schedule 1.01(b) to complete the capital expenditures set forth on Schedule 1.01(b), *provided* that if any capital expenditure set forth on Schedule 1.01(b) is completed by the Company or any Company Entity after the execution of this Agreement but prior to the Closing, such capital expenditure and the amount thereof shall, upon the Buyer's and the Parent's receipt of written evidence of completion, be deemed to be removed from Schedule 1.01(b). The Company shall provide the Buyer and the Parent with prompt written evidence of the completion of any capital expenditure set forth on Schedule 1.01(b).

(c) Indebtedness. In addition to and without duplication of the adjustments described in Section 1.01(b), the aggregate amount of the Promissory Notes to be issued at Closing shall be reduced on a dollar-for-dollar basis by an amount equal to the sum of the then unpaid transaction expenses of the Company and each Company Entity and the then outstanding Indebtedness (as defined below) of the Company and each Company Entity (the "**Applicable Expenses**") based on each Seller's pro rata share as set forth in the Funds Flow of the amount of Applicable Expenses. "**Indebtedness**" means, without duplication, (i) (a) all obligations for borrowed money, (b) all obligations evidenced by notes, bonds, debentures, mortgage or other instruments, (c) all obligations under any debt security, interest rate, currency or other hedging or swap, derivative obligation or other similar arrangement, (d) all reimbursement obligations under letters of credit (only to the extent drawn) or similar facilities, (e) every obligation of the Company and each Company Entity in respect of leases which are, or otherwise should be, capitalized, (f) amounts payable to, or for the benefit of, employees, consultants, investment advisors and brokers as a consequence of the Closing, whenever payable and (g) all guarantees of any items set forth in clauses (a) through (e) and (ii) all accrued and unpaid interest on the items described in subclauses (a) through (i)(e) above and all prepayment premiums actually incurred in connection with the repayment of any Indebtedness at the Closing by the Buyer on the Company's or a Company Entity's behalf or which is due and payable arising from acts of the Company or a Company Entity prior to the Closing; all to be determined in accordance with United States Generally Accepted Accounting Principles consistently applied ("**GAAP**"). Notwithstanding anything to the contrary herein, Indebtedness shall not include (A) trade payables and (B) accounts payables incurred in the ordinary course. The estimated amount of the Applicable Expenses (the "**Estimated Amount**") and the aggregate amount of Promissory Notes resulting thereof shall be prepared in good faith by the Company in reasonable detail and delivered to the Buyer, as part of the Funds Flow, at least one (1) Business Day prior to the Closing Date. "**Business Day**" means any day that is not a Saturday, Sunday or other day on which banking institutions in Delaware are authorized or required by Law or Governmental Order to close.

(d) Share Escrow

(i) At the Closing, two million shares of the Stock Consideration (the "**Escrowed Shares**") will be placed into escrow with Arizona Escrow & Financial Corporation acting as escrow agent (the "**Escrow Agent**") pursuant to an Escrow Agreement in a form reasonably satisfactory to the Buyer, the Parent and the Sellers' Representative. All of the Escrowed Shares shall be released to the Sellers (with each Seller receiving the number of Escrow Shares set forth opposite such Seller's name on the Funds Flow) after the cultivation facility located at 4301 West Baseline Avenue, Phoenix, AZ 85043 (the " **Revlon Facility**") produces [**********] pounds or more of dry weight flower (excluding trim) which can legally be sold to the public over any trailing 90-day period ending after the Closing Date (the "**Revlon Target**"); *provided* that after the consummation of a Going Private Transaction (as hereinafter defined), any cash being held in escrow in lieu of the Escrowed Shares shall remain subject to the Litigation Escrow Agreement (as hereinafter defined), if still in effect. Upon the satisfaction of the Revlon Target, (1) the Buyer shall notify the Sellers' Representative and the Sweis Parties immediately, (2) the Escrowed Shares, or other consideration being held in accordance with Section 1.01(d)(iii), shall be released from escrow (but not the Lock-Up Agreements), and (3) the Buyer, the Parent and the Sellers' Representative shall deliver a joint written instruction to the Escrow Agent authorizing the release of the Escrowed Shares or other consideration (and the Buyer and the Parent shall cause the release of any consideration in lieu of Escrowed Shares (as described above) being held in escrow by the Litigation Escrow Agent to the Sweis Parties). Notwithstanding the preceding sentence, any consideration in lieu of Escrowed Shares (as described above) being held in escrow by the Litigation Escrow Agent shall remain subject to the Litigation Escrow Agreement, if still in effect.

(ii) From the Closing Date until the Revlon Target is satisfied (the "**Escrow Period**"), the Company and each Company Entity shall (and the Parent, the Buyer and their respective Affiliates shall cause the Company and each Company Entity to) (i) complete all of its obligations for (and use commercially reasonable efforts to cause any third Person not an Affiliate of the Parent, the Buyer or any of their respective Affiliates to complete their obligations for) the build out of the Revlon Facility in accordance with the applicable Project Plans (including, without limitation, the time frames set forth therein) (the "**Revlon Plans**") and (ii) after the completion of the Revlon Plans, operate the Revlon Facility in the manner contemplated in an annual budget to be mutually agreed to by the Buyer and the Sellers' Representative prior to the Closing and again in December of 2021 (the "**Annual Budget**"), with the employees and independent contractors who provided services to the Revlon Facility as of the Closing or who are expected to provide services to the Revlon Facility after the completion of the Revlon Plans as described in the Annual Budget, subject to the Parent's and the Buyer's rights to hire and fire as provided under Section 1.01(e)(x). The Company and each Company Entity shall (and the Parent, the Buyer and their respective Affiliates shall cause the Company and each Company Entity to) use its good faith, commercially reasonable efforts to satisfy the Revlon Target; *provided* that the business of the Revlon Facility and the expansion of the Revlon Facility need only be carried out in accordance with the Revlon Plans and the Annual Budget. In addition, the Company and each Company Entity shall not (and the Parent, the Buyer and their respective Affiliates shall cause the Company and each Company Entity not to) take or omit to take any action which would have a material adverse effect on the ability to satisfy the Revlon Target.

(iii) In the event that the Parent consummates a Going Private Transaction (as hereinafter defined) during the Escrow Period, then the Escrowed Shares shall be converted into cash based on (A) the amount of any cash (including the aggregate principal amount of any debt security issued as consideration) paid as consideration and (B) the fair market value of any equity securities or securities convertible into equity securities issued as consideration that the Sellers would have received if the Escrowed Shares were converted into Subordinate Voting Shares immediately prior to such Going Private Transaction (as determined based on the definitive document for such Change of Control), which cash shall remain held in escrow in accordance with this Section 1.01(d). In the event the Parent consummates a Change of Control, then the Parent shall cause the acquiror in such Change of Control to agree in writing to (i) be bound by the terms and conditions of this Agreement as though it was an initial party hereto and (ii) in the case of a Change of Control that is a Going Private Transaction, deposit the new escrowed property with the Escrow Agent and Litigation Escrow Agent. During the Escrow Period, none of Lower Holdings (as hereinafter defined), Upper Holdings (as hereinafter defined), the Buyer, the Company or a Company Entity may consummate a Change of Control without the prior written consent of the Sellers' Representative (which may be withheld in its sole discretion) except (i) for an internal reorganization which results in the equity securities of Lower Holdings, Upper Holdings, the Buyer or the Company being owned by a different wholly-owned subsidiary of the Parent or (ii) if the Parent and the Buyer provide a signed joint written instruction to the Sellers' Representative, who shall then execute and provide the fully executed joint written instruction to the Escrow Agent authorizing the release of all the Escrowed Shares, or other consideration being held in escrow in lieu of the Escrow Shares, to the Sellers' Representative (and the Buyer and Parent shall cause the Litigation Escrow Agent to release any consideration in lieu of Escrowed Shares (as described in Section 1.01(d)) being held in escrow by the Litigation Escrow Agent to the Sweis Parties). Notwithstanding the preceding sentence, any consideration in lieu of Escrowed Shares (as described in Section 1.01(d)) being held in escrow by the Litigation Escrow Agent shall remain subject to the Litigation Escrow Agreement, if still in effect.

(iv) "**Going Private Transaction**" means the Parent's consummation of a Change of Control and after such Change of Control (i) the Subordinate Voting Shares are no longer publicly traded on the CSE, NASDAQ, the New York Stock Exchange or any other nationally recognized Canadian or United States Stock Exchange (such exchanges, the "**Eligible Exchanges**") and the consideration receivable for the Subordinate Voting Shares is not equity securities that are publicly traded on an Eligible Exchange or (ii) the Exchangeable Shares can no longer be exchanged for either Subordinate Voting Shares that are publicly traded on an Eligible Exchange or equity securities that are publicly traded on an Eligible Exchange. "**Change of Control**" means (i) a merger, acquisition or other transaction after which then current equity holders of the applicable Person (as hereinafter defined) own or control less than fifty percent (50%) of the surviving entity, provided that for purposes herein "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; (ii) a sale, a grant of exclusive license, transfer or other disposition of all or substantially all of the assets of the applicable Person or (iii) a sale, assignment or transfer of fifty percent (50%) or more of the voting capital securities of the applicable Person; provided that the conversion of the Parent's multiple voting shares in accordance with their terms shall not constitute a Change of Control. Unless otherwise provided herein, if during the Escrow Period or the Earn-out Period there shall occur any Change of Control in which all of the issued and outstanding Subordinate Voting Shares of the Parent are converted into or exchanged for securities, cash or other property, then, following any such Change of Control, each Escrowed Share or Exchangeable Share issued in connection with the 2021 Earn-out or the 2022 Earn-Out shall thereafter be exchangeable in lieu of the Subordinate Voting Shares into which it was exchangeable prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Subordinate Voting Shares issuable upon conversion of one (1) Exchangeable Share immediately prior to such Change of Control would have been entitled to receive pursuant to such transaction.

(v) During the Escrow Period, the Sellers' Representative and its accountants and other representatives shall have full access to the books and records of the Revlon Facility, the personnel of and work papers prepared by Parent, the Buyer, or any controlled Affiliates of the Parent or the Buyer the

Company or any Company Entity and/or their respective accountants, employees or other agents to the extent that they relate to the Revlon Facility and/or the satisfaction of the Revlon Target and to such historical financial information relating to the Revlon Facility and the Revlon Target as Sellers' Representative may reasonably request for the purpose of determining compliance with this Section 1.01(d) and determining whether the Revlon Target is satisfied. If the Sellers' Representative determines that the Revlon Target has been satisfied, then the Sellers' Representative shall provide the Parent with written notice of its determination (the "**Escrow Release Demand**") and the Parent shall have thirty days after its receipt of the Escrow Release Demand to agree or dispute in writing delivered to the Sellers' Representative, in reasonable detail, whether the Revlon Target has been satisfied. If the Parent disputes that the Revlon Target has been satisfied during such thirty day period in accordance with the procedures set forth in this Section 1.01(d), the Buyer and the Sellers' Representative shall have thirty days (or such longer period as they may mutually agree) to resolve any disputes of whether the Revlon Target has been satisfied. If the Sellers' Representative and Parent are unable to so agree during such period, then such dispute shall be resolved in accordance with Section 10.08. If it is determined under this Section 1.01(d)(v) that the Revlon Target has been satisfied, then the Escrowed Shares (or other consideration held in escrow) shall be released from escrow in accordance with this Section 1.01(d).

(vi) If after the date hereof the Company and the Sellers' Representative agree that additional capital expenditures are required by Law (as it exists on the date hereof) in order to obtain a certificate of occupancy for the Revlon Facility and such capital expenditures are not described in the Revlon Plans, then the Buyer shall consummate such additional capital expenditures and the Buyer shall set off the amount of such additional capital expenditures (as such capital expenditures are paid by the Buyer) against each Promissory Note or the portion of the 2021 Earn-out or the 2022 Earn-out in accordance with each such Seller's indemnification percentage set forth on the Funds Flow (the "**Non-EBITDA Expenses**"). If after the date hereof additional capital expenditures are required by Law (because of changes to the Law made after the date hereof) in order to obtain a certificate of occupancy for the Revlon Facility or due to change orders requested by the Buyer, then any and all such capital expenditures shall be paid for by the Buyer without any reduction to the Aggregate Consideration but the effect of any items of income or expense attributable to such capital expenditures shall be accounted for as set out in the definition of Adjusted EBIDTA.

(e) Earnouts

(i) Each Seller will receive its share (as set forth on the Funds Flow) of an amount determined by (A) first subtracting (1) $30,000,000, from (2) the Company's 2021 Adjusted EBITDA and (B) second, multiplying the amount calculated in subclause (A) by Parent's March 2022 Adjusted EBITDA Multiple (the "**2021 Earn-out**") which is payable in Exchangeable Shares as described herein. "**Company's 2021 Adjusted EBITDA**" means the Adjusted EBITDA of the Company and the Company Entities (on a consolidated basis) for the twelve-month period ending December 31, 2021. "**Adjusted EBITDA**" means (all as calculated in accordance with IFRS) income (loss) from operations (A) plus (1) fair value adjustments relating to biological assets, (2) interest, (3) taxes, (4) depreciation and amortization, (5) non-cash stock-based compensation, (6) acquisition and transaction related expenses and (7) other non-operating costs that are extraordinary, unusual or non-recurring in nature, (B) less lease expenses which are required to be capitalized, (C) excluding any losses of income from operations of the Company or the Company Entities attributable to capital expenditures made by the Company and the Company Entities at the request of Parent or Buyer (other than Non-EBITDA Expenses), (D) less any income from operations of the Company or the Company Entities attributable to capital expenditures made by the Company and the Company Entities at the request of Parent or Buyer (other than Non-EBITDA Expenses); *provided* that if any Company Entity included in the Adjusted EBITDA calculation has any minority owners, then the Adjusted EBITDA calculation for such Company Entity shall be proportionately reduced by the percentage of the then outstanding equity interest not owned, directly or indirectly, by the Company and; *provided, further* that prior to making any expenditure under either subclause (C) or (D) above, the Parent and the Buyer will provide written notice of such proposed action to the Sellers' Representative at least ten (10) days prior to taking such proposed action and during the ten (10) day period thereafter the Parent, the Buyer and the Sellers' Representative will discuss such proposed actions and use their good faith efforts to agree on such proposed action's impact on the Adjusted EBITDA calculation (but if such Persons do not agree then the dispute will be submitted as part of the Earnout Disputed Amounts to the Independent Accountant). For purposes of clarity, all income (loss) from capital expenditures paid for under the Available Financing or the Seller Earn-out Notes shall be included in the definition of Adjusted EBITDA. "**Parent's March 2022 Adjusted EBITDA Multiple**" means the amount determined by (a) dividing the Parent's March 2022 Total Diluted Enterprise Value by Parent's March 2022 Adjusted EBITDA and (b) multiplying the number determined pursuant to subclause (a) by .75. "**Parent's March 2022 Total Diluted Enterprise Value**" means the total diluted enterprise value of Parent and all of its direct or indirect Affiliates (on a consolidated basis) calculated using the volume-weighted average price of the Parent's publicly traded Subordinate Voting Shares (or any other publicly traded equity securities as described in Section 1.01(d)(iv)) on the CSE (or any other Eligible Exchange) from March 1, 2022 through March 31, 2022, using the "treasury method." "**Parent's March 2022 Adjusted EBITDA**" means the sum of (i) the Adjusted EBITDA of Parent and its direct or indirect Affiliates (calculated on a consolidated basis) for the twelve-month period ending December 31, 2021 and (ii) for each operating business acquired by Parent or any of its direct or indirect Affiliates during the twelve-month period ending December 31, 2021, the Adjusted EBITDA of such operating business prior to the closing of such acquisition. The amount of the 2021 Earn-out, if any, will be reduced by (i) the aggregate amount of any draws made between the Closing and December 31, 2021 under the Available Financing (as hereinafter defined) and (ii) the aggregate amount payable under any then outstanding Seller Earn-out Notes. The 2021 Earn-out, if any, will be payable in Exchangeable Shares which shares are exchangeable on a one-to-one basis for Subordinate Voting Shares (or any other publicly traded equity securities as described in Section 1.01(d)(iv)) that are listed on the CSE (or any other Eligible Exchange). The number of Exchangeable Shares issued to the Sellers (with each Seller receiving its pro rata portion of the 2021 Earn-out as set forth in the Funds Flow) will be determined by dividing the amount of the 2021 Earn-out by the 10-day volume-weighted average price of the Parent's publicly reported stock prices as of March 31, 2022 (rounded up for any fractional shares and calculated based on the exchange rate as of March 31, 2022). An example of the calculation of the 2021 Earn-out is set forth on Exhibit G.

(ii) Each Seller will receive its pro rata share (as set forth on the Funds Flow) of an amount determined by (A) first subtracting (1) the greater of $30,000,000 or the Company's 2021 Adjusted EBITDA (calculated for the avoidance of doubt without regard to the reduction described in subclause (A)(1) of the first sentence of Section 1.01(e)(i)) from (2) the Company's 2022 Adjusted EBITDA and (B) multiplying the amount determined in accordance with subclause (A) by Parent's March 2023 Adjusted EBITDA Multiple (the "**2022 Earn-out**") which is payable in Exchangeable Shares as described herein. "**Company's 2022 Adjusted EBITDA**" means the Adjusted EBITDA of the Company and each Company Entity (on a consolidated basis) for the twelve-month period ending December 31, 2022. "**Parent's March 2023 Adjusted EBITDA Multiple**" means the amount determined by (a) dividing the Parent's March 2023 Total Diluted Enterprise Value by Parent's March 2023 Adjusted EBITDA and (b) multiplying the number determined pursuant to subclause (a) by .75. "**Parent's March 2023 Total Diluted Enterprise Value**" means the total diluted enterprise value of Parent and its direct or indirect Affiliates (on a consolidated basis) calculated using the volume-weighted average price of the Parent's publicly traded Subordinate Voting Shares (or any other publicly traded equity securities as described in Section 1.01(d)(iv)) on the CSE (or any other Eligible Exchange) from March 1, 2023 through March 31, 2023, using the "treasury method". "**Parent's March 2023 Adjusted EBITDA**" means the sum of (i) the Adjusted EBITDA of Parent and its direct or indirect Affiliates (calculated on a consolidated basis) for the twelve-month period ending December 31, 2022 and (ii) for each operating business acquired by Parent or any of its direct or indirect Affiliates during the twelve-month period ending December 31, 2022, the Adjusted EBITDA of such operating business prior to the closing of such acquisition. The amount of the 2022 Earn-out, if any, will be reduced by (i) the aggregate amount of any draws made between the January 1, 2022 and December 31, 2022 under the Available Financing and (ii) the aggregate amount payable under any then outstanding Seller Earn-out Notes; provided that the

aggregate amount payable of any Seller Earn-out Note which reduced the 2021 Earn-out shall not be deemed outstanding or reduce the calculation of the 2022 Earn-out; provided further that the aggregate amount of any draws made between the January 1, 2021 and December 31, 2022 under the Available Financing, that were not deducted from the 2021 Earn-out because they would have made the 2021 Earn-out a negative number will be deducted from the 2022 Earn-out. The 2022 Earn-out, if any, will be payable in Exchangeable Shares which shares are exchangeable on a one-to-one basis for Subordinate Voting Shares (or any other publicly traded equity securities as described in Section 1.01(d)(iv)) that are listed on the CSE (or any other Eligible Exchange). The number of Exchangeable Shares issued to the Sellers (with each Seller receiving its pro rata portion of the 2022 Earn-out as set forth in the Funds Flow) will be determined by dividing the amount of the 2022 Earn-out by the 10-day volume-weighted average price of the Parent's publicly reported stock prices as of March 31, 2023 (rounding up for any fractional shares and as converted into US dollars based on the exchange rate as of March 31, 2023). An example of the calculation of the 2022 Earn-out is set forth on Exhibit G.

(iii) The aggregate dollar amount of the 2021 Earn-out and the 2022 Earn-out will not exceed $300,000,000, less (A) any reductions to the 2021 Earn-out or the 2022 Earn-out as described in Section 1.01(e)(i) and Section 1.01(e)(ii), as applicable, and (B) the amount of any consideration received by the Sellers' Representative under Section 1.01(e)(xi) and set forth in Schedule 1.01(e)(xi) for an entity undergoing a Change of Control.

(iv) On or before April 10, 2021 or 2022 (as applicable), Parent shall prepare and deliver to Sellers' Representative the calculation of the 2021 Earn-out or the 2022 Earn-out (as applicable) along with the underlying calculations of the Company's 2021 Adjusted EBITDA, the Company's 2022 Adjusted EBITDA, the Parent's March 2022 Total Diluted Enterprise Value, the Parent's March 2023 Total Diluted Enterprise Value, the Parent's 2022 Adjusted EBITDA and the Parent's 2023 Adjusted EBITDA (all as applicable) which shall also set forth whether the 2021 Earn-out or the 2022 Earn-out is due and the amount of the 2021 Earn-out or the 2022 Earn-out (as applicable) in accordance with the terms hereof (the "**Earnout Statement**"). After receipt of the Earnout Statement, Sellers' Representative shall have thirty (30) days (the "**Earnout Statement Review Period**") to review the Earnout Statement. During the Earnout Statement Review Period, Sellers' Representative and its accountants and other representatives shall have full access to the books and records of the Company, each Company Entity, the Buyer and the Parent, the personnel of and work papers prepared by Parent, Buyer, the Company and each Company Entity and/or their respective accountants, employees and agents to the extent that they relate to the Earnout Statement (and the calculations set forth therein) and to such historical financial information relating to the Earnout Statement (and the calculations set forth therein) as Sellers' Representative may reasonably request for the purpose of reviewing the Earnout Statement and to prepare an Earnout Statement Notice of Objections (defined below).

(v) On or prior to the last day of the Earnout Statement Review Period, Sellers' Representative may object to the Earnout Statement by delivering to Parent a written statement setting forth its objections in reasonable detail, indicating each disputed item or amount and the basis for its disagreement therewith (the "**Earnout Statement Notice of Objections**"). If Sellers' Representative fails to deliver the Earnout Statement Notice of Objections before the expiration of the Earnout Statement Review Period, the Earnout Statement shall be deemed to have been accepted by Sellers' Representative absent manifest error, fraud or intentional misconduct .. If Sellers' Representative delivers the Earnout Statement Notice of Objections before the expiration of the Earnout Statement Review Period, Parent and Sellers' Representative shall negotiate in good faith to resolve such objections within thirty (30) days after the delivery of the Earnout Statement Notice of Objection (the "**Earnout Resolution Period**"), and if the same are so resolved within the Earnout Resolution Period, the Earnout Statement with such changes as may have been previously agreed in writing by Parent and Sellers' Representative shall be final and binding.

(vi) If Sellers' Representative and Parent fail to reach an agreement with respect to all of the matters set forth in the Earnout Statement Notice of Objections before expiration of the Earnout Resolution Period, then any amounts remaining in dispute ("**Earnout Disputed Amounts**") shall be submitted for resolution to Ovist & Howard, CPAs (the "**Independent Accountant**") who, acting as experts and not arbitrators, shall resolve the Earnout Disputed Amounts only and make any adjustments to the 2021 Earn-out or the 2022 Earn-out and the related Earnout Statement. The Independent Accountant shall only decide the Earnout Disputed Amounts and its decision for each Earnout Disputed Amount must be within the range of values assigned to each such item in the Earnout Statement and the Earnout Statement Notice of Objections, respectively. If any unresolved Earnout Disputed Amounts are submitted to the Independent Accountant, the Parent and the Sellers' Representative shall each furnish to the Independent Accountant such work papers, schedules and other documents and information relating to the Earnout Disputed Amounts as the Independent Accountant may reasonably request. The Independent Accountant shall resolve the disputed items based solely on the applicable definitions and other terms in this Agreement and the presentations by the Parent and the Sellers' Representative, and not by independent review. The Independent Accountant shall have full access to Parent's, Buyer's, the Company's and each Company Entity's, books and records used in preparing the Earnout Statement and shall have access to interview relevant managers and employees of Parent, Buyer, the Company or each Company Entity during normal working hours.

(vii) The fees and expenses of the Independent Accountant shall be paid by the Sellers' Representative (on behalf of the Sellers), on the one hand, and by Parent, on the other hand, based upon the percentage that the amount actually contested but not awarded to Sellers' Representative or Parent, respectively, bears to the aggregate amount actually contested by Sellers' Representative and Parent.

(viii) The Independent Accountant shall make a determination as soon as practicable within thirty (30) days (or such other time as the Sellers' Representative and the Parent shall agree in writing) after their engagement, and their resolution of the Earn-out Disputed Amounts and their adjustments to the Earn-out Statement and the 2021 Earn-out or the 2022 Earn-out shall be conclusive and binding upon the Parties, absent fraud or intentional misconduct or except in case of manifest error in which case the determination made by the Independent Accountant shall be remitted to the Independent Accountant for correction. In connection with such determination, the Independent Accountant will deliver a report setting forth in reasonable detail, its determination of the Earn-out Disputed Amounts.

(ix) If the 2021 Earn-out or the 2022 Earn-out is payable pursuant to this Section 1.01(e), Buyer will, within five (5) Business Days after the determination of the amount thereof (whether by mutual agreement of Parent and Sellers' Representative or by the Independent Accountant), issue the Exchangeable Shares to the Sellers as described in Section 1.01(e)(i) or Section 1.01(e)(ii) (as applicable), and for purposes of clarity, if any portion of the 2021 Earn-out or the 2022 Earn-out contains amounts which are disputed and amounts which are not disputed, as described herein, the Buyer will issue the applicable number of Exchangeable Shares to the Sellers as described herein with respect to any amounts which are not disputed.

(x) From the Closing Date until January 1, 2023 (such period of time, the "**Earn-out Period**"), the Company and each Company Entity shall (and the Parent, the Buyer and their respective Affiliates shall cause the Company and each Company Entity to): (1) remain as a standalone entity; (2) consummate the capital expenditures set forth in the Project Plans; (3) conduct the business of the Company and the Company Entities in accordance with the Annual Budget (except that the Company and the Company Entities may make capital expenditures in addition to those set forth in the Project Plans and the Annual Budget, so long as such capital expenditures will not have a negative effect on the Company's Adjusted EBITDA); and (4) [**********] [**********] the Company and each Company Entity shall (and the Parent and the Buyer shall cause the Company and each Company Entity to) use its commercially reasonable efforts to maximize Adjusted EBITDA during the Earn-out Period; provided that the business of the Company and the Company Entities and the expansion of the facilities used in their businesses need only be carried out in accordance with the Annual Budget, the Project Plans and any other capital expenditures agreed to under this Agreement. Subject to the terms of this Section 1.01(e)(x), the Company and each Company Entity shall not (and the Parent, the Buyer and their respective Affiliates shall cause the Company and each Company Entity not to) take or omit to take any action (1) which would knowingly or reasonably be expected to have a material adverse effect on the Company, a Company Entity or any of their respective business, Adjusted EBITDA, the 2021 Earn-out or the 2022 Earn-out or (2) for the purpose of reducing or minimizing Adjusted EBITDA or the amount of the 2021 Earn-out or the 2022 Earn-out. Each of Buyer and Parent further agrees that the business of the Company and each Company Entity and the expansion of those businesses and the products sold by any Company Entity in the ordinary course will be carried out in accordance with the Project Plans and the Annual Budget, unless otherwise required by applicable Law. In the event of a Material Adverse Effect which occurs after the Closing, Parent and the Sellers' Representative agree to negotiate in good faith to make equitable adjustments to this Section 1.01(e) to compensate for the effects of any such Material Adverse Effect. Without limiting the generality set forth herein, each of Buyer and Parent agrees to adequately fund and support the continuing operations of the business of the Company and each Company Entity in a manner consistent with the Project Plans and the Annual Budget. In addition to and without limiting the generality of the foregoing, each of Buyer and Parent agrees to operate the business of the Company and each Company Entity consistent with the following general guidelines: (1) all decisions regarding the operations of the Company's or any Company Entity's business and the Company or any Company Entity that could reasonably have a material effect on Adjusted EBITDA will be made only after consultation with the Sellers' Representative, which shall include, but not be limited to: (A) [**********] [**********] (C) approving significant customers and material sales contracts; (D) approving the Company's and each Company Entity's material vendors and suppliers; (E) setting marketing and sales budgets (provided that they are consistent with the Company Business Plan); and (2) all material changes to product pricing and all material changes to cannabis strains will require the consent of the Sellers' Representative.
[**********]

(xi) In the event the Parent consummates a Change of Control after the date hereof but before the expiration of the Earn-out Period which is a Going Private Transaction, then the 2021 Earn-out and the 2022 Earn-out will be calculated in accordance with this Section 1.01(e)(xi). The amount of the 2021 Earn-out, if not already paid, will be determined by multiplying the Company's 2021 Adjusted EBITDA (calculated with the reductions described in subclause (A) of the first sentence of Section 1.01(e)(i)) by the Adjusted EBITDA multiple used to value the Parent in such Going Private Transaction and the amount of the 2022 Earn-out will be determined by multiplying the Company's 2022 Adjusted EBITDA (calculated with the reductions described in subclause (A) of the first sentence of Section 1.01(e)(ii)) by the Adjusted EBITDA multiple used to value the Parent in such Going Private Transaction, with both the 2021 Earn-out, if not already paid, and the 2022 Earn-out being payable in cash. In the event of any of the Parent consummates a Change of Control, then the Parent shall cause the acquiror in such Change of Control to agree in writing to (i) be bound by the terms and conditions of this Agreement as though it was an initial party hereto and (ii) cause such acquiror to comply with the obligations set forth herein. During the Earn-out Period, none of Lower Holdings, Upper Holdings, the Buyer, the Company or a Company Entity may consummate a Change of Control or transfer, sell or otherwise dispose of any of the licenses listed on Schedule 1.01(e)(xi) without the prior written consent of the Sellers' Representative (which may be withheld in its sole discretion) unless concurrently with such Change of Control or other transaction, the Sellers' Representative receives the consideration set forth in Schedule 1.01(e)(xi) for the licenses directly or indirectly held by the entity or entities undergoing such Change of Control or the license(s) which is sold, transferred or otherwise disposed of.

(xii) During the Earn-out Period, the Company and each Company Entity shall invite Sellers' Representative to attend all meetings of its Board of Managers (or other similar governing body) in a non-voting observer capacity and, in this respect, shall provide Sellers' Representative copies of all notices, minutes, consents and other materials that it provides to its members of its governing body at the same time and in the same manner as provided to such Persons.

(xiii) The contingent right to receive the 2021 Earn-out and the 2022 Earn-out will not be represented by any form of certificate or other instrument, is not transferable, except a transfer as an operation of Law, and until received, does not constitute an equity or ownership interest in Buyer, Parent, the Company or the Company Entities. Each Seller will not have any rights as a security holder of Buyer, Parent, the Company, or the Company Entities as a result of such Seller's contingent right to receive its portion of the 2021 Earn-out or the 2022 Earn-out. No interest is payable with respect to the 2021 Earn-out or the 2022 Earn-out, unless such payment is not made when due, in which case any earn-out payment due will bear interest at a rate of 10% per annum from the due date; provided that if any portion of an earn-out payment is being disputed in good faith, interest will not accrue on such portion unless and until such portion is finally determined to be payable as described herein.

(xiv) Buyer and Sellers recognize and agree that the earn-out payments made to Sellers in the form of Exchangeable Shares under thisSection 1.01(e), if any, (A) subject to Section 483 of the Code, will be treated as a receipt of stock by Sellers for purposes of Section 351(b) of the Code if and when such earn-out payment is actually made, and (B) shall not be treated as a receipt of other property or money for purposes of Section 351(b) of the Code.

(xv) All Exchangeable Shares (and any resulting Subordinate Voting Shares) issued as an earn-out payment under this Section 1.01(e) will be freely tradeable upon issuance subject to a full 4 month hold period in accordance with tradeable upon issuance subject to a full 4 month hold period in accordance with Canadian securities laws.

(xvi) An amount not to exceed [**********] of the 2021 Earn-out and the 2022 sensitive information Earn-out may be payable to certain employees of the Company and the Company Earn Entities on terms to be mutually agreed upon by the Parties. Between the date of amount execution of this Agreement and the Closing Date, the Buyer, the Parent and the Company will use good faith efforts to mutually agree upon the terms of such payment.

(f) Seller Funding. In the event that after the Closing, any Seller desires to provide additional cash to the Company or any Company Entity during the Earn-out Period in order to enable the Company and the Company Entities to increase the likelihood that the Company and the Company Entities satisfy the Revlon Target or increase the 2021 Earn-out or the 2022 Earn-out, then, unless the Parent and the Buyer reasonably determine that such additional cash will not enable the Company and the Company Entities to increase the likelihood that the Company and the Company Entities satisfy the Revlon Target or increase the 2021 Earn-out and/or the 2022 Earn-out, such Seller shall be permitted to loan additional cash to the Company up to a maximum amount of $10,000,000, in the form of a promissory note substantially similar to the Promissory Notes except that the interest rate will be the then current applicable federal rate determined in accordance with Section 1274(d)(1) of the Code and principal and any accrued and unpaid interest on each such promissory note shall be payable on March 31, 2023 (the "**Seller Earn-out Notes**"). Each Seller Earn-out Note shall be secured by the Pledge Agreement. In the event that either the Company or a Company Entity proposes (or the Parent, the Buyer or any of their respective Affiliates proposes that the Company or any other Company Entity) to incur material additional capital expenditures, the Parent shall give the Sellers fifteen (15) days prior written notice before completing such capital expenditure, and any Seller shall have a right to fund such capital expenditure via a Seller Earn-out Note by funding a Seller Earn-out Note within fifteen (15) days of receipt of such written notice.

(g) As a condition to the issuance of Stock Consideration to any Seller, such Seller must enter into both (i) an exchange rights agreement substantially in the form attached hereto as Exhibit H setting forth the rights and obligations of the Stock Consideration and the Exchangeable Shares issued as payment of the 2021 Earn-out or the 2022 Earn-out (the "**Exchange Rights Agreement**"), and (ii) a lock-up agreement substantially in the form attached hereto as Exhibit I pursuant to which the Stock Consideration will be subject to lock-up restriction, with 20% of the aggregate amount of such shares (rounded up for fractional shares) being released from lock-up restrictions 6 months after the Closing Date and 20% of the aggregate amount of such shares (rounded up for fractional shares) being released from lock-up restriction at the end of each 90-day period thereafter (collectively, the "**Lock-Up Agreements**").

(h) All Exchangeable Shares (and resulting Subordinate Voting Shares) will be subject to applicable legal restrictions and United States and Canadian Securities Laws and applicable stock exchange Rules.

ARTICLE II

CLOSING

Section 2.01 Closing. The consummation of the transactions contemplated by this Agreement (the "**Closing**") will take place remotely via the electronic exchange of documents and signatures as soon as practicable following the satisfaction or waiver of the conditions set forth in Article VII (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at such time) and in any event within three (3) Business Days thereafter or on such other date as Buyer and Sellers' Representative may mutually agree in writing but no sooner than March 12, 2021 (the "**Closing Date**"), and at such place or manner as Buyer and Sellers' Representative may mutually agree in writing. The Closing will be deemed to occur at 12:01 a.m., Eastern Standard Time, on the Closing Date (the "**Effective Time**").

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

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

(b) a certificate of good standing for the Company and each Company Entity issued by the applicable governmental entity from its state of organization;

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

(d) written evidence, in form satisfactory to Buyer in its reasonable discretion, of the release of all Encumbrances on or relating to the Company Interests other than Permitted CI Encumbrances;

(e) at least one (1) Business Day prior to the Closing Date, a funds flow prepared in good faith by the Company setting forth, in reasonable detail, (i) the Estimated Amount and the other items described in Section 1.01(b), (ii) an update to Exhibit A (setting forth revised numbers and percentages, including each Seller's revised indemnification percentage (which percentage will be determined by dividing the aggregate amount of consideration received by such Seller by the Aggregate Consideration) after taking into account the Estimated Amount and the other items described in Section 1.01(b)) and (iii) payment instructions with respect to each of the cash payments set forth therein (the "**Funds Flow**");

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

(g) a certificate of an authorized person of each of TJV and FCC: (i) that attached thereto are true and complete copies of all resolutions adopted by the governing body of such Seller authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby; and (ii) the names and signatures of the authorized persons of such Seller authorized to sign this Agreement and the other documents to be delivered hereunder; and in the case of each Seller that is not an individual (other than TJV and FCC), a copy of all resolutions adopted by the governing body of such Seller authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby;

(h) an executed Lock-Up Agreement from each Seller;

(i) an Exchange Rights Agreement executed by each Seller;

(j) if requested by Buyer in writing prior to Closing, resignations, effective as of the Closing, of the officers, directors or managers of the Company and each Company Entity (other than as described in Section 2.02(o) and Section 2.02(p) below);

(k) a waiver of all transfer restrictions under the Company's limited liability company operating agreement executed by all Sellers;

(l) investor certificates and subscription agreement in the form attached hereto asExhibit J;

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

(n) an IRS Form W-9 of the Company and for each Seller;

(o) a resignation from each member of the Board of Directors of each Licensed Entity and evidence that the Board of Directors of each Licensed Entity has approved and/or taken the actions described in Section 7.02(f) applicable to such entity;

(p) a resignation from each of [**********] as an employee of, and member of the Board of Directors of, the Company and each Company Entity, as applicable;

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

(r) an amendment to the lease for the office space in Glendale, Arizona, that provides that the leased premises can be used in support of a recreational marijuana dispensary, as well as a medical marijuana dispensary; and

(s) an agreement terminating the commission agreement [**********]

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

(a) each Seller's share of the Cash Consideration, the Stock Consideration and the Promissory Notes as set forth on the Funds Flow;

(b) a certificate of an officer of each of Parent and Buyer certifying: (i) that attached thereto are true and complete copies of all resolutions adopted by their respective board of directors authorizing the execution, delivery and performance of this Agreement and the Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby; (ii) that attached thereto are true and complete copies of the Buyer's organizational documents, as amended and the Parent's organizational documents, and that all such documents are in full force and effect and (iii) the names and signatures of its officers authorized to sign this Agreement, and the Transaction Documents to which it is a party;

(c) evidence of the filing of the Buyer's Amended and Restated Articles of Incorporation in form attached hereto as Exhibit K and the approval of the Buyer's Bylaws in the form attached hereto as Exhibit L;

(d) the Exchange Rights Agreement executed by Buyer and Parent;

(e) the Lock-Up Agreements executed by Buyer and Parent;

(f) the Pledge Agreement executed by Buyer;

(g) a release of all Encumbrances granted in the Bridge Financing and a termination of all Contracts evidencing such Encumbrances; and

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

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

Section 2.05 Preparation of Post-Closing Adjustment Statement.

(a) Within 90 days following the Closing Date (or such other date as is mutually agreed to by Sellers' Representative and Buyer in writing), Buyer will prepare and deliver to the Sellers' Representative: (i) a draft consolidated balance sheet of the Company and the Company Entities as of the Closing Date (but without giving effect to any actions taken by or at the direction of Buyer on the Closing Date after the Closing has occurred); (ii) based on such balance sheet, Buyer's calculation of the consolidated actual Working Capital; (iii) based on such balance sheet, the Buyer's calculation of the actual Capex Cash and (iv) the actual amount of the Applicable Expenses as of the Closing (the "**Actual Amount**") (such delivery, the "**Draft Post-Closing Adjustment Statement**"). The Draft Post-Closing Adjustment Statement will be prepared in accordance with the Company's and the Company Entities' past practice and the policies described in Schedule 2.05(a) and will include reasonable detail on the computation thereof. If the Buyer fails to deliver the Draft Post-Closing Adjustment Statement within the aforementioned 90 day period (or such other period as mutually agreed to by Sellers' Representative and Buyer in writing), no adjustment to the Aggregate Consideration will be made under Section 2.06, unless Sellers' Representative notifies Buyer to the contrary in writing (which will contain the Sellers' Representative's proposed Draft Post-Closing Adjustment Statement prepared as described herein) within 45 days after

the expiration of the aforementioned 90 day period (or such other period as mutually agreed to by Sellers' Representative and Buyer, in writing) and in such instance the provisions of this Section 2.05 shall apply mutatis mutandis unless otherwise noted herein. "**Capex Cash**" means all cash and cash equivalents of the Company and the Company Entities, plus the amount of all checks received by the Company or a Company Entity that as of the Closing have not cleared, but excluding all draws under the Bridge Financing which the Company has received prior to the Closing but as of the Closing had not been spent by the Company. "**Working Capital**" means (i) the sum of (A) Cash, (B) the Accounts Receivable (net of reserves for doubtful accounts), (C) the Inventory and (D) the Other Current Assets minus (ii) the sum of (A) the Accounts Payable and (B) the Accrued Liabilities; *provided* that the Working Capital shall exclude without duplication, any asset or liability related to or included in the determination of the Actual Amount or the Capex Cash not in excess of the Target Capex Cash, the computation of which is more fully illustrated on Exhibit M. "**Cash**" means either (i) zero (if there is no excess as described in subclause (ii)) or (ii) the excess, if any, of (A) all cash and cash equivalents of the Company and the Company Entities, including any checks received by the Company or a Company Entity that as of the Closing which have not cleared, but excluding all draws under the Bridge Financing which the Company has received prior to the Closing but as of the Closing had not been spent by the Company over (B) the Target Capex Cash. "**Accounts Receivable**" mean all accounts and notes receivable of the Company and the Company Entities other than accounts or notes receivable from a Seller, the Company, a Company Entity or any of their respective Affiliates. "**Inventory**" means all raw materials, ingredients and finished goods inventory of the Company and the Company Entities, except for mature cannabis inventory that as of the Closing cannot be sold under applicable Law and unharvested plant material. "**Other Current Assets**" mean all current assets of the Company and the Company Entities, including prepaid expenses and deposits of the Company and the Company Entities other than Cash, Capex Cash, Accounts Receivable, and Inventory. "**Accounts Payable**" mean all accounts payable of the Company and the Company Entities as of the Closing Date (other than Applicable Expenses), plus the amount of all checks written on the Company's and the Company Entities' "zero balance" or other bank accounts, if any, which on or prior to the Closing have not cleared as of the Closing but exclusive of any accounts payable to a Seller, the Company, a Company Entity or any of their respective Affiliates. "**Accrued Liabilities**" mean (i) all accrued expenses of the Company and the Company Entities (other than any expenses which have been included as either Applicable Expenses or Accounts Payable) and (ii) overdrafts on any bank account and reimbursement obligations arising from actions which occurred prior to the Closing under any credit facility of the Company and the Company Entities which remains outstanding after Closing. Except as otherwise expressly provided, as used in this Section 2.05, Accounts Payable, Accounts Receivable, Accrued Liabilities, Cash, Inventory, Other Current Assets and Working Capital of the Company and the Company Entities will mean the amounts determined in accordance with this Agreement.

(b) The Sellers' Representative will have 45 days to review the Draft Post-Closing Adjustment Statement following receipt of it. The Sellers' Representative must notify the Buyer in writing if the Sellers' Representative has any objections to the Draft Post-Closing Adjustment Statement within such period. The notice of objection must contain a statement of the basis of each of the objections and each amount in dispute. During the period beginning on the Closing Date and ending on the expiration of the 45 day period described in this Section 2.05(b), Sellers' Representative and its accountants and other representatives shall have full access to the books and records of (i) the Company and each Company Entity and (ii) the Buyer, the Parent or any of their respective Affiliates that directly or indirectly own the Buyer or the Company (for all entities described in this subclause (ii), solely as it relates to the Company or a Company Entity), the personnel of (during normal working hours) and work papers prepared by Parent, Buyer, any Affiliate of the Buyer or the Parent, the Company and each Company Entity and/or their respective accountants, employees and agents to the extent that they relate to the Draft Post-Closing Adjustment Statement (and the calculations set forth therein) and to such historical financial information relating to the Draft Post-Closing Adjustment Statement (and the calculations set forth therein) as Sellers' Representative may reasonably request for the purpose of reviewing the Draft Post-Closing Adjustment Statement and to prepare a notice of objection as described in this Section 2.05(b).

(c) If the Sellers' Representative sends a notice of objection in accordance with Section 2.05(b), the Sellers' Representative, on the one hand, and the Buyer and Parent, on the other hand, will negotiate in good faith to resolve such objections within 30 days following receipt of the notice of objection. Failing resolution of any objection raised by the Sellers' Representative, only the amount(s) in dispute will be submitted for determination to the Independent Accountant. The determination of the Independent Accountant of the amount(s) in dispute and any corresponding changes flowing from the resolution of such amounts in dispute will be final and binding upon the Parties and the Sellers' Representative and will not be subject to appeal, absent manifest error, fraud or intentional misconduct. The Independent Accountant will be deemed to be acting as experts and not as arbitrators. Notwithstanding the foregoing, the determination of the Independent Accountant of the amount(s) in dispute will in no event be more favorable to the Buyer than reflected in the Draft Post-Closing Adjustment Statement delivered by the Buyer or more favorable to the Sellers than shown in the proposed changes to the Draft Post-Closing Adjustment Statement delivered by the Sellers' Representative under its notice of objection. The Independent Accountant shall resolve the disputed items based solely on the applicable definitions and other terms in this Agreement and the presentations by the Buyer and the Sellers' Representative, and not by independent review. During the review by the Independent Accountant, the Independent Accountant shall have full access to the personnel of (during normal working hours) (i) the Company and each Company Entity and (ii) the Buyer, the Parent or any of their respective Affiliates that directly or indirectly own the Buyer or the Company (for all entities described in this subclause (ii), solely as it relates to the Company or a Company Entity) and the books and records and workpapers used in preparing the Draft Post-Closing Adjustment Statement (and the calculations set forth therein) and to such historical financial information relating to the Draft Post-Closing Adjustment Statement (and the calculations set forth therein) of the Company, each Company Entity, the Buyer, the Parent and any of their respective Affiliates. The Independent Accountant shall make a determination as soon as practicable within thirty (30) days (or such other time as the Sellers' Representative and the Buyer shall agree in writing) after their engagement, and its resolution of the any disputes and their adjustments to the Draft Post-Closing Adjustment Statement shall be conclusive and binding upon the Parties, absent fraud or except in case of manifest error in which case the determination made by the Independent Accountant shall be remitted to the Independent Accountant for correction. In connection with such determination, the Independent Accountant will deliver a report setting forth in reasonable detail, its determination of the disputes and the corresponding changes to the Draft Post Closing Adjustment Statement which shall become the "**Final Post-Closing Adjustment Statement**", absent manifest error, fraud or intentional misconduct.

(d) If the Sellers' Representative does not notify the Buyer of any objection to the Draft Post-Closing Adjustment Statement within the 45 day period set forth in Section 2.05(c), the Sellers will be deemed to have accepted and approved the Draft Post-Closing Adjustment Statement and such Draft Post-Closing Adjustment Statement will be final, conclusive and binding upon the Parties and the Sellers' Representative, absent manifest error, fraud or intentional misconduct and will become the "**Final Post-Closing Adjustment Statement**" on the next Business Day following the end of such period. Alternatively, if Buyer does not deliver a Draft Post-Closing Adjustment Statement under Section 2.05(a) and the Sellers' Representative does not object as described in Section 2.05(a) there will be no adjustment to the Aggregate Consideration under this Section 2.05, which will be final, conclusive and binding upon the Parties and the Sellers' Representative absent manifest error, fraud or intentional misconduct.

(e) If the Sellers' Representative sends a notice of objection in accordance with Section 2.05(c) and the Sellers' Representative and the Buyer come to agreement on the disputes without submitting such disputes to the Independent Accountant, then the Sellers' Representative and Buyer will revise the Draft Post-Closing Adjustment Statement to reflect their agreement within five (5) Business Days following such final agreement. Such revised Draft Post-Closing Adjustment Statement will be final, conclusive and binding upon the Parties and the Sellers' Representative and such revised Draft Post-Closing Adjustment Statement will become the "**Final Post-Closing Adjustment Statement**" on the next Business Day following revision of the Draft Post-Closing Adjustment Statement under this Section 2.05(e).

(f) Except as otherwise set forth herein, the Sellers' Representative (on behalf of the Sellers) and the Buyer will each bear their own fees and expenses, including the fees and expenses of their respective auditors, in preparing or reviewing, as the case may be, the Draft Post-Closing Adjustment Statement. In the case of a dispute and the retention of the Independent Accountant to determine such amount(s) in dispute, the fees and expenses of the Independent Accountant shall be paid by the Sellers' Representative (on behalf of the Sellers), on the one hand, and by Buyer, on the other hand, based upon the percentage that the amount actually contested but not awarded to the Sellers or Buyer, respectively, bears to the aggregate amount actually contested by the Sellers' and Buyer. However, the Sellers and the Buyer will each bear their own costs in presenting their respective cases to such Accounting Firm.

(g) The Parties agree that the procedure set forth in this Section 2.05 for resolving disputes with respect to the Draft Post-Closing Adjustment Statement is the sole and exclusive method of resolving such disputes absent manifest error, fraud or intentional misconduct. Subject to Section 10.08 (except the requirement to arbitrate), this Section 2.05(g) will not prohibit any Party from instigating litigation to compel specific performance of this Section 2.05 or to enforce the determination of the Independent Accountant.

Section 2.06 Purchase Price Adjustments.

(a) The aggregate amount of Promissory Notes will be decreased on a dollar-for-dollar basis, to the extent that the Working Capital as determined from the Final Post-Closing Adjustment Statement ("**Final Closing Working Capital**") is less than the Estimated Working Capital (with each Seller's Promissory Note being reduced by its pro rata share of such shortfall as set forth in the Funds Flow of such difference).

(b) If the Final Closing Working Capital is more than the Estimated Working Capital, the Buyer will pay to the Sellers the amount of such excess in cash (with each Seller receiving its pro rata share of such excess as set forth in the Funds Flow).

(c) If the Capex Cash as set forth in the Final Post-Closing Adjustment Statement (the "**Final Capex Cash**") is less than either the Target Capex Cash (if there was no adjustment pursuant to Section 1.01(b)) or the Estimated Capex Cash (if there was an adjustment pursuant to Section 1.01(b)), then the aggregate principal amount of Promissory Notes will be decreased on a dollar-for-dollar basis, by such shortfall (with each Seller's Promissory Note being reduced by such Seller's pro rata portion of such shortfall as set forth in the Funds Flow).

(d) The aggregate principal amount of Promissory Notes will be decreased on a dollar-for-dollar basis, to the extent that the Actual Amount as determined from the Final Post-Closing Adjustment Statement (the "**Final Amount**") is greater than the Estimated Amount (with each Seller's Promissory Note being reduced by its pro rata share of such amount as set forth in the Funds Flow).

(e) The aggregate amount of Promissory Notes will be increased on a dollar-for-dollar basis, to the extent that the Final Amount is less than the Estimated Amount (with each Seller's Promissory Note being increased by its pro rata share of such excess as set forth in the Funds Flow).

(f) Any cash amounts to be paid directly by the Buyer under this Section 2.06 will be paid by wire transfer of immediately available funds within one (1) Business Day after the Draft Post-Closing Adjustment Statement becomes the Final Post-Closing Adjustment Statement. Any set off against or increase to the Promissory Notes will be made immediately after the Draft Post-Closing Adjustment Statement becomes the Final Post-Closing Adjustment Statement.

Section 2.07 Sellers' Representative.

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

(b) The Sellers' Representative shall act for the Sellers on all of the matters set forth in Section 2.07 of this Agreement in the manner the Sellers' Representative believes to be in the best interest of the Sellers, but the Sellers' Representative shall not be responsible to any such Seller for any loss or damage any such Seller may suffer by reason of the performance by the Sellers' Representative of his duties under this Agreement except as described herein. In no event shall the Sellers' Representative be liable to the Sellers hereunder or in connection herewith for any indirect, punitive, exemplary, special, incidental or consequential damages. The Sellers' Representative shall be fully protected against the Sellers in relying upon any written notice, demand, certificate or document that it in good faith believe to be genuine, including facsimiles or copies thereof.

(c) For all purposes of this Agreement: (i) Buyer shall be entitled to rely conclusively on the instructions and decisions of Sellers' Representative as to the settlement of any disputes or claims under this Agreement, or any other actions required or permitted to be taken by Sellers' Representative hereunder, and no Seller shall have any cause of action against Buyer or Parent for any action taken by Buyer or Parent in reliance upon the instructions or decisions of Sellers' Representative; (ii) the provisions of this Section 2.07 are independent and severable, are irrevocable and coupled with an interest and shall be enforceable notwithstanding any rights or remedies that any Seller may have in connection with the transactions contemplated by this Agreement; and (iii) the provisions of this Section 2.07 shall be binding upon the executors, heirs, legal representatives, personal representatives, successors and assigns of each Seller, and any references in this Agreement to a Seller shall mean and include the successors to the rights of each applicable Seller hereunder.

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

(e) The Sellers' Representative may resign at any time, and may be removed for any reason or no reason by the vote of the holders of a majority of the voting Company Interests immediately prior to Closing (the "**Seller Majority**"); provided, however, if the Sellers' Representative resigns, the Sellers shall promptly appoint a new Sellers' Representative who shall assume such duties immediately upon such appointment. In the event of the death, incapacity, resignation or removal of a Sellers' Representative, a new Sellers' Representative shall be appointed by the Seller Majority promptly after the occurrence of such event. Written notice of such vote or a copy of the written consent appointing such new Sellers' Representative shall be sent to each of the Parent and Buyer promptly following such vote or consent, such appointment to be effective upon the date indicated in such consent; provided, that until such notice is received, Parent or Buyer shall be entitled to rely on the decisions and actions of the prior Sellers' Representative as described in this Section 2.07 (it being understood that the appointment of a new Sellers' Representative shall not serve to invalidate decisions and actions of the prior Sellers' Representative made in accordance with this Section 2.07).

(f) The Sellers' Representative shall not be liable to the Sellers for actions taken pursuant to this Agreement, except to the extent such actions shall have been determined by a court of competent jurisdiction to have constituted fraud, intentional misconduct, gross negligence or bad faith (it being understood that any act done or omitted pursuant to the advice of counsel, accountants and other professionals and experts retained by the Sellers' Representative shall be conclusive evidence of good faith). The Sellers shall indemnify and hold harmless the Sellers' Representative from and against, compensate him, her or it for, reimburse him, her or it for and pay any and all Losses, arising out of and in connection with his, her or its activities as the Sellers' Representative under this Agreement, including without limitation any travel expenses such as transportation, lodging and meals, and reasonable attorney fees incurred in connection with his actions as the Sellers' Representative, in each case as such Loss is suffered or incurred; provided, that in the event it is finally adjudicated that a Loss or any portion thereof was primarily caused by the fraud, intentional misconduct, gross negligence or bad faith of the Sellers' Representative, the Sellers' Representative shall reimburse the Sellers the amount of such indemnified Loss attributable to such fraud, intentional misconduct, gross negligence or bad faith.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

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

Section 3.01 Organization, Authority, and Qualification.

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

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

Section 3.02 Authority. The Company has requisite power and authority to enter into this Agreement and all agreements, documents, assignments, instruments, notes and certificates (collectively, the "**Transaction Documents**") to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by the Company of this Agreement and the Transaction Documents to which it is a party, the performance of its obligations hereunder and thereunder and the consummation by the Company of the transactions contemplated hereby and thereby have been duly authorized by all requisite limited liability company action. This Agreement and the Transaction Documents to which the Company is a party have been (in the case of this Agreement and the Transaction Documents to which the Company is a party executed on the date of this Agreement) or will be (in the case of a Transaction Document to which the Company is a party which is not executed on the date hereof) duly executed and delivered by the Company, and (assuming due authorization, execution and delivery by Parent, Buyer and any other parties thereto) constitutes (in the case of this Agreement and the Transaction Documents to which the Company is a party executed on the date of this Agreement), or will constitute when executed and delivered (in the case of a Transaction Document to which the Company is a party which is not executed on the date hereof), as applicable, a legal, valid and binding obligation of the Company, enforceable against it in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally, or by general principles of equity.

Section 3.03 Equity Information.

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

(b) The equity interests of each of the Company Entities (other than THW because as a non-profit corporation THW has no authorized equity securities) are held of record and beneficially as set forth on Schedule 3.03(b). The equity interests of each of the Company Entities (other than THW) have been duly authorized and validly issued and have been issued in material compliance with applicable securities Laws and the applicable Company Entity's articles of incorporation, organization or formation, bylaws or operating agreement, as applicable (the "**Constating Documents**"). The Company has made available to Buyer true, correct and complete copies of the Constating Documents. The minute books of the Company Entities contain true, complete and correct records in all material respects of all meetings and actions taken by written consent in lieu of a meeting of the members or shareholders (if applicable) or the managers or directors of the Company Entities. All such minute books of the Company Entities have been made available to Buyer. Except as set forth on Schedule 3.03(b), there are not now outstanding any other equity interests, phantom equity interests or other equity securities, or any options, warrants or any rights to acquire any equity securities of the Company Entities (other than THW) or to any other equity interests, phantom

equity interests or other equity securities of the Company Entities (other than THW). There are no agreements of any kind obligating (whether or not subject to the satisfaction or waiver or occurrence of any condition, contingency or event) any Company Entity (other than THW) to issue any equity interests of the Company Entity (other than THW), or any convertible or exchangeable securities or any options, warrants or other rights convertible into or exercisable for equity interests of such Company Entity (other than THW). Except as set forth on Schedule 3.03(b), there are no voting agreements, voting trusts, buy-sell agreements, options or right of first purchase agreements or first offer agreements of any kind relating to the equity interests of a Company Entity (other than THW) or all or substantially all of the assets of any Company Entity.

Section 3.04 No Subsidiaries. Except for the Company Entities (other than THW, which is not a subsidiary of the Company), the Company and each of the Company Entities does not have, nor has the right to acquire, a direct or indirect ownership interest in any other Person.

Section 3.05 No Conflicts or Consents. The execution, delivery, and performance by the Company of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby do not and will not: (i) violate or conflict with any provision of the articles of organization or the Company LLC Agreement; (ii) violate or conflict with any provision of any statute, law, ordinance, regulation, rule, code or treaty passed or issued by Governmental Authority; provided, however, the Parties hereby acknowledge that under United States federal law, and more specifically the Federal Controlled Substances Act, the possession, use, cultivation, marketing and transfer of cannabis is illegal and that, notwithstanding anything to the contrary herein, with respect to regulated cannabis business activities, the Business and the cannabis business of Parent and Buyer, "**Law**," "**law**," or "**federal**" shall (A) only include such federal law, authority, agency, or jurisdiction as is not in conflict with the Laws, regulations, authority, agency, or jurisdiction of any state, district, or territory regarding such regulated cannabis business activities, the Business and the cannabis business of Parent and Buyer, and (B) not include any Laws that may restrict the possession, use, cultivation, marketing and transfer of cannabis (including but not limited to the Federal Controlled Substances Act or any other Federal Cannabis Laws (as hereinafter defined)) (collectively, "**Laws**") or any order, writ, judgment, injunction, decree, determination, penalty, or award issued to or entered by or with any Governmental Authority ("**Governmental Order**") or Permit; (iii) require the consent, notice, declaration or filing with or other action by any Person or require any Permit or Governmental Order including those items described in Section 3.05(iii) arising at a Company Entity from the transactions contemplated hereby, unless in each case disclosed inSchedule 3.05 (the "**Company Closing Approvals**"); (iv) except as disclosed on Schedule 3.05 violate or conflict with, result in the acceleration of, or create in any party the right to accelerate, terminate, or modify any contract, lease, deed, mortgage, license, instrument, note, indenture, joint venture, or any other agreement or legally binding arrangement, whether written or oral (collectively, "**Contracts**"), to which the Company or any Company Entity is a party or by which the Company or any Company Entity is bound or to which any of its properties and assets are subject; or (v) result in the creation or imposition of any Encumbrance on any properties or assets of the Company or any Company Entity. For purposes of this Agreement, "**Governmental Authority**" means any federal, state, local, tribal, provincial or foreign government or political subdivision thereof, or any legislative, judicial, administrative or regulatory agency or instrumentality of such government or political subdivision, or any arbitrator, court, or tribunal of competent jurisdiction and "**Federal Cannabis Laws**" means any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale and possession of cannabis, marijuana or related substances or products containing or relating to the same, including the declaration of "marijuana" as a Schedule 1 drug under 21 U.S.C. § 811, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960 and the regulations and rules promulgated under any of the foregoing.

Section 3.06 Financial Statements. Complete copies of the Company's, and each Company Entities' (i) financial statements consisting of the balance sheet of such entity as of December 31, 2020 (the "**Balance Sheet Date**") and the related statements of income and retained earnings, members' equity, and cash flow for the 12 month period then ended (collectively, the "**Financial Statements**") have been made available to Buyer. The Financial Statements have been prepared in accordance the past practices of each entity, applied on a consistent basis throughout the periods involved. The Financial Statements are based on the books and records of each entity and fairly present in all material respects the financial condition of the Company and each Company Entity as of the date they were prepared and the results of the operations of the Company and each Company Entity for the periods indicated.

Section 3.07 Undisclosed Liabilities. Neither the Company nor any Company Entity has any liabilities or monetary obligations of any nature whatsoever, whether asserted, known, absolute, accrued, matured, or otherwise (collectively, "**Liabilities**"), except: (a) those which are adequately reflected or reserved against in the Financial Statements; (b) those under Contracts incurred in the ordinary course of business and (c) those which have been incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date and which are not, individually or in the aggregate, material in amount.

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

Section 3.09 Material Contracts.

(a) Schedule 3.09(a) lists the following Contracts to which the Company or a Company Entity is bound (such Contracts, together with all Contracts described in Section 3.10(b) being the "**Material Contracts**"):

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

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

(iii) all Contracts relating to the license or sublicense of any Intellectual Property of the Company or a Company Entity (other than click-wrap or shrink-wrap software licenses entered into in the ordinary course of business), the settlement of any disputes regarding the Intellectual Property of the Company or a Company Entity or all co-existence Contracts or Contracts not to sue with respect to any Intellectual Property of the Company or any Company Entity;

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

(v) all Contracts that limit the ability of (a) the Company or any Company Entity or (b) to the extent known by the Company, any manager (as designated under the Company LLC Agreement or the Constating Documents of a Company Entity) or any officers of the Company or any Company Entity to compete in any line of business or with any Person or in any geographic area or during any period of time;

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

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

(viii) any Contract concerning a partnership or joint venture, or any other Contract that involves a sharing of revenues, profits, losses, costs, Taxes or Liabilities by or of the Company or a Company Entity with any other Person;

(ix) all Contracts relating to the Projects involving aggregate consideration in excess of [**********]

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

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

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

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

Section 3.10 Real Property; Title to Assets.

(a) Set forth on Schedule 3.10(a) is the street address of each parcel of real property leased, licensed or otherwise occupied by the Company or any Company Entity or used by a Company or Company Entity in the business of the Company or a Company Entity (collectively the "**Real Property**"). Neither the Company nor any Company Entity owns any Real Property.

(b) Schedule 3.10(b) lists all leases, subleases and similar Contracts creating or altering rights to the applicable parcel of Real Property, the applicable parcel of Real Property applicable thereto, the remaining term of such agreement and the amounts payable by the Company or the applicable Company Entity (as applicable) hereunder.

(c) The Company or the applicable Company Entity is in peaceful and undisturbed possession of each parcel of Real Property leased by the Company or such Company Entity, subject to the rights of the lessors thereof and the terms of Contracts described in Schedule 3.10(b).

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

(e) No material default or breach exists with respect to, and neither the Company nor the applicable Company Entity (as applicable) has received any written notice of (i) any default or breach under any of the agreements to which it is party listed in Schedule 3.10(b) or (ii) any Encumbrance (other than Permitted Encumbrances) affecting the applicable Real Property. There are no condemnation or eminent domain proceedings pending or to the Company's knowledge, contemplated or threatened, against the Real Property or any part thereof. There are no existing, or to the knowledge of the Company, contemplated or threatened, general or special assessments affecting the Real Property or any portion thereof. Neither the Company nor the applicable Company Entity(as applicable) has received notice of, and to the Company's knowledge there are no pending or threatened Action before any Governmental Authority which relates to the ownership, maintenance, use or operation of the applicable Real Property leased by the Company or the applicable Company Entity.

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

(g) The tangible and intangible assets and property owned or leased by the Company and the Licensed Entities are sufficient to operate the business of the Company and each Licensed Entity in the same manner as conducted prior to the Closing and all such tangible assets and property are in good operating condition and repair (ordinary wear and tear accepted). Except as set forth on Schedule 3.10(g), no Seller or any Affiliate of any Seller owns any asset that is used by the Company or any Company Entity for the conduct of their respective businesses, and the Company or the applicable Company Entity owns and has good and marketable title to (or a valid leasehold in) all of the assets and properties used in the business of the Company or such Company Entity and the assets owned by the Company or any Company Entity are owned free and clear of all Encumbrances other than the following: (i) Encumbrances for Taxes not yet due and payable or the validity of which are being contested in good faith by appropriate proceedings (and for which reserves have been established in the financial records of the Company or a Company Entity), (ii) statutory landlord's, mechanic's, carrier's, workmen's, repairmen's or other similar Encumbrances arising or incurred in the ordinary course of business for amounts which are not due and payable, (iii) Encumbrances on Real Property arising from zoning Laws which do not, individually or in the aggregate, materially interfere with the use of such Real Property in the business of the Company and the Company Entities, (iv) deposits or pledges made in connection with, or to secure payment of, utilities or similar services, workers' compensation, unemployment insurance, old age pensions or other social security obligations, in each case listed on Schedule 3.10(g)(iv), (v) rights of (a) the lessors or licensors on property leased or licensed to or by the Company or any Company Entity under the terms of the underlying lease or license or (b) the owners of the domain names or social media accounts used by the Company or any Company Entity under the terms of underlying Contracts or the terms and conditions imposed by such owners, (vi) purchase money security interests securing only the property purchased, which security interests securing indebtedness owed on the property purchased in excess of $50,000 are set forth on Schedule 3.10(g)(vi), (vii) Encumbrances pursuant to the Bridge Financing or any indebtedness described in Section 6.09 and (viii) Encumbrances set forth on Schedule 3.10(g) (the Encumbrances described in clause (i) through (viii) are hereinafter referred to as "**Permitted Encumbrances**"). All tangible and intangible assets and properties owned by the Company or a Company Entity or used by the Company or a Company Entity in its business comply in all material respects with applicable Laws. For purposes of this Agreement: (i) "**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person; and (ii) the term "**control**" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise; provided that except for purposes of this Section 3.10(g), Section 3.15(b), Section 3.21, Section 9.05(j), Section 9.06 and Section 9.07 (excluding with respect to the VC Activities), the term "Affiliate" when used with respect to the Company or any Seller shall be deemed not to include entities owned by a Seller or an entity controlled by a Seller, other than the Company and its controlled Affiliates, and provided, further that the term "Affiliate" when used with respect to FCC and THW shall be deemed not to include [**********]. For purposes of clarity, CSAC Holdings Inc., a Nevada corporation and a wholly owned subsidiary of the Parent ("**Upper Holdings**"), and CSAC Acquisition Inc., a Nevada corporation ("**Lower Holdings**"), are both Affiliates of each of the Parent and the Buyer, and subsidiaries of the Parent.

Section 3.11 Intellectual Property.

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

(b) Schedule 3.11(b) lists all Intellectual Property of the Company or any Company Entity registered with any Governmental Authority (or any pending applications for registration), domain names and all material unregistered Intellectual Property that are owned or licensed by the Company or any Company Entity. The Company and each Company Entity owns or has the valid and enforceable right to use all Intellectual Property used in the conduct of its business (the "**Company Intellectual Property**"), free and clear of all Encumbrances (other than Permitted Encumbrances). All of the Intellectual Property owned by the Company or a Company Entity is valid and enforceable, and all registered Intellectual Property owned by the Company or a Company Entity is subsisting and in full force and effect. All Contracts licensing Intellectual Property to the Company or a Company Entity are valid and enforceable obligations of the Company or such Company Entity (as applicable) and to the Company's knowledge the other parties thereto, and such Contracts grant a right to use such licensed Intellectual Property in the manner currently used in the Company's or such Company Entity's business (as applicable).

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

Section 3.12 Projects.

(a) The Company has made available to Buyer the Company's current plans for [**********]

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

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

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

Section 3.13 Insurance. Schedule 3.13 sets forth a true and complete list of all policies or binders of insurance maintained by the Company or a Company Entity and relating to the assets, business, operations, employees, officers, directors and managers of the Company or such Company Entity (collectively, the "**Insurance Policies**"). Such Insurance Policies: (a) are in full force and effect against the Company or such Company Entity (as applicable) and to the Company's knowledge, the other party thereto; (b) are valid and binding against the Company or such Company Entity (as applicable) and to the Company's knowledge, the other party thereto, in accordance with their terms; and (c) have not been subject to any lapse in coverage. Neither the Company nor any applicable Company Entity has received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such Insurance Policies maintained by it. All premiums due on such Insurance Policies have been paid. Neither the Company nor any applicable Company Entity is in material default under, or has otherwise failed to comply with, in any material respect, any provision contained in any Insurance Policy maintained by it. The Insurance Policies maintained by the Company or a Company Entity are sufficient in all material respects for compliance with all applicable Laws and Contracts to which the Company or such Company Entity (as applicable) is a party or by which it is bound. To the knowledge of the Company, there will be no material retrospective insurance premiums or charges or any other similar adjustment on or with respect to any of the Insurance Policies for any

period or occurrence through the Closing Date.

Section 3.14 Legal Proceedings; Governmental Orders.

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

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

Section 3.15 Compliance with Laws; Permits.

(a) The Company and each of the Company Entities has complied during the last four years, and is now complying in all material respects with all Laws applicable to it or its business, properties, or assets. Except for Federal Cannabis Laws or any other federal Law, the operations of the Company and each of the Company Entities are and have been during the last four years conducted at all times in compliance with all applicable financial recordkeeping and reporting requirements required by applicable Law, any applicable anti-money laundering Laws enacted in the states where the Company or any of the Company Entities conduct its business. Each Licensed Entity operates in compliance in all material respects with the United States Department of Justice guidance to United States Attorneys regarding enforcement priorities for prosecuting marijuana-related crimes, as set forth in the memorandum issued by Deputy Attorney General James Cole, dated August 29, 2013 (the "**2013 Cole Memo**"). As part of its compliance with the 2013 Cole Memo, each Licensed Entity has used commercially reasonable efforts to ensure that such Licensed Entity does not: (i) distribute marijuana to minors; (ii) direct revenue from the sale of marijuana to criminal enterprises, gangs, and cartels, or otherwise have any involvement with such groups; (iii) divert marijuana from states where it is legal under state Law in some form to other states; (iv) use state-authorized marijuana activity as a cover or pretext for the trafficking of other illegal drugs or other illegal activity; (v) use violence or firearms in the cultivation and distribution of marijuana; (vi) contribute to drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use; (vii) grow or possess marijuana on public lands; or (viii) promote marijuana possession or use on federal property.

(b) None of the Company, a Company Entity or to the Company's knowledge, any of the equity owners, managers, directors, officers, agents, employees or Affiliates of the Company or any Company Entity, or other Person acting on behalf of the Company or any Company Entity has (i) used any Company or Company Entity funds for any unlawful contribution, gift, entertainment, or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic Governmental Authority or regulatory official or employee; (iii) made any bribe, rebate, payoff, influence payment, kickback, or other unlawful payment; or (iv) violated or is in violation of any provision of (1) the United States Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder, or (2) any other anti-bribery or anti-corruption statute or regulation.

(c) All permits, certificates, licenses, franchises, registrations, franchises, variances, authorizations and consents obtained, or required to be obtained, from Governmental Authorities (collectively, "**Permits**") that are required or are necessary for the Company or a Company Entity to conduct its business have been obtained and are in full force and effect. Schedule 3.15(c) list all material Permits and no event has occurred that would reasonably be expected to result in the revocation or lapse of any such material Permit. Neither the Company nor a Company Entity has received any written notice from any Governmental Authority to the effect that the Company or a Company Entity is not in compliance with any material Permit held in its name, and to the knowledge of the Company there are no presently existing facts, circumstances or events which, with notice or lapse of time, would result in material violations of any material Permit. Neither the Company nor a Company Entity has taken any action intended to revoke, limit or amend a Permit held by it (except that the actions contemplated in Section 6.02 shall not be deemed to breached this Section 3.15(c)). The Company and each Company Entity has timely filed all audits and renewal letters with respect to any material Permits held by it.

(d) The Company and the Company Entities only operate in the State of Arizona. The Company and each Company Entity is in compliance in all material respects with all applicable state and local Laws (including Laws controlling the cultivation, harvesting, production, handling, storage, distribution, sale, and possession of cannabis or medical marijuana if applicable to its business). Neither the Company nor a Company Entity imports or exports cannabis products, from or to, any foreign country.

Section 3.16 Environmental Matters.

(a) The Company and each Company Entity has been during the past four years in material compliance with all Environmental Laws and neither the Company nor a Company Entity has received from any Person any: (i) Environmental Notice or Environmental Claim; or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements.

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

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

(d)There has not been any Release of any Hazardous Substances in violation of any Environmental Law: (i) with respect to the business or the assets of the Company or any of the Company Entities or (ii) to the knowledge of the Company at, under, in, on or migrating from the Real Property, in each case due to the actions or inactions of the Company or a Company Entity (as applicable). Neither the Company nor a Company Entity has brought any Hazardous Substances on the Real Property. Neither the Company nor any of the Company Entities has received an Environmental Notice that the Real Property (including soils, groundwater, surface water, buildings and other structure located on any such real property) has been contaminated with any Hazardous Substance which could reasonably be expected to result in an Environmental

Claim against, or a violation of Environmental Law or term of any Environmental Permit by the Company or any Company Entity.

(e)To the Company's knowledge, neither the Company nor a Company Entity has any active or abandoned aboveground or underground storage tanks on the portions of the Real Property leased by it.

(f) Schedule 3.16(f) contains a complete and accurate list of all off-site Hazardous Substance treatment, storage, or disposal facilities or locations used by the Company or the Company Entities and to the Company's knowledge, none of these facilities or locations has been placed or proposed for placement on the National Priorities List (or CERCLIS) under CERCLA, or any similar state list, and neither the Company nor any Company Entity has received any Environmental Notice regarding potential Liabilities with respect to such off-site Hazardous Substance treatment, storage, or disposal facilities or locations used by the Company or any Company Entity.

(g)Neither the Company nor any Company Entity has retained or assumed, by contract or operation of Law, any Liabilities of third parties under Environmental Law.

(h)The Company has made available to Buyer and listed in Schedule 3.16(h): (i) any and all environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, economic models and other similar documents with respect to the Real Property and the Company's and each Company Entity's business in regards to compliance with Environmental Laws, Environmental Claims or an Environmental Notice or the Release of Hazardous Substances (which are in the Company's or a Company Entity's possession or control); and (ii) any and all material documents concerning planned or anticipated capital expenditures required to reduce, offset, limit or otherwise control pollution or emissions, manage waste or otherwise ensure compliance with current or future Environmental Laws (which are in the Company's or any of the Company Entity's possession or control).

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

Section 3.17 Employee Benefit Matters.

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

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

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

(d)Neither the Company nor a Company Entity has: (i) incurred any Liability under Title I or Title IV of ERISA or related provisions of the Code or applicable Law relating to any Benefit Plan; or (ii) incurred any Liability to the Pension Benefit Guaranty Corporation, and to the Company's knowledge, based on the facts as they exist on the date hereof, there is no reasonable basis upon which the Company or any Company Entity may incur Liability under subclauses (i) or (ii). No complete or partial termination of any Benefit Plan has occurred.

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

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

(g)Neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will, either alone or in combination with any other event, (i) entitle any current or former manager, director, officer, employee, independent contractor, or consultant of the Company or any Company Entity to any bonus,

severance pay, increase in severance pay, or other compensatory payment; (ii) accelerate the time of payment, funding, or vesting, or increase the amount of compensation (including equity-based compensation) due to any such Person; (iii) limit or restrict the right of the Company or any Company Entity to amend or terminate any Benefit Plan; (iv) increase the amount payable under any Benefit Plan; (v) result in any change-of-control payment or any "excess parachute payments" within the meaning of Section 280G(b) of the Code; or (vi) require a "gross-up" or other payment to any "disqualified individual" within the meaning of Section 280G(c) of the Code.

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

Section 3.18 Employment Matters.

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

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

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

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

Section 3.19 Taxes.

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

(b) Each Company Entity (other than the Licensed Entities) is, and at all times since May 11, 2020 has been, properly classified as a disregarded entity for U.S. federal and applicable state and local income tax purposes.

(c) Each Licensed Entity is, and at all times since its inception has been, properly classified as (i) a C corporation for U.S. federal income tax purposes and (ii) a tax exempt entity for applicable state and local income tax purposes.

(d) All returns, declarations, reports, information returns and statements, and other documents relating to Taxes (including amended returns and claims for refund) ("**Tax Returns**") required to be filed by the Company or any Company Entity on or before the Closing Date have been timely filed. Such Tax Returns are true, correct, and complete in all material respects. All Taxes due and owing by the Company or any Company Entity (whether or not shown on any Tax Return) have been timely paid. The Company has delivered to Buyer copies of all Tax Returns and examination reports of the Business and statements of deficiencies assessed against, or agreed to by, the Company or any Company Entity for all Tax periods for which Tax Returns have been required to be filed since January 1, 2017. The term "**Taxes**" means all federal, state, local, foreign, and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties, or other taxes, fees, assessments, or charges of any kind whatsoever imposed by a taxing authority, together with any interest, additions, or penalties with respect thereto.

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

(f) Neither the Company nor any Company Entity has received any written claim from any taxing authority in any jurisdiction where the Company or the Company Entity does not file Tax Returns that it is, or may be, subject to Tax by that jurisdiction.

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

(h) The amount of the Company's and the Company Entities' liability for unpaid Taxes did not, as of the Balance Sheet Date, exceed the amount of reserves for Taxes (excluding reserves for deferred Taxes established to reflect differences between book and Tax income) reflected on the Financial Statements.

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

(j)Neither the Company nor any Company Entity is a party to any Action by any taxing authority. There are no pending Actions or Actions threatened in

writing by any taxing authority against the Company or any Company Entity.

(k)Neither the Company nor any Company Entity is bound by or has any obligation under any Tax allocation, Tax sharing or Tax indemnification Contract. Neither the Company nor any Company Entity has been a member of an affiliated, combined, consolidated, or unitary Tax group for Tax purposes. Neither the Company nor any Company Entity has any Liability for Taxes of any other Person under Treasury Regulations Section 1.1502-6 (or any corresponding provision of state, local, or foreign Law), as transferee or successor, by contract, or otherwise.

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

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

(n)Neither the Company nor any Company is a "foreign person" as that term is used in Treasury Regulations Section 1.1445-2. No Interest in the Company or any Company Entity is, nor has it been, a United States real property interest (as defined in Section 897 of the Code) at any time.

(o)Neither the Company nor any Company Entity will be required to include any amount in, or exclude any item of deduction from, income for any Tax period ending after the Closing Date as a result of a change in accounting method for any Tax period ending on or before the Closing Date and the portion through the end of the Closing Date for any Straddle Period ("**Pre-Closing Tax Period**") or pursuant to any agreement with any Tax authority with respect to any such Pre-Closing Tax Period. Neither the Company nor any Company Entity will be required to include in any Tax period or portion thereof after the Closing Date any income that accrued in a Pre-Closing Tax Period but was not recognized in any Pre-Closing Tax Period as a result of the installment method of accounting, the completed contract method of accounting, the long-term contract method of accounting or the cash method of accounting or as a result of the receipt of any prepaid amounts.

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

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

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

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

(t) Neither the Company nor any Company Entity has deferred the inclusion of any amounts in taxable income pursuant to IRS Revenue Procedure 2004-34, Treasury Regulations Section 1.451-5, Sections 455 or 456 of the Code or any corresponding or similar provision of Law (irrespective of whether or not such deferral is elective).

(u) Neither the Company nor any Company Entity has a permanent establishment (within the meaning of the applicable Tax treaty) or otherwise have an office or fixed place of business in a country other than the country in which it is organized.

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

(w) Neither the Company nor any Company Entity has elected to defer any Taxes, including the employer-portion of any payroll Tax for which the Company or any Company Entity will have future Tax liability, under the Coronavirus Aid, Relief, and Economic Security Act (the "**CARES Act**").

(x) Neither the Company nor any Company Entity has received or claimed any Tax credits under Section 2301 of the CARES Act, nor has the Company or any Company Entity accepted or otherwise been extended any PPP Loans. To the extent applicable, the Company and each Company Entity has materially complied with all legal requirements and duly accounted for any available Tax credits under Section 7001 through 7005 of the Families First Act.

(y) Neither the Company nor any Company Entity has filed any amended Tax Return or other claim for a refund as a result of, or in connection with, the carryback of any net operating loss or other attribute to a year prior to the taxable year including the Closing Date under Section 172 of the Code, as amended by Section 2303 of the CARES Act, or any corresponding or similar provision of Law.

(z) Neither the Company nor any Company Entity has consummated or participated in, or is currently participating in, any transaction which was or is a "Tax shelter," "listed transaction" or "reportable transaction" as defined in Sections 6662, 6662A, 6011, 6012, 6111 or 6707A of the Code or the Treasury Regulations promulgated thereunder, including transactions identified by the IRS by notice, regulation or other form of published guidance as set forth in Treasury Regulation § 1.6011-4(b)(2).

Section 3.20 Intentionally Omitted.

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

Section 3.22 Accounts Receivable; Inventory.

(a) The Accounts Receivable reflected in the Balance Sheet, and all accounts receivable arising since the Balance Sheet Date (in each case, net of allowances for doubtful accounts as reflected thereon and as determined in accordance with GAAP), represent bona fide transactions for sales, services performed or other charges arising in the ordinary course of the Business. To the Company's knowledge, there is no pending contest or dispute with respect to the amount or validity of any amount of any such accounts receivable for which reserves have not been established.

(b) Each applicable Company Entity's inventories of raw materials, ingredients or finished goods held for sale or consumption in connection with the Business (the "**Inventory**") (a) consists of good and saleable items of a quality usable or saleable in the ordinary course of the business of such Company Entity consistent with past practice; (b) are of quantities usable or saleable consistent with the ordinary course of the business of such Company Entity consistent with past practice; (c) are not spoiled, damaged or contaminated, except for items that have been written off or written down to fair market value or for which adequate reserves have been established on the Balance Sheet, and (d) comply with all applicable Laws and no substances prohibited by Law have been used on the Inventory. Notwithstanding anything herein to the contrary, nothing contained in this Section 3.22(b) shall constitute or be deemed to constitute a representation or warranty that any such Inventory will be sold.

Section 3.23 Indebtedness. Except as set forth on Schedule 3.23 and in the Financial Statements, neither the Company nor any Company Entity has any Indebtedness.

Section 3.24 Warranties. Except as set forth on Schedule 3.24, no Licensed Entity provides any guarantees, warranties or indemnities with respect to any products or services. Except as set forth on Schedule 3.24, there are no claims with respect to any such guarantees, warranties or indemnities outstanding, pending or, to the knowledge of the Company, threatened. Except as set forth on Schedule 3.24, no claims have been submitted to a Licensed Entity in writing for breach of any labeling or advertising Law relating to any products or services of such Licensed Entity and the knowledge of the Company based on the facts as they exist as of the date hereof, there is no reasonable basis for any present claim.

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

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

Section 3.27 Privacy. To the Company's knowledge, the Company and each Company Entity has not experienced any security incident in which confidential or sensitive information, personal information or other legally protected information relating to any Person ("**Personal Information**") was or may have been stolen or improperly accessed while in the Company's possession, custody or control. The Company's and each Company Entity's practices concerning collection, use, analysis, retention, storage, protection, security, transfer, disclosure and disposal of Personal Information materially comply with, and have not violated in any material respect, any (a) Contract, (b) applicable Laws regarding privacy and security of information, or (c) written policy or privacy statements of the Company or such Company Entity (as applicable), including privacy policies. The Company and each Company Entity that has a website or online site has posted to its websites and each of its online sites, including all mobile applications ("**Apps**") (if any), terms of use or service and a privacy policy that complies in all material respects with applicable Laws and that accurately reflects the Company's and such Company's Entity's (as applicable) practices concerning the collection, use, and disclosure of Personal Information by the site, service or App. No Personal Information has been collected, used or stored by the Company or any Company Entity in manner that materially violates applicable Law or the Company's or such Company Entity's privacy and security requirements. Neither the Company nor any Company Entity uses any of the Personal Information it receives through any of its App or websites or otherwise in a manner that materially violates any applicable Law or the Company's or such Company Entity's privacy and security requirements. Neither the Company nor any Company Entity has used any software disseminated by a Person on behalf of the Company or such Company Entity that is installed on consumers' or customers devices and used by any Person on behalf of the Company or such Company Entity to monitor, record or transmit information about activities occurring on the devices on which it is installed, or about data that is stored or created on, transmitted from or transmitted to the computers on which it is installed, in each case, in a manner that materially violates any applicable privacy and security Laws. No complaint relating to an improper use or disclosure of, or a breach in the security of, any Personal Information has been made or, to the knowledge of the Company, threatened against the Company or any Company Entity. To the Company's knowledge, there has been no: (i) material unauthorized disclosure of any third party proprietary or confidential information in the possession, custody or control of the Company or any Company Entity, or (ii) material breach of the Company's or a Company Entity's security procedures wherein confidential information has been disclosed to a third person.

Section 3.28 HSR. The Company is its own "ultimate parent entity" as such term is defined in 16 CFR 801.1(a)(3) of the regulations promulgated under the HSR Act. The Company and all of its Subsidiaries have not derived annual sales or revenues greater than $1,000,0000 from products within Sectors 31 – 33 of the North American Industry Classification System, and thus is not "engaged in manufacturing" as such term is defined in 16 CFR 801.1(j) of the regulations promulgated under the HSR Act.

Section 3.29 Full Disclosure. No representation or warranty by the Company in this Agreement and no statement contained in the Disclosure Schedules contains any untrue statement of a material fact, or to the Company's knowledge, omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF EACH SELLER

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

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

Section 4.02 Authority. Subject to compliance with the ROFRs described in Section 6.06(c), each Seller has full capacity, power and authority to enter into this Agreement and the Transaction Documents to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by each Seller that is not a natural person of this Agreement and the Transaction Documents to which it is a party, the performance of its obligations hereunder and thereunder and the consummation by such Seller of the transactions contemplated hereby and thereby have been duly authorized by such Seller. This Agreement and the Transaction Documents to which such Seller is a party have been (in the case of this Agreement and the Transaction Documents to which such Seller is a party executed on the date of this Agreement) or will be (in the case of a Transaction Document to which such Seller is a party which is not executed on the date hereof) duly executed and delivered by such Seller, and (assuming due authorization, execution and delivery by Parent, Buyer and any other Persons party thereto) constitutes (in the case of this Agreement and the Transaction Documents to which such Seller is a party executed on the date of this Agreement), or will constitute when executed and delivered (in the case of a Transaction Document to which such Seller is a party which is not executed on the date hereof), as applicable, a legal, valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally, or by general principles of equity.

Section 4.03 Equity Information. Such Seller has good title to the Company Interests set forth next to such Seller's name on Exhibit A, free and clear of all Encumbrances other than Permitted CI Encumbrances. Subject to Permitted CI Encumbrances and the ROFRs described in Section 6.06(c), such Seller has the full and unrestricted power to sell, assign, transfer and deliver the Company Interests that such Seller owns pursuant to the terms of this Agreement. Such Seller is not a party to any option, warrant, purchase right or other contract or commitment that could (including upon the occurrence or satisfaction of any condition, contingency or event) require such Seller to sell, transfer or otherwise dispose of any of the Company Interests or any interest therein, other than this Agreement, the Company LLC Agreement or the ROFRs described in Section 6.06(c). Other than this Agreement, the Contracts described in Section 6.06(c) or the Company LLC Agreement, such Seller is not a party to any voting trust, proxy or other agreement or understanding with respect to its ownership, voting or transfer of, or otherwise related to, the Company Interests that such Seller owns. At the Closing (assuming the satisfaction or waiver of the ROFRs), Buyer will acquire good, valid and marketable title to the Company Interests, free and clear of all Encumbrances other than Permitted CI Encumbrances.

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

Section 4.05 Accredited Investor. Each Seller:

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

(b) is acquiring the Stock Consideration and the Exchangeable Shares issued in connection with the 2021 Earn-out or the 2022 Earn-out for investment purposes, and not with a view to resale in a manner which would violate the US Securities Act or applicable state securities laws;

(c) has had the opportunity to ask questions regarding its or his investment in the Stock Consideration and the Exchangeable Shares issued in connection with the 2021 Earn-out or the 2022 Earn-out and the business of Buyer and Parent;

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

(e) acknowledges that neither the Stock Consideration nor the Exchangeable Shares issued in connection with the 2021 Earn-out or the 2022 Earn-out have been registered under the US Securities Act, constitute "restricted securities" under the US Securities Act and will be issued in certificated form bearing legends to ensure compliance with the US Securities Act and applicable state securities laws.

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

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF PARENT AND BUYER

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

Section 5.01 Organization and Authority.

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

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

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

Section 5.02 No Conflicts; Consents. The execution, delivery, and performance by each of Buyer or Parent of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby (including, without limitation, the issuance of the Stock Consideration, the Exchangeable Shares issued in connection with the 2021 Earn-out and the 2022 Earn-out and the Promissory Notes) and thereby, do not and will not: (a) violate or conflict with any provision of its articles of organization, certificate of incorporation, bylaws, or other governing documents; (b) violate or conflict with any provision of any Permit, Law or Governmental Order applicable to it or held by it; (c) conflict with or result in any breach of, any of the terms, covenants, conditions or provisions of, or constitute a default under the terms of any promissory note, bond, debenture, indenture, mortgage, deed of trust, credit or loan agreement, or any other Contract, to which the Parent or Buyer is a party or by which it or any of its property or assets are bound, (d) result in the creation or imposition of any Encumbrance upon any of the property or assets of the Parent or Buyer or (e) require the consent, notice, declaration, or filing with or other action by any Person or require any Permit, or Governmental Order.

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

Section 5.04 Indebtedness. The Parent is not entering into this Agreement and the other Transaction Documents to which it is a party with the intent to hinder, delay or defraud its creditors. Except as set forth on Schedule 5.04, as of the date of this Agreement, neither the Buyer nor the Parent has any Indebtedness. The Buyer and the Parent will provide to the Sellers' Representative an update to Schedule 5.04 as of the Closing.

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

Section 5.06 Reporting Issuer Status and Listing. The Parent is a "reporting issuer" as that term is defined in the applicable securities Laws in each of the provinces and territories of Canada, is not in default of the requirements of such Laws and rules established pursuant thereto or the policies and requirements of the Canadian Securities Exchange ("**CSE**") or any of the Canadian Securities Administrators, and the issued and outstanding Subordinate, Restricted and Limited Voting Shares of the Parent (collectively, the "**Subordinate Voting Shares**") are listed and posted for trading on the CSE.

Section 5.07 Compliance with Laws; Permits.

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

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

Section 5.08 Consents and Approvals of Governmental Bodies and Other Persons. No consent, approval or authorization of, or declaration, filing or registration with, any Governmental Authority or any other person is required by the Parent in connection with the execution and delivery of this Agreement and each Transaction Document to which it is a party and the consummation of the transactions contemplated herein and therein, including the issuance of the Subordinate Voting Shares pursuant to the Exchange Rights Agreement, other than (i) customary filings under Canadian securities laws, and (ii) customary filings required for the listing and posting for trading on the CSE of the Subordinate Voting Shares, subject only to satisfaction by the Parent of customary post-Closing filing conditions required by the CSE. The Parent has obtained all required approvals from the CSE necessary for the issuance of the Subordinate Voting Shares issuable pursuant to the Exchange Rights Agreement and, at or prior to Closing, the Parent shall have obtained the required consents and approvals necessary to list the Subordinate Voting Shares issuable pursuant to the Exchange Rights Agreement on the CSE upon issuance.

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

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

Section 5.11 Authorized and Issued Capital. The authorized capital of the Parent consists of an unlimited number of Subordinate Voting Shares and an unlimited number of multiple voting shares of the Parent (the "**Multiple Voting Shares**") of which, on the close of business of the date that is one day prior to the execution and delivery of this Agreement, 33,825,223 Subordinate Voting Shares of the Parent (the " **Restricted Voting Shares**") and 3,696,486 Multiple Voting Shares are outstanding. All of the presently issued and outstanding Subordinate Voting Shares have been validly allotted and issued and are outstanding as fully paid shares. Except as set forth on Schedule 5.11, no Person has or will have any Contract or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming a Contract or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase from the Parent of any Subordinate Voting Shares (or any securities convertible or exchangeable into Subordinate Voting Shares) or for the subscription, allotment or issuance of any unissued securities in the capital of the Parent, other than as disclosed or as will be disclosed in the Parent's publicly available continuous disclosure documents. The Parent will provide to the Sellers' Representative an update, as of close of business of the day immediately preceding the Closing, to the representations contained in this Section 5.11, which update shall be set forth in Schedule 5.11.

Section 5.12 Issuance of the Shares. The Stock Consideration, the Exchangeable Shares issued pursuant to the 2021 Earn-out or the 2022 Earn-out and, all of the Subordinate Voting Shares to be issued upon exchange of the Stock Consideration or the Exchangeable Shares issued pursuant to the 2021 Earn-out or the 2022 Earn-out have been duly authorized and reserved for issuance and, when issued, (i) will be validly issued and outstanding and fully paid and nonassessable shares in the capital of the Buyer or the Parent, as applicable, (ii) will not be subject to any resale restrictions (other than pursuant to the Lock-Up Agreements, and those resale restrictions set forth under United States securities Laws and four month resale restriction under Canadian securities Laws (which four month period begins on the date of issuance)), and (iii) in respect of the Subordinate Voting Shares, when issued in exchange for the Stock Consideration and the Exchangeable Shares issued in connection with the 2021 Earn-out or the 2022 Earn-out, will be listed and posted for trading on the CSE or other Eligible Exchange (unless a Going Private Transaction has occurred).

ARTICLE VI

PRE-CLOSING COVENANTS

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

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

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

Section 6.02 Operation of Business. Except as set forth on Schedule 6.02 or as otherwise expressly contemplated by this Agreement, during the Effective Period, the Company will (and will cause each Company Entity to) conduct the business of the Company or such Company Entity in the ordinary course of its business consistent with past practice. During the Effective Period, the Company will (and will cause each Company Entity) pay its debts and Taxes when due unless subject to a good faith dispute, to pay or perform other Liabilities in the ordinary course of its business subject to good faith disputes over whether payment or performance is owing, and use commercially reasonable efforts to preserve its present business organizations, keep available the services of its employees, consultants and contractors, preserve its relationships with key customers, suppliers, distributors, licensors, licensees, and others having business dealings with it, maintain all of its cannabis-related Permits and continue the Projects in accordance with the applicable Project Plans (including timely payment of all expenses associated with the Projects as they become due, except to the extent an expense is being disputed in good faith). During the Effective Period, the Company will promptly notify Parent and Buyer of any event or occurrence of which it receives knowledge, and that the Company believes could reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, except as set forth on Schedule 6.02 or expressly contemplated by this Agreement (including, without limitation, Section 6.14), during the Effective Period, the Company will not (and will cause each Company Entity not to) do, any of the following without the prior written consent of Parent and Buyer, which may be withheld in their sole discretion:

(a) adopt any change to (i) the Company LLC Agreement or any of the Company's other organizational or governance documents or the rights and preferences of the Company Interests or (ii) the Constating Documents of the Company Entities;

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

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

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

(e) issue any debt or equity securities of any kind, including any membership interests, options, warrants, borrowed money, notes or instruments convertible into any equity securities, except that the Company may incur up to [**********] of Indebtedness under the Bridge Financing;

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

(g) make or change any election in respect of Taxes, amend, modify or otherwise change any filed Tax Return, adopt or request permission of any taxing authority to change any accounting method in respect of Taxes, enter into any closing agreement in respect of Taxes, settle any claim or assessment in respect of Taxes other

than settlements of any claim or assessment which contains a release of all claims in exchange for a monetary payment, surrender or allow to expire any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes or in respect to any Tax attribute that would give rise to any claim or assessment of Taxes, or claim any Tax credits under Section 2301 of the CARES Act;

(h) declare, set aside or pay any dividend or other distribution with respect to the Company Interests or make any loans, advances or payments to any Seller, other than (i) in connection with the repayment of any Indebtedness owed by the Company to any Seller or (ii) Tax distributions to Sellers made pursuant to the terms of the Company LLC Agreement;

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

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

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

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

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

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

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

(p) enter into or amend any Contracts with dispensaries or other customer for the future supply of cannabis;

(r) terminate or amend any Material Contract;

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

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

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

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

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

Section 6.04 Access. During the Effective Period, the Company will permit representatives of Buyer and Parent (including legal counsel, accountants, financial sources and advisors) to have, upon prior written notice, reasonable access during normal business hours and under reasonable circumstances, and in a manner so as not to interfere with the normal business operations of the Company or the Company Entities, to the premises, personnel, books, records (including Tax records), Material Contracts, Permits and documents of or pertaining to the Business and the Projects. During the Effective Period, the Parent will permit representatives of the Company (including legal counsel, accountants, financial sources and advisors) to have, upon prior written notice, reasonable access during normal business hours and under reasonable circumstances, and in a manner so as not to interfere with the normal business operations of the Parent (and its Affiliates), to the premises, personnel, books, records (including Tax records), material Contracts, Permits and documents of or pertaining to the business of the Parent and its Affiliates, but no information regarding the Ontario Securities Commission or other similar investigation shall be provided if such investigation is currently in process. Neither Buyer, nor any of its representatives will contact any employee, customer, supplier or landlord of the Company or any Company Entity without the prior written consent of the Company. The Buyer and the Parent will comply with, and will cause their respective representatives and financing sources to comply with, all of their obligations under the confidentiality agreement previously signed with respect to this Agreement and the transactions contemplated hereby (the "**Confidentiality Agreement**"), among one or more Parties with respect to the terms and conditions of this Agreement and the transaction contemplated hereby, which Confidentiality Agreement will remain in full force and effect and survive any termination of this Agreement in accordance with the terms of the Confidentiality Agreement.

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

Section 6.06 No Solicitation; Rights of First Refusal.

(a) Except as set forth in Section 6.06(c), during the Effective Period, no Seller or the Company will (and the Company shall cause each Company Entity not to), nor will it authorize or permit any officer, manager, director, equity holder member or employee of, or any investment banker, attorney or other advisor or representative of, such Seller, the Company or any Company Entity, to (A) directly or indirectly solicit or initiate or (B) knowingly encourage the submission of, any proposal or offer to acquire all or any portion of the Company, a Company Entity or any Company Interests, whether in a merger, asset sale, equity sale, joint venture, business combination or similar transaction, excluding sales of inventory in the ordinary course of business consistent with past practice (an "**Acquisition Proposal**"), (ii) enter into any Contract with respect to, or consummate, any Acquisition Proposal, or (iii) directly or indirectly participate in any substantive discussions or negotiations regarding, furnish to any Person any information with respect to the Company or any Company Entity outside of the ordinary course of the operation of its business, allow any Person access to the Company's or any Company Entity's or the assets, properties, information or personnel of the Company and the Company Entities outside of the ordinary course of the operation of its business, or take any other action to facilitate the making of, an Acquisition Proposal.

(b) Except as set forth in Section 6.06(c), during the Effective Period, the Company and each Seller promptly will advise Buyer orally and in writing of any Acquisition Proposal and the material terms and conditions of any such Acquisition Proposal and provide Buyer with copies of any documents related to such Acquisition Proposal. The Company will keep Buyer informed on a current basis of the status (including any change to the material terms thereof) of any such Acquisition Proposal.

(c) Notwithstanding the provisions of Section 6.06 and without constituting a breach of same, each Seller and the Company will provide notice of the transactions contemplated hereby to any third party holding a right of first refusal with respect to the sale of any of the Company Interests (each such right a "**ROFR**" and the person holding a ROFR a "**ROFR Holder**") in order to satisfy the applicable Contract providing for the right of first refusal (the "**ROFR Notice**"). Each applicable Seller and Company will promptly advise Buyer orally and in writing if any ROFR Holder exercises a ROFR or if a ROFR Holder delivers a binding membership interest purchase agreement executed by such ROFR Holder which contains provisions that are the same (or with respect to the consideration described herein, the economic equivalent) or terms which are more beneficial to the Sellers than those set forth herein (such agreement, a "**Binding ROFR Purchase Agreement**"). Except to the extent prohibited by confidentiality provisions, each applicable Seller and the Company will promptly (i) provide Buyer with a copy of the ROFR Notice, (ii) advise Buyer orally and in writing of any Acquisition Proposal made by a ROFR Holder and the material terms and conditions of any such Acquisition Proposal, (iii) provide Buyer with copies of any documents related to such Acquisition Proposal, and (iv) keep Buyer informed on a current basis of the status (including any change to the material terms thereof) of any such Acquisition Proposal.

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

(a) Each Party shall use its reasonable best efforts to obtain, or cause to be obtained as promptly as reasonably practicable after the date hereof, all consents, authorizations, orders and approvals from all third parties, including Governmental Authorities, that are required to be obtained to consummate the Closing, including the applicable Required Closing Approvals, and with respect to applicable Laws, including, for the avoidance of doubt, providing information with respect to the execution and filing of any submissions to a Governmental Authority in respect thereof and participating in meetings with the applicable Governmental Authorities. Each Party shall cooperate with each other Party and each other Party's Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals (including supplying each other Party with any information which may be required in order to obtain such consents, authorizations, orders and approvals, and responding as promptly as practicable to any inquiry or request received from any Governmental Authority for additional information or documentation) and, once obtained, shall comply with the terms and conditions of such consents, authorizations, orders and approvals. No Party shall willfully take any action that would reasonably be expected to have the effect of materially delaying, or impairing or impeding in any material respect, the receipt of any the Required Closing Approvals from a Governmental Authority. Notwithstanding anything herein to the contrary, Buyer and the Company shall determine the strategy to be pursued for obtaining and leading any efforts to obtain all Required Closing Approval from any Governmental Authorities in connection with the Closing.

(b) Except as set forth in Section 6.08, each Party agrees (i) to make (or cause its controlled Affiliates or ultimate parent entities to make), to the extent required by applicable Law (if such filing has not already occurred), a required initial filing pursuant to each applicable Law with respect to the Required Closing Approvals from a Governmental Authority within 30 days following the date of this Agreement and (ii) to respond as promptly as possible to any request for information from any Governmental Authority.

(c) Subject to applicable Laws relating to the exchange of information and prior to making any application or material written communication to, or filing with, any Governmental Authority (including as described in Section 6.08) with respect to the transactions described herein, each Party shall provide each other Party with drafts thereof, afford each other Party a reasonable opportunity to comment on such drafts and incorporate each other Party's reasonable comments, it being the intent that the Parties will consult and cooperate with each other and consider in good faith the views of each other Party in connection with any such communication or filing. To the extent relating to the Closing or any filing required under the HSR Act, Buyer, each Seller, the Company and the Company Entities shall, and shall cause their respective representatives to, (i) each use its respective reasonable best efforts to schedule and attend any hearings or meetings with Governmental Authorities, (ii) permit, to the extent permitted, each other Party to participate in any meetings or conference calls with any Governmental Authority and (iii) promptly notify in writing each other Party following (A) receipt of any comments, requests or other material communications (whether written or oral) from any Governmental Authority (and provide to each other Party copies of any written communications so received) and (B) receipt of any threatened Action. For the avoidance of doubt, provisions contained in this Section 6.07 do not apply to interactions between the Company or a Company Entity with Governmental Authorities in the ordinary course of business unless such interaction directly relates to or directly implicates the transactions contemplated by this Agreement.

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

Section 6.08 HSR Act.

(a) "**HSR Act**" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder, or any successor statute, rules and regulations thereto.

(b) In furtherance and not in limitation of the terms of Section 6.07, each of the Company, Buyer and Parent agrees to: (i) if required, within ten (10) Business Days after the date of the execution of this Agreement, make an appropriate filing of a Notification and Report Form pursuant to the HSR Act (including, if requested by Buyer or Parent, seeking early termination of the waiting period under the HSR Act) with respect to the transactions contemplated by this Agreement, (ii) use commercially

reasonable efforts to supply the others with any information which may be required in order to effectuate such a filing, (iii) supply as promptly and as reasonably practicable any additional information and documentary material that may be requested pursuant to the HSR Act by the United States Federal Trade Commission or the United States Department of Justice and (iv) use its commercially reasonable efforts to take or cause to be taken all other actions necessary, proper or advisable consistent with this Section 6.08 to cause the expiration or termination of the applicable waiting periods, or receipt of required authorizations, as applicable, under the HSR Act as soon as practicable. The Parties will consult with each other in good faith with respect to the antitrust defense of the transactions contemplated by this Agreement, or negotiations with, any Governmental Authority or other third party relating to antitrust issues arising from the transactions contemplated by this Agreement or regulatory filings under applicable anti-competition Law, subject to the provisions of this Section 6.08; provided, however, that if the parties disagree on the proposed approach after consultation in good faith, Buyer and Parent's good faith determination will control. Each of the Parties will use their commercially reasonable efforts to provide support to each other in all material respects in all such negotiations and other discussions or actions. No Party will make any offer, acceptance or counter-offer to or otherwise engage in negotiations or discussions with any Governmental Authority with respect to any proposed settlement, consent decree, commitment or remedy with respect to any Actions under the HSR Act, or, in the event of litigation, discovery, admissibility of evidence, timing or scheduling, in connection with any Actions under the HSR Act arising from the transactions contemplated hereby except as agreed by all Parties; provided, however, that if Sellers' Representative and the Company object to a proposed negotiation or discussion between Buyer and Parent and any Governmental Authority, the Parties will discuss such objection in good faith but Buyer and Parent's good faith determination will control. Buyer and the Company will share equally all filing fees in connection with any filings made under the HSR Act pursuant to this Section 6.08. No Party will commit to or agree with any Governmental Authority to stay, toll or extend any applicable waiting period under the HSR Act or applicable competition Law, without the prior written consent of the other Parties. If any request for additional information and documents, including a "second request" under the HSR Act, is received from any Governmental Authority then the Parties will substantially comply with any such request at the earliest practicable date.

(c) Without limiting the generality of the Parties' undertakings pursuant to subsection (b) above, each of the Parties will use commercially reasonable efforts to:

(i) respond to any inquiries by any Governmental Authority regarding antitrust or other matters with respect to the transactions contemplated by this Agreement;

(ii) avoid the imposition of any Governmental Order or the taking of any action that would restrain, alter or enjoin the transactions contemplated by this Agreement; and

(iii) in the event any Governmental Order adversely affecting the ability of the Parties to consummate the transactions contemplated by this Agreement has been issued, to have such Governmental Order vacated or lifted.

(d) Notwithstanding the foregoing, nothing in this Section 6.08 will require, or be construed to require, (i) Buyer, Parent or any of their Affiliates to agree to (A) sell, hold, divest, discontinue or limit, before or after the Closing Date, any assets, businesses or interests of Buyer, Parent or any of its current or potential Affiliates or (B) any conditions relating to, or changes or restrictions in, the operations of any such assets, businesses or interests which, in either case, could reasonably be expected to materially and adversely impact the Buyer or Parent or any of their Affiliates, before or after the Closing Date or (ii) any of the Parties hereto to agree to any material modification or waiver of the terms and conditions of this Agreement.

(e) The Parties will take reasonable efforts to share information protected from disclosure under the attorney-client privilege, work product doctrine, joint defense privilege or any other privilege pursuant to this section so as to preserve any applicable privilege.

Section 6.09 Continuation of Indebtedness. As of the Closing and continuing thereafter, the Company or each Company Entity (as applicable) will remain as the primary borrower and obligor under the indebtedness in Schedule 6.09, and in each case all indebtedness outstanding thereunder as of the Closing will remain outstanding in accordance with its terms (including any security interests securing such indebtedness), and will reduce the aggregate amount of Promissory Notes as set forth in Section 1.01(c).

Section 6.10 Updates to Disclosure Schedules. Prior to Closing, the Company or any Seller shall deliver to Parent and Buyer all updates to the Disclosure Schedules, if any, that would be necessary to cause the satisfaction of the closing condition set forth in Section 7.02(a), taking into account any such updates. With respect to any such updates, (a) any matter, fact, event or circumstance that occurred or was in existence on or prior to, or that arises from or relates to the period of time on or prior to the date of this Agreement, shall not be considered as part of the Disclosure Schedules for purposes of Closing and shall not be deemed to have cured or remedied any breach of any representation and warranty made by the Company or a Seller as of the date of this Agreement; and (b) any matter, fact, event or circumstance that first occurred or came into existence following, or that first arises from or relates to the period of time following, the date of this Agreement and is not otherwise related to a breach of an interim covenant of the Company or any Seller set forth in Section 6.02 of this Agreement ("**Post-Signing Matters**") shall be deemed to be part of the Disclosure Schedules; provided, however, that if the Liability associated with Post-Signing Matters (as reasonably determined by the Buyer, the Company and the Sellers' Representative) (i) exceeds $6,000,000 in the aggregate, then Buyer shall have the option, at its sole option and election, (A) to terminate this Agreement (and for the avoidance of doubt with no continuing Liability (other than claims of fraud, intentional or knowing misrepresentation, or willful breach by the Buyer or the Parent) owing by Buyer or the Parent to the Company or the Sellers), or (B) if the Buyer does not elect to terminate this Agreement pursuant to the immediately preceding clause (A) and the Closing occurs, to deduct from the Cash Consideration payable at Closing the full amount of such Post-Signing Matters, on a dollar-for-dollar basis (such Post-Signing Matters, are hereinafter referred to as "**Terminable Post-Signing Matters**" or (ii) exceeds $200,000 but is less than $6,000,000, then neither the Buyer nor the Parent shall have the right to terminate this Agreement due to such Post-Signing Matter, and if the Closing occurs, Buyer shall deduct from the Cash Consideration payable at Closing the full amount of such Post-Signing Matters, on a dollar-for-dollar basis. If the Liability associated with Post-Signing Matters does not exceed $200,000 in the aggregate and the Closing occurs, then such Post-Signing Matters shall be deemed to have become part of the Disclosure Schedules and shall qualify all of the representations and warranties set forth herein for all purposes of this Agreement, including without limitation as it relates to indemnification claims. Notwithstanding the foregoing, Post-Signing Matters shall not include the representations and warranties in Section 3.15(c) as it relates to the Regulatory Permits (as hereinafter defined). Notwithstanding anything to the contrary contained herein, any updates to the Disclosure Schedules to account for the transactions described in Section 6.14 or any Projects entered into after the date hereof in accordance with Section 3.12 shall not be subject to this Section 6.10 and any updates to the Disclosure Schedules arising from the transactions described in Section 6.14 or any Projects entered into after the date hereof in accordance with Section 3.12 shall be deemed to have become part of the Disclosure Schedules and shall qualify all of the representations and warranties set forth herein for all purposes of this Agreement; including without limitation as it relates to any claims for indemnification.

Section 6.11 Maintaining Listing and Further Assurances. The Parent covenants to the Sellers that it shall use commercially reasonable efforts to maintain the listing of its Subordinate Voting Shares on the CSE or another Eligible Exchange for at least the period of 60 months following the Closing; *provided* that the foregoing shall in no way affect Parent's ability to proceed with any reorganization of capital that is subject to shareholder approval or any merger amalgamation or take-over bid. The Parent covenants and agrees that it shall take all necessary steps and use its best efforts to satisfy all applicable CSE conditions necessary to be satisfied to cause the Subordinate Voting Shares issuable in connection with the Stock Consideration to (i) be approved for listing (subject to issuance) on the CSE at the Closing and (ii) approved and listed for trading on the CSE upon issuance under the terms of the Exchange Rights Agreement; *provided* that nothing herein shall limit the Parent's ability to engage in a merger, amalgamation, reorganization or similar transaction in which the Parent is not the surviving entity after the Closing. During the Effective Period, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Parent in which all of the issued and outstanding Subordinate Voting Shares of the Parent are converted into or exchanged for securities, cash or other property, then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Stock Consideration or each Exchangeable Share issued in connection with the 2021 Earn-out or the 2022 Earn-out shall thereafter be exchangeable in lieu of the Subordinate Voting Shares into which it was exchangeable prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Subordinate Voting Shares issuable upon conversion of one (1) share of Stock Consideration or Exchangeable Share immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment shall be made to the Per Share Price.

Section 6.12 Preservation of Records. For a period of seven years after the Closing Date or such other longer period as required by applicable Law, Buyer shall (and Parent shall cause the Buyer to) preserve and retain, all limited liability company or corporate, accounting, legal, auditing, human resources and other similar books and records of the Company and each Company Entity (including (i) any documents relating to any Actions and (ii) all Tax Returns, schedules, work papers and other material records or other documents relating to Taxes of the Company or any Company Entity) relating to the conduct of the business and operations of the Company and each Company Entity prior to the Closing Date, in each case that were in the possession of the Company or a Company Entity upon the Closing. Notwithstanding the foregoing, during such seven-year period, the Buyer may dispose of any such books and records which are offered to, but not accepted by, the Sellers' Representative.

Section 6.13 Bridge Financing.

(a) Contemporaneously with this Agreement and as part of the transactions described herein, Buyer and the Company will enter into a Bridge Loan Agreement (the "**Loan Agreement**"), whereby Buyer or an Affiliate of Buyer will provide bridge financing to the Company for up to $10,000,000 with accrued interest of 12.5% per annum and default interest at 18% per annum (the "**Bridge Financing**"). The Company, prior to the Closing, may draw on the Bridge Financing as described in the Loan Agreement. At the Closing, the amounts advanced under the Bridge Financing (plus interest and expenses thereon) (i) will not be required to be repaid in cash by the Company, and (ii) will reduce the amount of the principal amount of Promissory Notes payable to Sellers at Closing as described in Section 1.01(c). Immediately after the Closing the Loan Agreement and all documentation thereunder will be terminated by the Buyer.

(b) If this Agreement is terminated prior to the Closing, then the amounts advanced under the Bridge Financing (plus interest and expenses (if any) thereon) will be paid to Buyer or its Affiliate by the Company within five months after the date this Agreement is terminated, except as provided in the next sentence. If this Agreement is terminated for the failure to satisfy the condition described in Section 7.02(e) or Section 7.03(g), then all amounts advanced under the Bridge Financing (plus interest and expenses (if any) thereon) shall be due and payable to the Buyer by the Company within 30 days after this Agreement is terminated.

(c) [**********]

(d) All amounts owing under the Loan Agreement will be secured by a pledge of all of the membership interests of the Company held by TJV and FCC pursuant to a pledge agreement which will terminate immediately prior to the Closing.

Section 6.14 Pre-Signing Transactions.

(a) Prior to the Closing, each Seller and the Company will cause all assets, including equity interests that are owned by such Seller or a controlled Affiliate of such Seller, that are or are currently contemplated to be used in the Company's or any of the Company Entities' business, as of the Closing, to be transferred to the Company or the Company Entity (as appropriate), including the following (i) each Seller that owns an equity interest in Willcox OC, LLC will transfer such equity interest to the Company (which transaction will be structured in the most tax-efficient manner to the Company and such Sellers) and (ii) all of the shares issued by any Licensed Entity upon changing to a "for profit status" (a "**Conversion**") will be issued to the Company or any other Company Entity. Any entity whose equity interests are transferred to the Company or a Company Entity under the preceding sentence (in whole or in part), including Willcox OC, LLC will be included as a Company Entity for purposes of the representations and warranties contained in Article III at the Closing. Notwithstanding anything to the contrary herein, this Section 6.14(a) will not apply to any equity securities of Weber Dr, Be Green or 7AZ Enterprises, LLC or their respective assets or contractual rights. For purposes of clarity, nothing in this Agreement shall require a Seller, the Company or any Company Entity to effectuate a Conversion.

(b) With respect to any Conversion of a Licensed Entity occurring prior to Closing (a "**Pre-Closing Conversion**"), the Company presently intends to cause such Pre-Closing Conversion to qualify, to the extent permitted under applicable Law, as a reorganization under Section 368(a)(1)(E) and/or 368(a)(1)(F) of the Code or under any other applicable nonrecognition provision of the Code, in each case in the most tax-efficient manner to the Licensed Entity, the Company and the Sellers (collectively, "**Nonrecognition Treatment**"). Although it is presently expected that neither Buyer nor Parent would be required to participate in or consent to any such Pre-Closing Conversion, Buyer and Parent shall, and shall cause their respective Affiliates to, execute and deliver such documents and instruments and take such further actions as may reasonably be required to carry out the provisions of any Pre-Closing Conversion and give effect to such transaction. None of the Parties shall (and each of the Parties shall cause their respective Affiliates not to) take any action, or fail to take any action, that could reasonably be expected to cause any such Pre-Closing Conversion to fail to qualify for Nonrecognition Treatment to the extent such treatment is otherwise available under applicable Law. Each Party shall report any such Pre-Closing Conversion in accordance with this Section 6.14(b) and shall take no position to the contrary in any tax return or any proceeding before any taxing authority or otherwise, unless otherwise required pursuant to a determination within the meaning of Section 1313(a) of the Code.

(c) [**********]

Section 6.15

[**********]

ARTICLE VII

CONDITIONS TO OBLIGATION TO CLOSE

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

(a) Proceedings.

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

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

(b) Consents and Approvals. The Company and each applicable Seller will have received all of the Required Closing Approvals (including, without limitation, all consents of the lenders specified in Section 6.09 to the transactions contemplated by this Agreement) on terms satisfactory to all Parties, acting reasonably.

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

(a) Representations and Warranties. Subject to Section 6.10, (i) the representations and warranties of the Company set forth in this Agreement (other than the Fundamental Representations (as hereinafter defined) set forth in Article III) will be true and correct in all material respects (giving effect to the applicable exceptions set forth in the Disclosure Schedules, but without giving effect to any limitation as to "materiality" or "Material Adverse Effect") and (ii) the Fundamental Representations of the Company set forth in Article III will be true and correct in all respects, in each case as of the Closing Date, as if made as of such time (except to the extent that such representations and warranties expressly speak as of another date, in which case such representations and warranties will be true and correct as of such date). Subject to Section 6.10, (i) the representations and warranties of each Seller set forth in this Agreement (other than the Fundamental Representations set forth in Article IV) will be true and correct in all material respects (giving effect to the applicable exceptions set forth in the Disclosure Schedules, but without giving effect to any limitation as to "materiality" or "Material Adverse Effect") and (ii) the Fundamental Representations of each Seller set forth in Article IV will be true and correct in all respects, in each case as of the Closing Date, as if made as of such time (except to the extent that such representations and warranties expressly speak as of another date, in which case such representations and warranties will be true and correct as of such date). Buyer will have received a certificate signed on behalf of the Company and each Seller to such effect.

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

(c) Documents. Other than the Required Consents, all of the documents, instruments and agreements to be executed or delivered pursuant to Section 2.02 will have been executed by the parties thereto other than the Buyer or the Parent and delivered to the Buyer or the Parent.

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

(e) ROFR. Each ROFR will have expired under the terms of the applicable Contract or the ROFR Holder will have waived its ROFR in writing prior to the ROFR's expiry; *provided* that if a ROFR Holder exercises a ROFR neither the Buyer nor the Parent may terminate this Agreement except in accordance with Section 8.01(c).

(f) Licensed Entities. Each Licensed Entity will have (i) filed an Officer/Director/Shareholder Change Form of such Licensed Entity with the Arizona Corporation Commission, naming the Buyer's designees to, and removing all existing members of the Board of Directors from, the Board of Directors of such Licensed Entity and (ii) filed written notice with the Arizona Department of Health Services ("**AZDHS**"), evidencing the actions taken under (i) immediately above, (iii) adopted Amended and Restated Bylaws of such Licensed Entity evidencing the appointment of Buyer's designees to, and the resignation and removal of the existing members of the Board of Directors from, the Board of Directors of such Licensed Entity, and taken all other actions legally required to effect the same, (iv) filed AZDHS Dispensary Information Update Forms naming the Buyer's designee as the primary contact between AZDHS and such Licensed Entity, and (v) signed and submitted to AZDHS all other documents, either in written form or through such Licensed Entities' portal with AZDHS, that Buyer requests to effectuate the changes set forth under (i) through (iv) immediately above.

(g) [**********]

(h) [**********]

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

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

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

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

(d) Documents. All of the documents, instruments and agreements to be executed or delivered pursuant toSection 2.03 will have been executed by the parties thereto other than Sellers and delivered to Sellers.

(e) Parent Contribution/Organizational Documents. Concurrently with the Closing, Lower Holdings shall have contributed the Cash Consideration, in exchange for equity securities of the Buyer (the "**Parent Contribution**"). The Parent Contribution will be structured in a manner that is consistent with the Intended Tax Treatment as reasonably determined by the Sellers' Representative.

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

(g) ROFR. Each ROFR will have expired under the terms of the applicable Contract or the ROFR Holder will have waived its ROFR in writing prior to the ROFR's expiry; *provided* that if a ROFR Holder exercises a ROFR the Seller Majority may not terminate this Agreement except in accordance withSection 8.01(d).

(h) Bridge Financing. The Buyer shall not have breached any of its obligations under the Loan Agreement or any other document entered into in connection with the Bridge Financing. The Parent shall not have breached any of its obligations under the Guaranty (as defined in the Loan Agreement).

(i) [**********]

ARTICLE VIII

TERMINATION

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

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

(b) By either Buyer or the Seller Majority if:

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

(ii) Governmental Authority will have issued a Governmental Order or Law, in each case that has become final and non-appealable and that restrains, enjoins or otherwise prohibits the Closing or any part of it or the relevant Governmental Authority under the HSR Act announces that it will oppose or refuse to grant its consent to the transactions contemplated under this Agreement (provided that a second request or any other request for further information shall not be deemed to be an announcement that such Governmental Authority opposes or refuses to grant its consent); provided, that the right to terminate this Agreement under this Section 8.01(b) will not be available to (A) Buyer if Buyer's or Parent's breach of Section 6.07 or Section 6.08 has been the cause of, or resulted in, the issuance of such Governmental Order, or (B) Seller Majority if the Company's or any Seller's breach of Section 6.07 or Section 6.08 has been the cause of, or resulted in, the issuance of such Governmental Order;

For purposes of this Agreement, "**Outside Date**" means June 30, 2021; provided, however, that if the Closing has not occurred by June 30, 2021 due to the failure to obtain any approval required by the HSR Act or from the AZDHS of the transactions contemplated under this Agreement, then the Outside Date automatically shall be extended until January 31, 2022.

(c) By Buyer, if at any time (i) any of the representations and warranties of Sellers or the Company in this Agreement become untrue or inaccurate such that Section 7.02(a) would not be satisfied; (ii) there has been a material breach on the part of Sellers or the Company of any of their respective covenants or agreements contained in this Agreement such that Section 7.02(b) would not be satisfied; (iii) any of the other conditions inSection 7.02 cannot be fulfilled and such breach, inaccuracy or failure has not been waived by the Buyer or cured by the Company or the Sellers within twenty (20) Business Days of receipt of such notice from the Buyer or (iv) as contemplated by Section 6.10 in the event of a Terminable Post-Signing Matter except that notwithstanding anything to the contrary herein, if the ROFR condition underSection 7.02(e) is not satisfied because a ROFR Holder has exercised its ROFR, then neither the Buyer nor the Parent may terminate this Agreement unless and until the first to occur of the Outside Date or the date that the applicable ROFR Holder has delivered a Binding ROFR Purchase Agreement to the Sellers and the Company; or

(d) By Seller Majority, if at any time (i) any of the representations and warranties of Buyer or the Parent in this Agreement become untrue or inaccurate such that Section 7.03(a) would not be satisfied; (ii) there has been a material breach on the part of Buyer or the Parent of any of their respective covenants or agreements contained in this Agreement such that Section 7.03(b) would not be satisfied or (iii) any of the other conditions inSection 7.03 cannot be fulfilled; and such breach, inaccuracy or failure has not been waived by the Company and the Sellers' Representative or cured by the Parent or the Buyer within twenty (20) Business Days of receipt of such notice from the Company and the Sellers' Representative except that notwithstanding anything to the contrary herein, if the ROFR condition under Section 7.03(g) is not satisfied because a ROFR Holder has exercised its ROFR, then the Seller Majority may not terminate this Agreement unless and until the first to occur of the Outside Date or

the date that the applicable ROFR Holder has delivered a Binding ROFR Purchase Agreement to the Sellers and the Company.

Notwithstanding anything to the contrary contained herein, it is hereby acknowledged that no increase or decrease in the price per share of the Parent's equity securities shall constitute or provide grounds for an event which provides any Party with the right to terminate this Agreement (except that if the underlying event which caused the increase or decrease results from a Parent Material Adverse Effect, then in such event the Company or the Sellers may terminate this Agreement for failure to satisfy the condition in Section 7.03(c)).

Section 8.02 Effect of Termination.

(a) Except as provided in this Section 8.02(a), in the event of the termination of this Agreement pursuant to Section 8.01, this Agreement (other than Section 8.02, Section 6.03, the last sentence of Section 6.04, Section 6.08(g) and Article X, which for purposes of clarity shall each survive such termination) will forthwith become void, and there will be no Liability on the part of any Party or any of their respective managers, officers or directors to the other and all rights and obligations of any Party will cease, except that nothing in this Section 8.02 will relieve any Party from Liability (i) from breaches of this Agreement which occurred prior to its termination or (ii) for fraud or for any willful and material breach, prior to termination of this Agreement in accordance with its terms, of any covenant or agreement contained in this Agreement.

(b) If this Agreement is terminated by Buyer or the Seller Majority due to the failure to satisfy the condition set forth in Section 7.02(e) (subject to the termination requirements described in Section 8.01(c)) or Section 7.03(g) (subject to the termination requirements described in Section 8.01(d)), the Company shall pay Buyer a break fee in the amount of $1,500,000 (the "**Break-Up Fee**") by wire transfer of immediately available funds within three (3) Business Days of such termination. The Break-Up Fee shall constitute liquidated damages and not a penalty. The Break-Up Fee shall constitute the Buyer's and the Parent's sole and exclusive remedy for any and all Losses related to or arising from the transactions contemplated by this Agreement.

ARTICLE IX

INDEMNIFICATION AND POST-CLOSING COVENANTS

Section 9.01 Indemnification by Sellers.

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

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

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

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

(iv) any fraud, intentional or knowing misrepresentation or willful breach by the Company; and

(v) any failure of the Company or a Company Entity to comply with applicable state and local Laws controlling the cultivation, harvesting, production, handling, storage, distribution, sale or possession of cannabis or medical marijuana, including licensing requirements applicable to the Company or such Company Entity;

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

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

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

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

(iv) any fraud, intentional or knowing misrepresentation or willful breach by such Seller; or

(v) [**********]

The indemnification obligations of Sellers under Section 9.01(a) will be joint and several, the indemnification obligation of the Sellers under Section 9.01(b)(i) through (iv) will be several and not joint and the indemnification obligations set forth in Section 9.01(b)(v) will be joint and several obligations of only the Sweis Parties and no other Seller. As used in this Agreement, "**Losses**" means all losses, Liabilities, deficiencies, damages (including consequential damages and lost profits), fines, penalties, claims, costs and expenses (including, amounts paid (i) pursuant to a judgment (entered into or determined in accordance with, or that is entered into or determined under circumstances that do not constitute a breach of, this Agreement), or a compromise or settlement entered into in accordance with this Agreement or (ii) in enforcing any right to indemnification hereunder), court costs and fees (including reasonable legal and accounting fees and disbursements, reasonable witness fees); provided, however, that "**Losses**" will not include punitive damages, except to the extent such punitive damages are payable to a third party in a claim for which indemnification is permitted hereunder.

Section 9.02 Indemnification by Buyer and Parent. Subject to the other terms and conditions of this Article IX, Buyer and the Parent on a joint and several basis shall indemnify and defend the Company (prior to the Closing), Sellers and their respective Affiliates and their respective representatives (collectively, the "**Seller Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, Seller Indemnitees based upon, arising out of, with respect to, or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of Buyer or Parent contained in this Agreement;

(b) any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Buyer or Parent pursuant to this Agreement; or

(c) any fraud, intentional or knowing misrepresentation or willful breach by Buyer or Parent.

Section 9.03 Indemnification Procedures and Limitations.

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

(c) Third Party Actions. In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any Action by a Person who is not a party to this Agreement (a "**Third Party Action**"), subject to Section 9.05(h), the Indemnified Party shall give written notice to the Indemnifying Party containing the same information as a Direct Claim Notice promptly (and in any event within 15 days) after receiving notice or becoming aware of such Third Party Action. Upon receipt of such notice, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such Third Party Action with counsel reasonably satisfactory to the Indemnified Party provided that (i) the Indemnifying Party may only assume control of such defense if (A) it acknowledges in writing to the Indemnified Party that any Losses that may be assessed against the Indemnified Party in connection with such Third Party Action constitute Losses hereunder for which the Indemnified Party shall be indemnified pursuant to this Article IX and (B) such claim is not a criminal Action, an Action where only equitable relief is sought or an Action by a Governmental Authority and (ii) the Indemnified Party shall furnish the Indemnifying Party with such information as it may have with respect to such Third Party Action (including copies of any summons, complaint or other pleading which may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and shall otherwise use commercially reasonable efforts to cooperate with and assist the Indemnifying Party in the defense of such Third Party Action. The Indemnified Party shall be entitled to participate in the defense of any such Action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such Third Party Action, the Indemnified Party may, but shall not be obligated to, defend against such Third Party Action in such manner as it may deem appropriate but may not settle such Third Party Action, without the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed) and no action taken by the Indemnified Party in accordance with this Agreement in such defense shall relieve the Indemnifying Party of its indemnification obligations in this Article IX with respect to any Losses resulting therefrom. Notwithstanding anything to the contrary set forth herein, the Indemnifying Party shall not settle any Third Party Action without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed) unless (i) the terms of the compromise and settlement require only the payment of money for which the Indemnifying Party is solely liable, (ii) the Indemnified Party is not required to admit any wrongdoing, take or refrain from taking any action, acknowledge any rights of the Person making the Third Party Claim or waive any rights that the Indemnified Party may have against the person or entity making the Third Party Claim, and (iii) the Indemnified Party receives, as part of the compromise and settlement, an unconditional release from any and all claims, obligations and Liabilities with respect to the Third Party Claim.

(c) Loss Limitations.

(i) With respect to claims for Losses based upon any Sellers or the Company's representations and warranties arising under Section 9.01(a)(i) or Section 9.01(b)(i), Sellers will not be liable for any such Losses until the aggregate amount of all such Losses exceeds $ [**********] (the "**Deductible**"), at which point Sellers shall become liable for all Losses under Section 9.01(a)(i) or Section 9.01(b)(i) that are in excess of the Deductible; provided that this limitation shall not apply to claims based on Fundamental Representations (set forth in Article III or Article IV) or based on fraud, intentional or knowing misrepresentation or willful breach. With respect to claims for Losses based upon any of the Company's representations and warranties arising under Section 9.01(a)(i), Sellers will not be liable for any Losses in excess of $ [**********] (the "**Rep Cap**"); provided that this limitation shall not apply to claims based on Fundamental Representations (set forth in Article III) or based on fraud, intentional or knowing misrepresentation or willful breach. With respect to claims for Losses based upon any Seller's representations and warranties arising under Section 9.01(b)(i), such Seller will not be liable for any Losses in excess of the Seller's indemnification percentage (as set forth in the Funds Flow) of the Rep Cap; provided that this limitation shall not apply to claims based on Fundamental Representations (set forth in Article IV) or based on fraud, intentional or knowing misrepresentation or willful breach. Sellers or such Seller (as applicable) will not be liable for Losses (i) under Section 9.01(a) but with respect to Section 9.01(a)(i), solely with respect to breaches of the Fundamental Representations set forth in Article III) in excess of the aggregate amount of $ [**********], and (ii) under Section 9.01(b) (but with respect to Section 9.01(b)(i), solely with respect to breaches of the Fundamental Representations set forth in Article IV) in excess of such Seller's indemnification percentage (as set forth on Funds Flow) of $ [**********] (in each case, the "Cap"); provided that the shall not apply to claims based on fraud, intentional or knowing misrepresentation or willful breach. Notwithstanding anything to the contrary herein, no Seller that is designated as a small minority investor shall be liable under Section 9.01(a) for any Losses which exceed the aggregate amount of the Aggregate Consideration received by such Seller that is a small minority investor plus such Seller's pro-rata portion of the 2021 Earn-out or the 2022 Earn-out (if any).

(ii) For purposes of determining (A) whether a breach of a representation or warranty exists for purposes of this Article IX and (B) the amount

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

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

(iv) Notwithstanding anything to the contrary in this Agreement, and without limiting the effect of any other limitation contained in this Article IX, for purposes of computing the amount of any Losses incurred by any Indemnified Party under this Article IX, the amount of any Losses recoverable hereunder shall be reduced by an amount equal to the amount of any insurance proceeds that have been actually received by any Indemnified Party in connection with such Losses which, had they been received prior to the recovery of Losses by the Indemnified Party from the Indemnifying Party would have reduced the amount of the indemnifiable Losses that would have been paid by the Indemnifying Party for such indemnification claim; provided, however, nothing herein shall require any Indemnified Party to seek recovery for Losses from its insurance policies (or to maintain any such insurance policies). To the extent any such insurance proceeds are received by the Indemnified Party or its applicable Affiliate or designee after any indemnification claim has been paid by the Indemnifying Party, the Indemnified Party shall, within 10 days following its receipt thereof, pay to the Indemnifying Party the applicable portion of such insurance proceeds, if any, received in connection with such indemnification claim (not to exceed the amount of Losses from such indemnification claim). Nothing in this Agreement in any way restricts or limits the general obligation under existing Law of an Indemnified Party to take reasonable measures to mitigate any loss which it may suffer or incur by reason of the breach by an Indemnifying Party of any representation, warranty, covenant, agreement or obligation under this Agreement.

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

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

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

(d) Exclusive Remedies. Except for claims based on fraud, intentional or knowing misrepresentation or willful misconduct, the indemnification rights provided in this Article IX shall be the sole and exclusive monetary remedy available to the Parties for any and all Losses related to or arising from the transactions contemplated by this Agreement (including, but not limited to, a breach of any of the terms, conditions, covenants, agreements, representations or warranties contained in this Agreement, or any right, claim or action arising from the transactions contemplated hereby); provided, however, that the provisions of this Section 9.03(d) shall not (i) preclude any party from bringing an action for specific performance, injunction or any other equitable remedy to the extent that such action or remedy is permitted by this Agreement or (ii) limit the rights or remedies of any party under any other Transaction Document.

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

(f) Payments; Set-off.

(i) Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this Article IX, the Indemnifying Party shall satisfy its obligations within fifteen (15) Business Days of such agreement or final, non-appealable adjudication by wire transfer of immediately available funds; provided, however, that the foregoing shall not apply with respect to indemnification claims for Losses payable to a Buyer Indemnitee (unless otherwise set forth herein) and Buyer shall first be required to exercise its set-off rights under and in accordance with Section 9.03(f)(ii).

(ii) Subject to the terms, conditions and limitations described in this Agreement, any Losses agreed to by the Sellers' Representative (or an indemnifying Seller) or finally adjudicated to be payable to a Buyer Indemnitee pursuant to this Article IX shall be satisfied first by setting off and deducting any such Losses from and against the Promissory Notes or the amount of the 2021 Earn-out or the 2022 Earn-out (unless otherwise described herein) (with respect to claims under Section 9.01(a) in accordance with subclause (B) below) or against the Promissory Note payable to such Seller or the portion of the 2021 Earn-out or the 2022 Earn-out then payable to such Seller (unless otherwise described herein) (with respect to claims under Section 9.01(b)), on a dollar-

for-dollar basis. For purposes of this Article IX, (A) any amounts set-off hereunder shall be deemed to be Losses paid by the Sellers or a Seller, as applicable, for purposes of the limitations on indemnification set forth herein, (B) any amount set-off hereunder arising from a claim under Section 9.01(a) shall be set off against each Promissory Note or the portion of the 2021 Earn-out or the 2022 Earn-out then payable to a Seller in accordance with each such Seller's indemnification percentage set forth on the Funds Flow, and (C) the Buyer Indemnitees may not make a claim for a payment in cash under Section 9.03(f)(i) unless and until it has first set-off and reduced the Promissory Note payable to such Seller to zero and second set-off and reduced the portion of the 2021 Earn-out and/or the 2022 Earn-out then payable to such Seller to zero (0) (unless otherwise described herein). Except as otherwise described herein, each of the 2021 Earn-out and the 2022 Earn-out shall only be considered payable for purposes of the exercise of the set-off rights described herein if it has been calculated in accordance with this Agreement and is due. To the extent that either the 2021 Earn-out or the 2022 Earn-out is not payable (as described in the previous sentence), if the applicable Promissory Note(s) have been reduced to zero (0), a Buyer Indemnitee may make a claim for payment in cash under Section 9.03(f)(i). Notwithstanding anything to the contrary herein, to the extent that an amount under the 2021 Earn-out is being disputed under Section 1.01(e), then a Buyer Indemnitee will wait until the dispute is resolved before making a claim for payment in cash under Section 9.03(f)(i); *provided that,* a Buyer Indemnitee may make a claim for payment in cash under Section 9.03(f)(i) for any Losses which are above the highest amount of the items in dispute of the 2021 Earn-out. If the applicable earn-out payment is calculated and becomes payable (as described herein) after a Buyer Indemnitee has made a claim payment in cash under Section 9.03(f)(i) for any Losses that remain outstanding as of such time, then the Buyer may, at its option, set-off against the applicable earn-out payment.

(g) Tax Treatment. Any indemnification payments pursuant to this Section 9.03 shall be treated by the Parties for Tax purposes as an adjustment to the Aggregate Consideration, the 2021 Earn-out or the 2022 Earn-out, as the case may be, unless otherwise required by applicable Law.

Section 9.04 Survival. All representations and warranties contained herein shall survive the Closing until the fifteen month anniversary of the Closing Date; provided, that the representations and warranties in (a) Section 3.01 (Organization, Authority and Qualification), Section 3.02 (Authority), Section 3.03 (Equity Information), Section 3.04 (No Subsidiaries), Section 3.15(c) (permits) (the first sentence only and only with respect to (i) Medical Marijuana Dispensary Registration Certificate ("**DRC**") #00000100DCWU00857159, (ii) Medical Marijuana DRC #00000036DCOP00819772, and (iii) Medical Marijuana DRC #00000109DCIT00443532 (collectively, the "Regulatory Permits")), Section 3.21 (Affiliate Transactions), Section 3.26 (Brokers), Section 4.01 (Organization), Section 4.02 (Authority), Section 4.03 (Equity Information), Section 4.06 (Brokers) Section 5.01 (Organization and Authority), Section 5.05 (Brokers) and Section 5.12 (Issuance of Shares) (collectively, the "**Fundamental Representations**") shall survive until sixty days after the expiration of the applicable statute of limitations, and (b) Section 3.16 (Environmental Matters), Section 3.17 (Employee Benefit Matters) and Section 3.19 (Taxes) shall survive for 60 days after the expiration of the applicable statute of limitations for the underlying subject matter of such representation or warranty. All covenants and agreements of the Parties contained herein shall survive the Closing in accordance with their terms or if not performed, until the expiration of the applicable statute of limitations. Claims for indemnification hereunder which are not asserted in writing in good faith with reasonable specificity in accordance with this Agreement prior to the expiration date of the applicable survival period shall thereafter be barred by the expiration of the relevant survival period, it being acknowledged and agreed that any claim asserted in good faith with reasonable specificity in accordance with this Agreement prior to the expiration date of the applicable survival period shall survive until such claim is resolved. Notwithstanding the foregoing, the limitations set forth in this Section 9.04 shall not apply to or have any effect upon any claim for indemnification arising from fraud, intentional or knowing misrepresentation or willful breach.

Section 9.05 Tax Covenants.

(a) Generally.

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

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

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

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

at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and Buyer shall cooperate with respect thereto as necessary).

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

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

(f) Sellers' Representative shall prepare or cause to be prepared and file all income Tax Returns of the Company and each Company Entity for all Pre-Closing Tax Periods (each a "**Seller Return**"), at the expense of the Sellers as described inSection 2.07. Any such Tax Return shall be prepared on a basis consistent with past practices and consistent with the principles of Section 6.14(b), except as otherwise required by applicable Law. To the extent permitted by applicable Law, the Company and each Company Entity shall treat the Closing Date as the last day of the taxable period. With respect to any such Seller Returns, Sellers' Representative shall provide Buyer and Parent with such Tax Returns no later than twenty (20) Business Days prior to the due date therefor. Sellers' Representative shall permit Buyer and Parent to review and comment on each such Tax Return prior to filing and shall consider in good faith any such revisions to such Tax Returns as are reasonably requested by Buyer or Parent no later than ten (10) Business Days prior to the due date thereof; provided, however, if the Sellers' Representative fails to provide any such Seller Returns to Buyer and Parent in advance of such twenty (20) Business Day period, Buyer and Parent may prepare and file such Seller Returns, at Sellers' expense, which expense shall be reasonable and consistent with the cost of preparing such Seller Returns in prior periods, in a manner consistent with the past practice of the Company and each Company Entity and consistent with the principles of Section 6.14(b), except as otherwise required by applicable Law; provided further, however, Buyer and Parent shall use their commercially reasonable efforts to deliver any such Seller Returns to the Sellers' Representative for its review and comment as soon as reasonably practicable prior to filing such Seller Returns. Except for any Seller Returns of the Licensed Entities, Sellers shall include any income, gain, loss, deduction or other Tax items for all Pre-Closing Tax Periods on their Tax Returns in a manner consistent with the Company's Schedule K-1s for such periods (including any income, gain, loss, deduction or other Tax items resulting from the transactions contemplated hereunder) and pay all Taxes imposed on Sellers individually as partners of the Company.

(g) Buyer shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Company and each Company Entity (excluding Seller Returns subject to Section 9.05(f), but including Tax Returns for Straddle Periods) required to be filed after the Closing Date and shall pay all Taxes shown thereon or otherwise imposed on or payable by the Company or any Company Entity after the Closing Date. The non-Seller Tax Returns for taxable periods which end on or before the Closing Date or which include the Closing Date shall be prepared in a manner consistent with past practice of the Company and any Company Entity and consistent with the principles of Section 6.14(b), unless a contrary treatment is required by applicable Law. Buyer shall permit the Sellers' Representative to review and comment on each such Tax Return described in the preceding sentence prior to filing and shall make such revisions to such Tax Returns as reasonably requested by the Sellers' Representative.

(h) Tax Claims.

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

(ii) With respect to any Tax Claims, the Sellers' Representative shall have the right (but not the obligation), to be exercised within ten (10) Business Days following its receipt of the written notice of such Tax Claim by delivering written notice to the Buyer, to assume and thereafter conduct and control the defense of such Tax Claim (with counsel of the Sellers' Representative's choosing). For so long as the Sellers' Representative is conducting and controlling such defense, (A) the Buyer shall have the right, but not the obligation, to participate in such defense with separate counsel of its choosing and at its own expense and (B) the Buyer, the Parent and Company shall (and shall cause each Company Entity to) cooperate with the Sellers' Representative in such defense and make available to the Sellers' Representative all witnesses, pertinent records, materials and information in or under the Buyer, the Parent, the Company or any Company Entity's possession or control relating thereto as may be reasonably requested by the Sellers' Representative. The Sellers' Representative shall not be permitted to consent to the entry of any judgment or enter into any settlement of such Tax Claim which could reasonably be anticipated to adversely impact the Buyer, the Parent, the Company or any Company Entity for a post-Closing period without the prior written consent of the Buyer (such consent not to be unreasonably withheld, delayed or conditioned). In the event the Company is subject to a final partnership adjustment for a Pre-Closing Tax Period, such adjustment shall be taken into account by the former partners pursuant to Section 6241(7) of the Code or the Company shall make or cause to be made an election under Section 6226 of the Code with respect to such adjustment, each as applicable.

(i) Each of the Parties shall file all Tax Returns consistently with the Intended Tax Treatment and shall not take any inconsistent position therewith on any Tax Returns, financial statements or other, similar reports. None of the Parties shall (and each of the Parties shall cause their respective Affiliates not to) take any action, or fail to take any action, that could reasonably be expected to cause the Membership Contribution together with the Parent Contribution to be treated inconsistently with the Intended Tax Treatment.

(j) For purposes of Sections 351(b), 751(a), 362(a) and other provisions of the Code for which the allocation of the Aggregate Consideration among the assets of the Company and the Company Entities may be relevant, Buyer and the Company shall agree on the methodology for allocating the Aggregate Consideration (and the Exchangeable Shares, if any, to be issued in connection with the 2021 Earn-out or the 2022 Earn-out) among the assets of the Company and the Company Entities (the "**Aggregate Consideration Allocation**") prior to the Closing Date. The Aggregate Consideration Allocation will be done in a manner consistent with the applicable provisions of the Code and regulations, and the principles set forth in Schedule 9.05(j), and in a manner consistent with the fair market values to be mutually agreed upon by Buyer and Sellers' Representative, acting reasonably. Sellers, Buyer and Parent agree to (i) be bound by the Aggregate Consideration Allocation, (ii) act in accordance with the Aggregate Consideration Allocation in the preparation and the filing of all Tax Returns and in the course of any Tax audit, Tax review or Tax litigation relating thereto, and (iii) take no position and cause their Affiliates to take no position inconsistent with the Aggregate Consideration Allocation for income Tax purposes.

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

(l) Any Tax refunds or credits for overpayment of Taxes actually received by the Company or any Company Entity with respect to a Pre-Closing Tax Period after Closing that were paid by the Company or any Company Entity prior to the Closing or paid by the Sellers after Closing (a "**Tax Refund**") shall be owed to the Sellers, and Buyer agrees to cause the Company and the Company Entities to transfer all such refunds or credits to the Sellers' Representative, net of any reasonable expenses of Buyer, the Company or any Company Entity in obtaining such refunds or credits. In the event any amount is paid to Sellers or Sellers' Representative pursuant to this Section 9.05(l) and all or any portion of the Tax Refund underlying such payment is subsequently disallowed by the applicable Taxing authority, Sellers shall repay such amount to Buyer to the extent Buyer or its Affiliates (including the Company and the Company Entities) has repaid such amount to the Taxing authority plus the reasonable expenses of Buyer, the Company or any Company Entity incurred in connection therewith and any applicable penalties and interest; provided, however, that Sellers shall not be liable for any such penalties or interest to the extent that such amounts are attributable to any acts, omissions or delay on the part of Buyer or the applicable Company or Company Entity. For purposes of determining any Tax Refunds to which the Sellers are entitled under this Section 9.05(l), any refunds or credits (including any interest thereon) for a Straddle Period shall be allocated between the Pre-Closing Tax Period and the post-Closing Tax period in accordance with the principles of Section 9.05(e).

Section 9.06 Confidentiality.

(a) For a period of three (3) years from and after the Closing Date, each Seller (severally and not jointly) shall, and shall cause such Seller's Affiliates to, hold in confidence any and all information, whether written or oral, concerning the Company or any Company Entity, except to the extent that such Seller can show that such information (a) is generally available to the public through no fault of such Seller or any of its Affiliates; (b) is lawfully acquired by such Seller or any of its Affiliates from and after the Closing Date from sources (other than the Buyer, the Company, a Company Entity or any of their respective Affiliates except information provided to such Affiliate in connection with a business relationship with the Company or a Company Entity which such Affiliate is not prohibited from disclosing) which are not prohibited from disclosing such information by a legal or contractual or fiduciary obligation known to such Seller; or (c) required to be disclosed in accordance with any applicable Law, court order or stock exchange rule. If any Seller or any of its Affiliates are compelled to disclose any information by judicial or administrative process or by other requirements of Law, such Seller shall (unless such notification is prohibited by Law, court order or stock exchange rule) promptly notify Buyer in writing and shall disclose only that portion of such information which such Seller is legally required to be disclosed, provided that any such notification shall be made promptly to allow Buyer time to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded to such information.

(b) If the Seller has any Affiliates which it is under common control with but does not control (each, an "**Applicable Affiliate**"), and the Company reasonably believes that an Applicable Affiliate of a Seller violated or is in violation of Section 9.06(a), then prior to making any claims hereunder against the applicable Seller, the Company shall provide the applicable Seller with written notice setting forth in reasonable detail the facts and circumstances giving rise to such breach and thereafter the applicable Seller shall have thirty (30) days to cure such alleged breach (which cure may consist of such Seller divesting its ownership in an Applicable Affiliate). If such alleged breach is not cured (or otherwise remedied by agreement between such Seller and the Company), then the Buyer may bring an indemnification claim hereunder against the applicable Seller.

Section 9.07 Non-Competition; Non-Solicitation.

(a) For a period of five consecutive years commencing on the Closing Date (the "**Restricted Period**"), each Seller that is not designated as a "small minority investor" under this Agreement (each, an "**RC Seller**") shall not, and such RC Seller will not permit any of its Affiliates to, directly or indirectly, (i) engage in or assist others in engaging in, or have an interest in any Person that engages directly or indirectly in, any business that competes with the Business only within the State of Arizona in any capacity, including as a partner, shareholder, director, member, employee, principal, agent, trustee or consultant or (ii) cause or induce any material actual or prospective client, customer, supplier or licensor of the Company or a Company Entity or any other Person who has a material business relationship with the Company or a Company Entity (excluding the persons described in Section 9.07(b)) to terminate or modify its relationship to the extent that such RC Seller has actual knowledge or should reasonably know that such action would cause the Company or a Company Entity to incur Losses. For purposes of clarity, nothing in this Section 9.07(a) shall prohibit any RC Seller from engaging in any business outside of the State of Arizona. Notwithstanding the foregoing, any RC Seller and any of their respective Affiliates may own, directly or indirectly, solely as an investment, securities of any Person, if such RC Seller or Affiliate of such RC Seller is not a controlling Person of, or a member of a group which controls, such Person. The following exceptions will apply to this Section 9.07(a): (i) those Sellers designated as "small minority investors" on Exhibit A will not be subject to this Section 9.07(a); (ii) [**********] or any of his Affiliates may engage in the VC Activities and no VC Activity shall be deemed to breach this Section 9.07(a). The "**VC Activities**" means those activities set forth on Schedule 9.07(a). The Restricted Period will automatically be reduced from five consecutive years to four consecutive years (or if in the fourth consecutive year, the Restricted Period will automatically terminate) if at any time during the five consecutive years after the execution of this Agreement, the Parent, the Company, the Buyer, a Company Entity, Lower Holdings or Upper Holdings consummates a Change of Control unless if in connection with a Change of Control of the Company, the Buyer, a Company Entity, Lower Holdings or Upper Holdings, the Sellers' Representative receives the consideration set forth in Schedule 1.01(e)(xi) for the entity undergoing the Change of Control. For purposes of this Section 9.07(a), an internal reorganization which results in the equity securities of Lower Holdings, Upper Holdings, the Buyer or the Company being owned by a different wholly-owned subsidiary of the Parent shall not constitute a Change of Control. Notwithstanding anything contained herein to the contrary, this Section 9.07 shall not be amended or modified without the prior written consent of

(b) During the Restricted Period, each Seller shall not, and such Seller shall not permit any of its Affiliates to (A) directly or indirectly, hire or solicit any person who is or was employed by the Company, any Company Entity or Buyer during the Restricted Period and who earn $ [**********] or more in base compensation, or (B) directly encourage any such employee to leave such employment; provided, that nothing in this Section 9.07(b) shall prevent a Seller or any of its Affiliates from (i) conducting a general solicitation which is not directed specifically to any such employee or employees of the Company, any Company Entity or the Buyer and, in the case of any employees who earn less than $ [**********] per year in base compensation, hiring any such employee which responds to 'such general solicitation or (ii) hiring any employee whose employment was terminated by Buyer, the Company or any Company Entity. Notwithstanding anything to the contrary, but subject to the restrictive covenants in Section 9.07(a), nothing contained in this Section 9.07(b) shall prohibit [**********] or their respective Affiliates from partnering or engaging in business transactions together, or shall prohibit [**********] or his Affiliates from partnering, working with, employing or engaging Howard Hintz and/or Tom Radic, or any of their respective Affiliates, or vice versa.

(c) Each Seller, severally and not jointly, acknowledges that a breach or threatened breach of this Section 9.07 would give rise to irreparable harm to Buyer, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by such Seller or any controlled Affiliate of such Seller of any such obligations in this Section 9.07, each of Buyer and the Company shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

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

(e) If the Seller has any Applicable Affiliates, and the Company reasonably believes that an Applicable Affiliate of a Seller violated or is in violation of Section 9.07(a) or Section 9.07(b), then prior to making any claims hereunder against the applicable Seller, the Company shall provide the applicable Seller with written notice setting forth in reasonable detail the facts and circumstances giving rise to such breach and thereafter the applicable Seller shall have thirty (30) days to cure such alleged breach (which cure may consist of such Seller divesting its ownership in an Applicable Affiliate). If such alleged breach is not cured (or otherwise remedied by agreement between such Seller and the Company), then the Buyer may bring an indemnification claim hereunder against the applicable Seller.

Section 9.08 Release.

(a) Effective as of the Closing, each Seller (solely in its capacity as a member of the Company) hereby releases and forever discharges the Company, each Company Entity and their respective past, present and future managers, directors, officers, representatives, Affiliates, members, equity holders, controlling persons, partnership representatives, subsidiaries, successors and assigns (individually, a "**Company Releasee**" and collectively, "**Company Releasees**") from any and all claims, demands, proceedings, causes of action, orders, obligations, contracts, agreements, debts and liabilities whatsoever, whether known or unknown, suspected or unsuspected, both at law and in equity, that such Seller now has, have ever had or may hereafter have against the Company Releasees arising prior to the Closing or on account of or arising out of any matter, cause or event occurring prior to the Closing including, without limitation, the Released Indemnifiable Claims; provided, however, that nothing contained in this Section 9.08(a) will operate to release any obligations of or claims (i) arising under this Agreement or any Transaction Document, (ii) with respect to current claims for salaries, wages or benefits accrued but not paid as of the Closing Date, (iii) with respect to any rights to indemnification from the Company arising from such Seller's position as a member, manager, officer or partnership representative of the Company (other than Released Indemnifiable Claims) and (iv) relating to any other matter in connection with any relationship of a Seller with the Company, Buyer or Parent from and after the Closing.

(b) Effective as of the Closing, the Company (and the Company shall cause each Company Entity to) hereby releases and forever discharges each Seller and their respective past, present and future equity holders, directors, managers, officers, representatives, Affiliates, members, controlling persons, partnership representatives, subsidiaries, successors and assigns, as applicable (individually, a "**Seller Releasee**" and collectively, "**Seller Releasees**") from any and all claims, demands, proceedings, causes of action, orders, obligations, contracts, agreements, debts and liabilities whatsoever, whether known or unknown, suspected or unsuspected, both at law and in equity, that the Company or a Company Entity now has, have ever had or may hereafter have against the Seller Releasees arising prior to the Closing or on account of or arising out of any matter, cause or event occurring prior to the Closing; provided, however, that nothing contained in this Section 9.08(b) will operate to release any obligations of or claims (i) arising under this Agreement or any Transaction Document and (ii) relating to any other matter in connection with any relationship of a Seller with the Company, Buyer or Parent from and after the Closing.

Section 9.09 Further Assurances. Following the Closing, each of the Parties shall, and shall cause their respective Affiliates to, execute and deliver such additional documents and instruments and take such further actions as may be reasonably required to carry out the provisions of this Agreement and any Transaction Document and give effect to the transactions contemplated hereby and thereby (including making any transfers of the type described in Section 6.14).

Section 9.10 Manager and Officer Indemnification. Until 60 days after the expiration of the applicable statute of limitations, the Buyer and the Parent shall not, and shall not permit the Company or any Company Entity to amend, repeal or modify any provision of the Company's or such Company Entity's articles of organization, its certificate of incorporation, certificate of formation, bylaws, or any operating or similar Contract (including, without limitation, the Company LLC Agreement) relating to the exculpation or indemnification of any current or former manager, director, officer or partnership representative (unless required by applicable Law), it being the intent of the Parties that such present and former managers, directors, officers or partnership representatives of the Company and each Company Entity continue to be entitled to such exculpation and indemnification to the fullest extent of the Law (for claims other than Released Indemnifiable Claims). If the Company or any Company Entity (i) consolidates with, or merges into, any other entity, or (ii) transfers all or substantially all of its properties and assets to any entity then each of the Parent and the Buyer shall (and shall cause their respective Affiliates to) cause proper provision to be made so that any such successor or assign of the Company or a Company Entity shall expressly assume all of the obligations set forth in this Section 9.10. This Section 9.10 is intended for the benefit of, and is enforceable by, each current and former manager, officer and partnership representative of the Company and a Company Entity, and his, its or her heirs, executors, legal representatives, successors and assigns, as applicable, and is in addition to, and not in substitution for, any other rights to indemnification or contribution that any such person may have had by contract, under Law, or otherwise. It is hereby acknowledged and agreed that any current or former manager, director, officer or partnership representative described herein is an intended third party beneficiary of this Section 9.10, may enforce the provisions of this Section 9.10 and this Section 9.10 may not be amended without the prior written consent of each such Person.

Section 9.11 Preservation of Attorney-Client Relationship.

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

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

Company Entity, on the one hand, and a third party, on the other hand, after the Closing, the Company or the applicable Company Entity may assert and control the attorney-client privilege to prevent disclosure of confidential communications by the Firm to such third party. Nothing set forth herein shall affect the attorney-client privilege with respect to any communications between a Firm, on the one hand, and the Company, any Company Entity or any of their respective representatives, on the other hand, with respect to communications other than those made solely and directly in connection with the Transaction Matters. It is hereby acknowledged and agreed that each Firm is an intended third party beneficiary of this Section 9.11, may enforce the provisions of this Section 9.11 and this Section 9.11 may not be amended without the prior written consent of each Firm.

ARTICLE X

MISCELLANEOUS

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

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

If to the Company (prior to the Closing):

6501 E. Greenway Pkwy
Ste 103-486
Scottsdale, AZ 85254
[**********]

with copies (which shall not constitute notice) to:

[**********]
Solliday Law
Robert P. Solliday
P.O. Box 9568
Phoenix, Arizona 85068-9568

And
[**********]
McCarter & English, LLP
[**********]
Two Tower Center Boulevard, 24th Floor
East Brunswick, NJ 08816

If to Parent or Buyer:

c/o AYR Strategies Inc.
Attn: Jonathan Sandelman.
590 Madison Avenue, 26th Floor
New York, New York 10022
[**********]

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

Hodgson Russ LLP
[**********]
The Guaranty Building
140 Pearl Street, Suite 100
Buffalo, NY 14202
[**********]

If to the Sellers' Representative:

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

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

And

Solliday Law
[**********]
P.O. Box 9568
Phoenix, Arizona 85068-9568

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

or "hereby" relate to this Agreement.

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

Section 10.05 Entire Agreement. This Agreement and the Transaction Documents constitute the sole and entire agreement of the Parties with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous agreements, arrangements or understandings, both written and oral, with respect to such subject matter, including, without limitation, that certain Term Sheet dated as of November 2, 2021 by and among the Parent, the Company, TJV, FCC [**********] "**Term Sheet**") and to the extent that the terms herein conflict with the terms of the Term Sheet, the terms of this Agreement shall govern.

Section 10.06 Successors and Assigns. This Agreement, including the Recitals hereto, shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign its rights or obligations hereunder without the prior written consent of the Buyer, the Parent, the Company and the Sellers' Representative and any such purported assignment by any Party without such consent shall be void, except that Buyer may assign, in whole or in part, its rights hereunder for collateral security purposes to any lender providing financial accommodations to it from time to time, or, with notice to Sellers' Representative, Buyer may assign, in whole or in part, its rights hereunder to any of its Affiliates that assume the obligations of Buyer hereunder (provided that in such instance the Buyer shall remain liable for its obligations hereunder); provided, however, that no such assignment shall be permitted unless (i) the transactions entered into pursuant to this Agreement as a result of such assignment are consistent with the Intended Tax Treatment, and (ii) the primary obligor of the Promissory Notes is the same entity that purchases 100% of the Company Interests such that each Seller's receipt of a Promissory Note is eligible for installment method reporting under Section 453 of the Code, in each case as reasonably determined by Sellers' Representative . No assignment shall relieve the assigning Party of any of its obligations hereunder. The Sellers' Representative may not assign its rights hereunder without the prior written consent of the Buyer, the Parent and the Seller Majority, except to a successor Sellers' Representative as described in Section 2.07.

Section 10.07 Amendment and Modification; Waiver. Except as otherwise set forth herein, this Agreement may only be amended, modified, or supplemented by an agreement in writing signed by the Buyer, the Parent, the Company and the Seller Majority (and any amendment which effects or modifies the rights of the Sellers' Representative shall be consented to by the Sellers' Representative). No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Parent, the Buyer, the Company and the Sellers' Representative. No failure to exercise, or delay in exercising, any right or remedy arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy. Notwithstanding anything to the contrary herein, this Agreement may not be amended or terminated and the observance of any term of this Agreement may not be waived with respect to any Seller (or group of Sellers) without the written consent of such Seller (or a majority of the membership interests which were previously held by such group of Sellers) unless such amendment, termination or waiver applies to all Sellers in the same fashion.

Section 10.08 Governing Law; Submission to Jurisdiction.

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

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

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

(d) If it is determined that the requirement to arbitrate is unenforceable, and after any and all final appeals the decision is upheld, the Parties and the Sellers' Representative shall litigate in any state court in the State of Arizona, and these courts will have exclusive jurisdiction to entertain any proceeding in respect of this Agreement, and the Parties and the Sellers' Representative will submit to the jurisdiction of such courts in all matters relating to or arising out of this Agreement. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE OF ANY OTHER PARTY OR THE SELLERS' REPRESENTATIVE HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (ii) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, AND (iii) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY.

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

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

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

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

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

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

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

Section 10.12 Affiliates of the Parent and Buyer. The Parent acknowledges and agrees that Upper Holdings and Lower Holdings are Affiliates of the Parent. All references herein to the Parent either on its own behalf or causing Buyer to take or refrain from taking any act or omission shall be interpreted as (i) the Parent causing Upper Holdings and Lower Holdings to take or refrain from taking such action and/or (ii) Upper Holdings and Lower Holdings causing the Buyer to take or refrain from taking any such action or omission. For purposes of clarity, the Parent shall cause Lower Holdings to report the Parent Contribution and the other transactions contemplated by this Agreement in accordance with the Intended Tax Treatment.

[Signature page follows]

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

Buyer:

CSAC Acquisition AZ Corp.,

[**********]
Name: Jonathan Sandelman
Title: President

Parent:

AYR Strategies, Inc.

[**********]
Name: Jonathan Sandelman
Title: Chief Executive Officer

the Company:

Blue Camo, LLC

By: _____
Name:
Title:

Sellers' Representative:

TJV-168, LLC

By: _____
Name:
Title:

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

Buyer:

CSAC Acquisition AZ Corp.,

By: _____
Name:
Title:

Parent:

AYR Strategies, Inc.

By: _____
Name:
Title:

the Company:

Blue Camo, L

By: [**********]
Name: [**********]
Title:

Sellers' Representative:

TJV-168, LLC

By: [**********]
Name: [**********]
Title:

[Signature Page to Membership Interest Purchase Agreement]

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

Sellers:

TJV-168, LLC, an Arizona limited liability company

By: _____
Name:

FIRST CLEAREST CHOICE, INC., a Wyoming corporation

By: _____
Name:

JETS BLUE CAMO, LLC

By: _____
Name: _____
Title: _____

ELIZABETH STAVOLA 2016 NV IRR TRUST

By: _____
Name: _____
Title: _____

_____

QK HOLDINGS, LLC

By: _____
Name: _____
Title: _____

[Signature Page to Membership Interest Purchase Agreement]

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

Sellers:

TJV-168, LLC, an Arizona limited liability company

By: [**********]
Name: [**********]

FIRST CLEAREST CHOICE, INC., a Wyoming corporation

By: [**********]
Name: [**********]

JETS BLUE CAMO, LLC

By: _____
Name: _____
Title: _____

ELIZABETH STAVOLA 2016 NV IRR TRUST

By: _____
Name: _____
Title: _____

[**********]

QK HOLDINGS, LLC

By: _____
Name: _____
Title: _____

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

Sellers:

TJV-168, LLC, an Arizona limited liability company

By: [**********]
Name: [**********]

FIRST CLEAREST CHOICE, INC., a Wyoming corporation

By: [**********]
Name: [**********]

JETS BLUE CAMO, LLC

By: [**********]
Name: [**********]
Title: [**********]

ELIZABETH STAVOLA 2016 NV IRR TRUST

By: _____
Name: _____
Title: _____

[**********]

QK HOLDINGS, LLC

By: _____
Name: _____
Title: _____

[Signature Page to Membership Interest Purchase Agreement]

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

Sellers:

TJV-168, LLC, an Arizona limited liability company

By: [**********]
Name: [**********]

FIRST CLEAREST CHOICE, INC., a Wyoming corporation

By: [**********]
Name: [**********]

JETS BLUE CAMO, LLC

By: _____
Name: _____
Title: _____

ELIZABETH STAVOLA 2016 NV IRR TRUST

By: [**********]
Name: [**********]
Title: [**********]

[**********]

QK HOLDINGS, LLC

By: _____
Name: _____
Title: _____

[Signature Page to Membership Interest Purchase Agreement]

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

Sellers:

TJV-168, LLC, an Arizona limited liability company

By: _____
Name:

FIRST CLEAREST CHOICE, INC., a Wyoming corporation

By: _____
Name:

JETS BLUE CAMO, LLC

By: _____
Name: _____
Title: _____

ELIZABETH STAVOLA 2016 NV IRR TRUST

[**********]

QK HOLDINGS, LLC

By: _____
Name: _____
Title: _____

[Signature Page to Membership Interest Purchase Agreement]

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

Sellers:

TJV-168, LLC, an Arizona limited liability company

By: [**********]
Name: [**********]

FIRST CLEAREST CHOICE, INC., a Wyoming corporation

By: [**********]
Name: [**********]

JETS BLUE CAMO, LLC

By: _____
Name: _____
Title: _____

ELIZABETH STAVOLA 2016 NV IRR TRUST

By: _____
Name: _____
Title: _____

[**********]

QK HOLDINGS, LLC

[**********]
By: _____
Name: _____
Title: _____

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

Sellers:

GOOD DEAL, LLC

[**********]

MAINSTAR TRUST CUSTODIAN FBO:
BRENT P RUSSUM ROTH IRA

[**********]

GREEN ERIN, LLC

By: _____
Name: _____
Title: _____

NAMAX CAPITAL, LLC MONEY PURCHASE PENSION PLAN & TRUST

By: _____
Name: _____
Title: _____

BITTERROOT, LLC

By: _____
Name: _____
Title: _____

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

Sellers:

GOOD DEAL, LLC

By: _____
Name: _____
Title: _____

MAINSTAR TRUST CUSTODIAN FBO:
BRENT P RUSSUM ROTH IRA

By: _____
Name: _____
Title: _____

[**********]

GREEN ERIN, LLC

By: _____
Name: _____
Title: _____

NAMAX CAPITAL, LLC MONEY PURCHASE PENSION PLAN & TRUST

By: _____
Name: _____
Title: _____

BITTERROOT, LLC

By: _____
Name: _____
Title: _____

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

Sellers:

GOOD DEAL, LLC

By: _____
Name: _____
Title: _____

MAINSTAR TRUST CUSTODIAN FBO:
BRENT P RUSSUM ROTH IRA

By: _____
Name: _____
Title: _____

[**********]

By: [**********]
Name: [**********]
Title: [**********]

NAMAX CAPITAL, LLC MONEY PURCHASE PENSION PLAN & TRUST

By: _____
Name: _____
Title: _____

BITTERROOT, LLC

By: _____
Name: _____
Title: _____

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

Sellers

GOOD DEAL, LLC

By: _____
Name: _____
Title: _____

MAINSTAR TRUST CUSTODIAN FBO:
BRENT P RUSSUM ROTH IRA

By: _____
Name: _____
Title: _____

[**********]

GREEN ERIN, LLC

By: _____
Name: _____
Title: _____

NAMAX CAPITAL, LLC MONEY PURCHASE PENSION PLAN & TRUST

By: [**********]
Name: [**********]
Title: [**********]

BITTERROOT, LLC

By: _____
Name: _____
Title: _____

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

Sellers:

GOOD DEAL, LLC

By: _____
Name: _____
Title: _____

MAINSTAR TRUST CUSTODIAN FBO:
BRENT P RUSSUM ROTH IRA

By: _____
Name: _____
Title: _____

GREEN ERIN, LLC

By: _____
Name: _____
Title: _____

NAMAX CAPITAL, LLC MONEY PURCHASE PENSION PLAN & TRUST

By: _____
Name: _____
Title: _____

BITTERROOT, LLC

[**********]

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

Sellers:

GIBBS FAMILY TRUST DATED JULY 14, 1994

[**********]

RAFTER JR GREEN HOLDINGS, LLC

By: _____
Name: _____
Title: _____

SPLIT ACES, LLC

By: _____
Name: _____
Title: _____

HOW HI DEVELOPMENT CORP

By: _____
Name: _____
Title: _____

IRAD CAPITAL LLC

By: _____
Name: _____
Title: _____

[Signature Page to Membership Interest Purchase Agreement]

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

Sellers:

GIBBS FAMILY TRUST DATED JULY 14, 1994

By: _____
Name: _____
Title: _____

RAFTER JR GREEN HOLDINGS, LLC

By: [**********]
Name: [**********]
Title: [**********]

SPLIT ACES, LLC

By: _____
Name: _____
Title: _____

HOW HI DEVELOPMENT CORP

By: _____
Name: _____
Title: _____

IRAD CAPITAL LLC

By: _____
Name: _____
Title: _____

[Signature Page to Membership Interest Purchase Agreement]

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

Sellers:

GIBBS FAMILY TRUST DATED JULY 14, 1994

By: _____
Name: _____
Title: _____

RAFTER JR GREEN HOLDINGS, LLC

By: _____
Name: _____
Title: _____

SPLIT ACES, LLC

By: [**********]
Name: [**********]
Title:

HOW HI DEVELOPMENT CORP

By: _____
Name: _____
Title: _____

IRAD CAPITAL LLC

By: _____
Name: _____
Title: _____

[Signature Page to Membership Interest Purchase Agreement]

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Sellers:

GIBBS FAMILY TRUST DATED JULY 14, 1994

By: _____
Name: _____
Title: _____

RAFTER JR GREEN HOLDINGS, LLC

By: _____
Name: _____
Title: _____

SPLIT ACES, LLC

By: _____
Name: _____
Title: _____

HOW HI DEVELOPMENT CORP

By: [**********]
Name: [**********]
Title: _____

IRAD CAPITAL LLC

By: _____

Name: _____
Title: _____

[Signature Page to Membership Interest Purchase Agreement]

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

Sellers:

GIBBS FAMILY TRUST DATED JULY 14, 1994

By: _____
Name: _____
Title: _____

RAFTER JR GREEN HOLDINGS, LLC

By: _____
Name: _____
Title: _____

SPLIT ACES, LLC

By: _____
Name: _____
Title: _____

HOW HI DEVELOPMENT CORP

By: _____
Name: _____
Title: _____

IRAD CAPITAL LLC

By: [**********]
Name: [**********]
Title: [**********]

[Signature Page to Membership Interest Purchase Agreement]

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

Sellers:

MAINSTAR TRUST CUSTODIAN FBO:
THOMAS W RADIC ROTH IRA

By: [**********]
Name: [**********]
Title: [**********]

WILLIAM D ABBOTT AND CINDY R ABBOTT REVOCABLE TRUST DATED 10/13/2020

By: _____
Name: _____
Title: _____

[**********]

[**********]

BEEHOUSE, LLC

By: _____
Name: _____
Title: _____

GK BRAND LLLP

By: _____
Name: _____
Title: _____

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

Sellers:

MAINSTAR TRUST CUSTODIAN FBO:
THOMAS W RADIC ROTH IRA

By: _____
Name: _____
Title: _____

WILLIAM D ABBOTT AND CINDY R ABBOTT REVOCABLE TRUST DATED 10/13/2020

[**********] _____

BEEHOUSE, LLC

By: _____
Name: _____
Title: _____

GK BRAND LLLP

By: _____
Name: _____
Title: _____

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

Sellers:

MAINSTAR TRUST CUSTODIAN FBO:
THOMAS W RADIC ROTH IRA

By: _____
Name: _____
Title: _____

WILLIAM D ABBOTT AND CINDY R ABBOTT REVOCABLE TRUST DATED 10/13/2020

By: _____
Name: _____
Title: _____

[**********] _____

BEEHOUSE, LLC

By: _____
Name: _____
Title: _____

GK BRAND LLLP

By: _____
Name: _____
Title: _____

[Signature Page to Membership Interest Purchase Agreement]

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

Sellers:

MAINSTAR TRUST CUSTODIAN FBO:
THOMAS W RADIC ROTH IRA

By: _____
Name: _____
Title: _____

WILLIAM D ABBOTT AND CINDY R ABBOTT REVOCABLE TRUST DATED 10/13/2020

By: _____
Name: _____
Title: _____

[**********]

[**********]

BEEHOUSE, LLC

By: _____
Name: _____
Title: _____

GK BRAND LLLP

By: _____
Name: _____
Title: _____

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

Sellers:

MAINSTAR TRUST CUSTODIAN FBO:
THOMAS W RADIC ROTH IRA

By: _____
Name: _____
Title: _____

WILLIAM D ABBOTT AND CINDY R ABBOTT REVOCABLE TRUST DATED 10/13/2020

By: _____
Name: _____
Title: _____

BEEHOUSE, LLC

[**********]

[**********]

[**********]

GK BRAND LLLP

By: _____
Name: _____
Title: _____

[Signature Page to Membership Interest Purchase Agreement]

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

Sellers:

MAINSTAR TRUST CUSTODIAN FBO:
THOMAS W RADIC ROTH IRA

By: _____
Name: _____
Title: _____

WILLIAM D ABBOTT AND CINDY R
ABBOTT REVOCABLE TRUST DATED
10/13/2020

By: _____
Name: _____
Title: _____

BEEHOUSE, LLC

By: _____
Name: _____
Title: _____

GK BRAND LLLP

By: _____

[**********]

[Signature Page to Membership Interest Purchase Agreement]

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

Sellers:

BEARS LLC

By: [**********]
Name: [**********]
Title: [**********]

WEBER DR LLC

By: [**********]
Name: [**********]
Title: [**********]

[Signature Page to Membership Interest Purchase Agreement]

Exhibit 99.9

FIRST AMENDMENT TO
MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "**Amendment**"), dated to be effective as of March23, 2021, is entered into by and among each of TJV-168, LLC, an Arizona limited liability company (" **TJV**"), First Clearest Choice, Inc., a Wyoming corporation ("**FCC**"), and each of the other Persons listed on the signature page hereto (each being referred to individually as a "**Seller**" and collectively as "**Sellers**"), TJV, as the representative of Sellers ("**Sellers' Representative**"), Blue Camo LLC, an Arizona limited liability company (the "**Company**"), CSAC Acquisition AZ Corp., a Nevada corporation ("**Buyer**"), and AYR Wellness Inc., formerly known as AYR Strategies Inc., a British Columbia corporation and parent corporation of Buyer (" **Parent**"). Sellers, the Company, Buyer and Parent may be referred to individually as a "**Party**" and collectively, as the "**Parties**."

RECITALS

WHEREAS, Sellers, Sellers' Representative, the Company, Buyer and Parent are parties to that certain Membership Interest Purchase Agreement dated as of January 27, 2021 (the "**Purchase Agreement**"), pursuant to which Sellers agreed to transfer to Buyer all of the issued and outstanding membership interests of the Company, subject to the terms and conditions of the Purchase Agreement; and

WHEREAS, in accordance with Section 10.07 of the Purchase Agreement, the Parties desire to amend the Purchase Agreement.

NOW, THEREFORE, in consideration of the recitals and of the mutual covenants, conditions, and agreements set forth 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:

1. Defined Terms. Capitalized terms used but not defined herein have the meanings given them in the Purchase Agreement. Except as expressly amended by this Amendment, the Purchase Agreement shall continue in full force and effect.

2. Amendments.

(a) Section 1.01(e)(xvi) is hereby amended and restated in its entirety to read as follows:

"Notwithstanding any other provision in this Agreement, 2.5% of the amounts payable to Sellers for each of the 2021 Earn-out, the 2022 Earn-out and the CFD-JV Extended Earn-out , if any, will be paid in cash rather than in Exchangeable Shares, up to a maximum cumulative amount of $7,500,000 and all references to the Exchangeable Shares issued in connection with the 2021 Earn-out, the 2022 Earn-out and the CFD-JV Extended Earn-out shall be deemed to be a reference to Exchangeable Shares and cash (with each Seller receiving the portion of Exchangeable Shares calculated in accordance with this Agreement and it's portion of the cash amount determined by multiplying the aggregate amount of Exchangeable Shares and cash by the percentage of earn-out shares set forth opposite such Seller's name on Exhibit A)."

(b) The following sentence is added after the first sentence of Section 6.14(a) of the Purchase Agreement:

"Notwithstanding anything to the contrary herein, it is acknowledged and agreed that (i) as of the Closing the only assets and liabilities of Willcox OC, LLC are its rights and obligations under Purchase and Sale Agreement and Joint Escrow Instructions dated December 31, 2020, by and between [**********] a married man dealing with his sole and separate property, as Seller, and Willcox OC, LLC, an Arizona limited liability company and/or Nominee, as Buyer. (the "RP [**********] Purchase Agreement"), and (ii) if the Parent or the Buyer causes Wilcox OC, LLC to purchase the real property described in the RP Purchase Agreement (and prompt written notice of such decision shall be delivered to [**********]), then (1) Parent or the Buyer shall concurrently with the such closing reimburse [**********] who controlled the sole member of Wilcox OC, LLC for the down payment made under the RP Purchase Agreement, (2) any amounts payable in connection with the closing of the transactions contemplated by the RP Purchase Agreement (including, without limitation, the purchase price for the real property set forth therein and the reimbursement of the down payment) shall not affect or reduce the Company's 2021 Adjusted EBITDA, the Company's 2022 Adjusted EBITDA, the 2021 Earn-out or the 2022 Earn-out and (3) Wilcox OC, LLC will enter into a lease agreement with CFD-JV (as defined below) for the use of such real property containing commercially reasonable terms and conditions (as agreed to by the Buyer and the Sellers' Representative) or (iii) if within thirty (30) days after the Closing, the Parent or the Buyer does not cause Willcox OC, LLC to purchase the real property described in the RP Purchase Agreement, then (1) within ten (10) Business Days, the Parent and the Buyer shall cause Wilcox OC, LLC to assign its rights under the RP Purchase Agreement to [**********] (or one of his Affiliates) on documentation containing the terms and conditions required by the RP Purchase Agreement and (2) if [**********] or such Affiliate purchases the real property described in the RP Purchase Agreement, then Jason or such Affiliate shall negotiate with Parent or one of its Affiliates for a lease of such real property by CFD-JV or otherwise but if such persons cannot come to an agreement within fifteen (15) Business Days, then [**********] or his Affiliate shall be able to lease the property to any other Person (including, including, without limitation, a Person engaged in the Business) or sell, transfer or dispose of such real property to any other Person (including, without limitation, a Person engaged in the Business) but otherwise in compliance with Section 9.7, and (iv) Willcox OC, LLC is currently negotiating a joint venture contemplated with [**********] for an outdoor cannabis cultivation facility to operate a cannabis cultivation and production/extraction facility under a preliminary but not final zoning approval currently held, directly or indirectly, by Willcox OC, LLC ("CFD JV") and each Seller acknowledges and agrees that the CFD JV is a corporate opportunity of the Company and not of any Seller and that no additional consideration is due to any Seller with respect to such corporate opportunity. It is hereby acknowledged and agree that [**********] is an intended third party .beneficiary of subclauses (ii) and (iii) of the previous sentence, may enforce the provisions of subsection (ii) and (iii) of the previous sentence and subsections (ii) and (iii) of the previous sentence may not be amended without the prior written consent [**********]. Notwithstanding anything to the contrary contained herein or in the Disclosure Schedules, the RP Purchase Agreement shall be deemed disclosed in, update and become part of the Disclosure Schedules where necessary and shall qualify all of the representations and warranties set forth herein for all purposes of this Agreement; including without limitation as it relates to any claims for indemnification."

(c) The following is hereby added to the end of subclause (i) in the third sentence of Section 1.01(d)(iii):

"; provided however, that the acquiring subsidiary will not consummate a Change of Control of such acquiring subsidiary or the applicable acquired entity unless such acquirer is a wholly-owned subsidiary of Parent, and Parent shall cause all of its subsidiaries (including, without limitation, any wholly-owned subsidiary which acquires Lower Holdings, Upper Holdings, the Buyer, the Company or any wholly-owned subsidiary which acquires any of the aforementioned entities), to comply with the covenants set forth in this Agreement."

(d) The definition of "Change of Control" as found in Section 1.01(d)(iv), is hereby amended and restated to read as follows:

"**Change of Control**" means (i) a merger, acquisition or other transaction after which then current equity holders of the applicable Person (as hereinafter defined) own or control less than fifty percent (50%) of the surviving entity, provided that for purposes herein "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; (ii) a sale, a grant of exclusive license, transfer or other disposition of all or substantially all of the assets of the applicable Person; (iii) a sale, assignment or transfer of fifty percent (50%) or more of the voting capital securities of the applicable Person; provided that the conversion of the Parent's multiple voting shares in accordance with their terms shall not constitute a Change of Control or (iv) with respect to THW, (a) the issuance of any equity securities to anyone other than the Company, Buyer or any other Company Entity in connection with the conversion of THW to a for-profit corporation, (b) permitting a majority of the board of directors of THW to be persons that are not employees, officers or directors of Parent or the Company or (c) the admission of any member of THW other than the Company."

(e) The following sentence is hereby added at the end of Section 1.01(e)(xv):

"On or prior to each of the 2021 Earn-out and the 2022 Earn-out, as applicable, (i) the Buyer and the Parent shall take all actions necessary to ensure that there are sufficient Exchangeable Shares authorized to permit the issuance of the Exchangeable Shares in connection with the 2021 Earn-out and 2022 Earn-out and (ii) Parent shall take all actions necessary to ensure that there are reserved for issuance a sufficient number of Subordinate Shares to be issued on the conversion of any Exchangeable Shares issued in connection with the 2021 Earn-out or the 2022 Earn-out."

(f) Exhibit E. Exhibit E of the Agreement is hereby amended and restated in its entirety to only include the form of promissory note attached hereto as Exhibit A.

(g) Exhibit F. Exhibit F of the Agreement is hereby amended and restated in its entirety to only include the form of promissory note attached hereto as Exhibit B

(h) The dates set out in the first sentence of Section 1.01(e)(iv) for the delivery of Earnout Statements are revised to read April 10, 2022 and April 10, 2023 respectively.

(i) Section 2.06(b) is hereby amended and restated in its entirety as follows:

"If the Final Closing Working Capital is more than the Estimated Working Capital, the Buyer will pay to the Sellers the amount of such excess as follows: (i) the aggregate amount of Promissory Notes will be increased on a dollar for dollar basis to the extent that the Final Closing Working Capital is more than the Estimated Working Capital, up to the amount of the Target Working Capital, and (ii) if the Final Closing Working Capital exceeds the Target Working Capital, the amount of such excess in cash, with, in each case, each Seller receiving its pro rata share of such excess as set forth in the Funds Flow.".

---

3. Company EBITDA.

(a) It is acknowledged and agreed that (i) if the aggregate amount of the 2021 Earnout and the 2022 Earnout does not equal the Earn-out Cap, and if the Parent or any its Affiliates (including without limitation the Company or any Company Entity after the Closing) enters into the CFD-JV, then each Seller will receive its pro rata share (as set forth on the Funds Flow) of an amount determined by (A) first subtracting the CFD-JV EBITDA Threshold, from the CFD-JV Adjusted EBITDA (provided that, such amount, if a negative number, will be zero) and (B) multiplying the amount determined in accordance with subclause (A) by Parent's CFD-JV March 2023 Adjusted EBITDA Multiple (the "**CFD-JV Extended Earn-out**") which is payable in cash and Exchangeable Shares as described herein.

(b) Definitions.

(1) "**CFD-JV Adjusted EBITDA**" means the Adjusted EBITDA of the CFD-JV for the three-month period ending March 31, 2023 (the "**CFD-JV Extended Earn-out Period**"), multiplied by the Parent CFD-JV Share.

(2) "**CFD-JV EBITDA Threshold**" means $30,000,000 minus the sum of (A) the Company's 2021 Adjusted EBITDA (calculated for the avoidance of doubt without regard to the reduction described in subclause (A)(1) of the first sentence of Section 1.01(e)(i)) and (B) the Company's 2022 Adjusted EBITDA (calculated for the avoidance of doubt without regard to the reduction described in subclause (A)(1) of the first sentence of Section 1.01(e)(ii)) (provided that, such amount, if a negative number, will be zero), and multiplying such amount by the Parent's direct or indirect share based upon its percentage interest of the CFD-JV ownership interest, assuming that all such ownership interests have the same rights in the CFD-JV, and if not as agreed to by the Buyer and the Sellers' Representative (such percentage, the "**Parent CFD-JV Share**").

(3) "Earn-out Cap" means $300,000,000 less (A) any reductions to the 2021 Earn-out or the 2022 Earn-out as described in Section 1.01(e)(i) or Section 1.01(e)(ii), as applicable, less (B) the amount of any consideration received by the Sellers' Representative under Section 1.01(e)(xi) and set forth in Schedule 1.01(e)(xi) for an entity undergoing a Change of Control.

(4) "**Parent's CFD-JV March 2023 Adjusted EBITDA Multiple**" means the amount determined by (A) dividing the Parent's March 2023 Total Diluted Enterprise Value by Parent's Quarterly-Based March 2023 Adjusted EBITDA and (B) multiplying the number determined pursuant to subclause (A) by .60.

(5) "**Parent's Quarterly-Based March 2023 Adjusted EBITDA**" means the sum of (i) four times the Adjusted EBITDA of Parent and its direct or indirect Affiliates (calculated on a consolidated basis) for the three month period ending March 31, 2023 and (ii) for each operating business acquired by Parent or any of its direct or indirect Affiliates during the three-month period ending March 31, 2023, four times the Adjusted EBITDA of such operating business prior to the closing of such acquisition.

(c) The aggregate dollar amount of the CFD-JV Extended Earnout will not exceed the Earn-out Cap less the sum of the 2021 Earn-out and the 2022 Earn-out.

(d) The Parent shall, and shall cause its direct or indirect Affiliates including the CFD-JV not (i) to sell, transfer, assign or otherwise dispose of its, direct or indirect, ownership interests in the CFD-JV or (ii) permit the CFD-JV to undergo a Change of Control until after March 31, 2023.

(e) No draws will be made under the Available Financing and no amounts will be added to the Seller Earn-out Notes during the CFD-JV Extended Earn-out Period.

(f) The CFD-JV Extended Earn-out, if any, will be payable up to 2.5% in cash and the remainder in Exchangeable Shares which shares are exchangeable on a one-to-one basis for Subordinate Voting Shares (or any other publicly traded equity securities as described in Section 1.01(d)(iv)) that are listed on the CSE (or any other Eligible Exchange). The number of Exchangeable Shares issued to the Sellers (with each Seller receiving its pro rata portion of the CFD-JV Extended Earn-out as set forth in the Funds Flow) will be determined by dividing the amount of the CFD-JV Extended Earn-out by the 10-day volume-weighted average price of the Parent's publicly reported stock prices as of June 30, 2023 (rounding up for any fractional shares and as converted into US dollars based on the exchange rate as of June 30, 2023).

(g) On or before May 31, 2023, Parent shall prepare and deliver to Sellers' Representative the calculation of the CFD-JV Extended Earn-out along with the underlying calculations of the CFD-JV Adjusted EBITDA, the Parent's March 2023 Total Diluted Enterprise Value and the Parent's 2023 Adjusted EBITDA which shall also set forth whether the CFD-JV Extended Earn-out is due and the amount of the CFD-JV Extended Earn-out in accordance with the terms hereof (the "**CFD-JV Earnout Statement**"). After receipt of the CFD-JV Earnout Statement, Sellers' Representative shall have thirty (30) days (the "**CFD- JV Earnout Statement Review Period**") to review the CFD-JV Earnout Statement. During the CFD-JV Earnout Statement Review Period, Sellers' Representative and its accountants and other representatives shall have full access to the books and records of the Company, each Company Entity, the Buyer, CFD-JV and the Parent, the personnel of and work papers prepared by Parent, Buyer, the Company, CFD-JV and each Company Entity and/or their respective accountants, employees and agents to the extent that they relate to the CFD-JV Earnout Statement (and the calculations set forth therein) and to such historical financial information relating to the CFD-JV Earnout Statement (and the calculations set forth therein) as Sellers' Representative may reasonably request for the purpose of reviewing the CFD-JV Earnout Statement and to prepare any objections to the CFD-JV Earnout Statement. The provisions under Sections 1.01(e)(v), (vi), (vii) and (viii) will also apply to the CFD-JV Extended Earn-out with corresponding changes for any defined terms set forth herein.

(h) If the CFD-JV Extended Earn-out is payable pursuant to this Section 3, Buyer and the Parent will, within five (5) Business Days after the determination of the amount thereof (whether by mutual agreement of Parent and Sellers' Representative or by the Independent Accountant), (i) pay up to 2.5% of the CFD-JV Extended Earn-out in cash and (ii) issue the Exchangeable Shares to the Sellers as described in this Section 3 and for purposes of clarity, if any portion of the CFD-JV Extended Earn-out contains amounts which are disputed and amounts which are not disputed, as described herein, the Buyer and the Parent will pay the applicable amount in cash and issue the applicable number of Exchangeable Shares to the Sellers as described herein with respect to any amounts which are not disputed.

(i) Until March 31, 2023, the Parent shall cause the CFD-JV to invite Sellers' Representative to attend all meetings of its Board of Managers (or other similar governing body) in a non-voting observer capacity and, in this respect, shall provide Sellers' Representative copies of all notices, minutes, consents and other materials that it provides to its members of its governing body at the same time and in the same manner as provided to such Persons.

(j) The contingent right to receive the CFD-JV Extended Earn-out will not be represented by any form of certificate or other instrument, is not transferable, except a transfer as an operation of Law, and until received, does not constitute an equity or ownership interest in Buyer, Parent, the Company or the Company Entities. Each Seller will not have any rights as a security holder of Buyer, Parent, the Company, or the Company Entities as a result of such Seller's contingent right to receive its portion of the CFD-JV Extended Earnout. No interest is payable with respect to the CFD-JV Extended Earn-out, unless such payment is not made when due, in which case any earn-out payment due will bear interest at a rate of 10% per annum from the due date; provided that if any portion of the CFD-JV Extended Earn-out is being disputed in good faith, interest will not accrue on such portion unless and until such portion is finally determined to be payable as described herein.

(k) Buyer and Sellers recognize and agree that the earn-out payments made to Sellers in the form of Exchangeable Shares under this Section 3, if any, (A) subject to Section 483 of the Code, will be treated as a receipt of stock by Sellers for purposes of Section 351(b) of the Code if and when such earn-out payment is actually made, and (B) shall not be treated as a receipt of other property or money for purposes of Section 351(b) of the Code.

(l) All Exchangeable Shares (and any resulting Subordinate Voting Shares) issued as an earn-out payment under this Section 3 will be freely tradeable upon issuance subject to a full 4 month hold period in accordance with Canadian securities laws.

(m) In the event that the Parent consummates a Change of Control after the expiration of the Earn-out Period but prior to March 31, 2023, the Parent shall comply with the first three sentences of Section 1.01(e)(xi) and treat such Change of Control as if it was consummated prior to the Earn-out Period and such provision shall apply to the CFD-JV Extended Earn-out as if were the 2021 Earn-out or the 2022 Earn-out.

(n) The parties hereby acknowledge and agree that the terms and conditions of this Section 3 are being added to the Agreement to account for the transfer of the LLC interests of Willcox OC, LLC to the Company, which transfer was expressly provided for in the Agreement (prior to this Amendment) as an action to be taken by Sellers in order to ensure all assets of the Company are properly in the name of the Company on or prior to the Closing. This Amendment clarifies the application of the earnout payments arising from the transfer of the equity securities of Willcox OC, LLC to the Company, does not expand the scope of the originally contemplated transaction, and will not increase the maximum aggregate consideration payable under the Agreement."

(o) The Parent hereby makes the representations and warranties in Section 5.02 and Section 5.04 of the Agreement with respect to any Exchangeable Shares issued in connection with the CFD-JV Extended Earn-out and the references to the Exchangeable Shares issued in connection with the 2021 Earn-out or the 2022 Earn-out in Section 1.01(d)(iv) and Section 6.11 of the Agreement shall also include the Exchangeable Shares issued in connection with the CFD-JV Extended Earn-out.

4 . Miscellaneous. This Amendment may only be amended, modified, or supplemented by an agreement in accordance with Section 10.07 of the Purchase Agreement. This Amendment shall be governed by and construed in accordance with the laws of the State of Arizona without giving effect to any choice or conflict of law provision or rule (whether of the State of Arizona or any other jurisdiction). This Amendment 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. A signed copy of this Amendment delivered by facsimile, e-mail or other means of electronic transmission will be deemed to have the same legal effect as delivery of an original signed copy of this Amendment.

[Signature page follows]

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

Buyer:

CSAC Acquisition AZ Corp.,

By: [**********]
Name: Jonathan Sandelman
Title: President

Parent:

AYR Wellness, Inc.

By: [**********]
Name: Jonathan Sandelman
Title: Chief Executive Officer

the Company:

Blue Camo, LLC

By: _____
Name:
Title:

Sellers' Representative:

TJV-168, LLC

By: _____
Name:
Title:

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

Buyer:

CSAC Acquisition AZ Corp.,

By: _____
Name:
Title:

Parent:

AYR Strategies, Inc.

By: _____
Name:
Title:

the Company:

Blue Camo, LLC

By: [**********]
Name:
Title:

Sellers' Representative:

TJV-168, LLC

By: _____
Name:
Title:

Sellers:

TJV-168, LLC, an Arizona limited liability company

By: [**********]
Name:

FIRST CLEAREST CHOICE, INC., a Wyoming corporation

By: [**********]
Name: [**********]

JETS BLUE CAMO, LLC

By: _____
Name: _____
Title: _____

ELIZABETH STAVOLA 2016 NV IRR TRUST

By: _____
Name: _____
Title: _____

[**********]

QK HOLDINGS, LLC

By: _____
Name: _____
Title: _____

Sellers:

TJV-168, LLC, an Arizona limited liability company

By: [**********]
Name: [**********]

FIRST CLEAREST CHOICE, INC., a Wyoming corporation

By: [**********]
Name: [**********]

JETS BLUE CAMO, LLC

By: _____
Name: _____
Title: _____

ELIZABETH STAVOLA 2016 NV IRR TRUST

By: _____
Name: _____
Title: _____

[**********]

QK HOLDINGS, LLC

By: _____
Name: _____
Title: _____

Sellers:

TJV-168, LLC, an Arizona limited liability company

By: [**********]

Name: [**********]

FIRST CLEAREST CHOICE, INC., a Wyoming corporation

By: [**********]
Name: [**********]

JETS BLUE CAMO, LLC

By: [**********]
Name:
Title:

ELIZABETH STAVOLA 2016 NV IRR TRUST

By:
Name:
Title:

[**********]

QK HOLDINGS, LLC

By:
Name:
Title:

Sellers:

TJV-168, LLC, an Arizona limited liability company

By: [**********]
Name: [**********]

FIRST CLEAREST CHOICE. INC., a Wyoming corporation

By: [**********]
Name: [**********]

JETS BLUE CAMO, LLC

By:
Name:
Title:

ELIZABETH STAVOLA 2016 NV IRR TRUST

By: [**********]
Name: [**********]
Title: [**********]

[**********]

QK HOLDINGS, LLC

By:
Name:
Title:

Sellers:

TJV-168, LLC, an Arizona limited liability company

By: [**********]
Name: [**********]

FIRST CLEAREST CHOICE, INC., a Wyoming corporation

By: [**********]
Name: [**********]

JETS BLUE CAMO, LLC

By: _____
Name: _____
Title: _____

ELIZABETH STAVOLA 2016 NV IRR TRUST

By: _____
Name: _____
Title: _____

[**********]

QK HOLDINGS, LLC

By: _____
Name: _____
Title: _____

Sellers:

TJV-168. LLC, an Arizona limited liability company

By: [**********]
Name: [**********]

FIRST CLEAREST CI1OICE, INC., a Wyoming corporation

By: [**********]
Name: [**********]

JETS BLUE CAMO, LLC

By: _____
Name: _____
Title: _____

ELIZABETH STAVOLA 2016 NV IRR TRUST

By: _____
Name: _____
Title: _____

[**********]

QK HOLDINGS. LLC

By: [**********]
Name: [**********]
Title: [**********]

GOOD DEAL, LLC

By: [**********]
Name: [**********]
Title: [**********]

MAINSTAR TRUST CUSTODIAN FBO:
BRENT P RUSSUM ROTH IRA

By: _____
Name: _____
Title: _____

[**********]

GREEN ERIN, LLC

By: _____

Name: _____
Title: _____

NAMAX CAPITAL, LLC MONEY
PURCHASE PENSION PLAN & TRUST

By: _____
Name: _____
Title: _____

BITTERROOT LLC

By: _____
Name: _____
Title: _____

GOOD DEAL, LLC

By: _____
Name: _____
Title: _____

MAINSTAR TRUST CUSTODIAN FBO:
BRENT P RUSSUM ROTH IRA

By: [**********]
Name: [**********]

[**********]

GREEN ERIN, LLC

By: _____
Name: _____
Title: _____

NAMAX CAPITAL, LLC MONEY
PURCHASE PENSION PLAN & TRUST

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Name: _____
Title: _____

BITTERROOT, LLC

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Name: _____
Title: _____

GOOD DEAL, LLC

By: _____
Name: _____
Title: _____

MAINSTAR TRUST CUSTODIAN FBO:
BRENT P RUSSUM ROTH IRA

By: _____
Name: _____
Title: _____

[**********]

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Name: _____
Title: _____

NAMAX CAPITAL, LLC MONEY

PURCHASE PENSION PLAN & TRUST

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Name: _____
Title: _____

BITTERROOT, LLC

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Name: _____
Title: _____

GOOD DEAL, LLC

By: _____
Name: _____
Title: _____

MAINSTAR TRUST CUSTODIAN FBO:
BRENT P RUSSUM ROTH IRA

By: _____
Name: _____
Title: _____

[**********] _____

GREEN ERIN, LLC

By: [**********] _____
Name: [**********]
Title: [**********]

NAMAX CAPITAL, LLC MONEY
PURCHASE PENSION PLAN & TRUST

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Name: _____
Title: _____

BITTERROOT, LLC

By: _____
Name: _____
Title: _____

GOOD DEAL, LLC

By: _____
Name: _____
Title: _____

MAINSTAR TRUST CUSTODIAN FBO:
BRENT P RUSSUM ROTH IRA

By: _____
Name: _____
Title: _____

[**********] _____

GREEN ERIN, LLC

By: _____
Name: _____
Title: _____

NAMAX CAPITAL, LLC MONEY
PURCHASE PENSION PLAN & TRUST

By: [**********] _____

Name: [**********]
Title: [**********]

BITTERROOT, LLC

By:
Name:
Title:

GOOD DEAL, LLC

By:
Name:
Title:

MAINSTAR TRUST CUSTODIAN FBO:
BRENT P RUSSUM ROTH IRA

By:
Name:
Title:

[**********]

GREEN ERIN, LLC

By:
Name:
Title:

NAMAX CAPITAL, LLC MONEY
PURCHASE PENSION PLAN & TRUST

By:
Name:
Title:

BITTERROOT, LLC

By: [**********]
Name: [**********]

GIBBS FAMILY TRUST DATED JULY
14, 1994

By: [**********]
Name: [**********]
Title:

RAFTER JR GREEN HOLDINGS, LLC

By:
Name:
Title:

SPLIT ACES, LLC

By:
Name:
Title:

HOW HI DEVELOPMENT CORP

By:
Name:
Title:

IRAD CAPITAL LLC

By:

Name:
Title:

GIBBS FAMILY TRUST DATED JULY 14, 1994

By:
Name:
Title:

RAFTER JR GREEN HOLDINGS, LLC

By: [**********]
Name: [**********]
Title: [**********]

SPLIT ACES, LLC

By:
Name:
Title:

HOW HI DEVELOPMENT CORP

By:
Name:
Title:

IRAD CAPITAL LLC

By:
Name:
Title:

GIBBS FAMILY TRUST DATED JULY 14,1994

By:
Name:
Title:

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By:
Name:
Title:

SPLIT ACES, LLC

By: [**********]
Name : [**********]
Title: [**********]

HOW HI DEVELOPMENT CORP

By:
Name:
Title:

IRAD CAPITAL LLC

By:
Name:
Title:

GIBBS FAMILY TRUST DATED JULY 14, 1994

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Name: _____
Title: _____

RAFTER JR GREEN HOLDINGS, LLC

By: _____
Name: _____
Title: _____

SPLIT ACES, LLC

By: _____
Name: _____
Title: _____

HOW HI DEVELOPMENT CORP

By: [**********]
Name: [**********]
Title: [**********]

IRAD CAPITAL LLC

By: _____
Name: _____
Title: _____

GIBBS FAMILY TRUST DATED JULY 14, 1994

By: _____
Name: _____
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RAFTER JR GREEN HOLDINGS. LLC

By: _____
Name: _____
Title: _____

SPLIT ACES. LLC

By _____
Name: _____
Title: _____

HOW HI DEVELOPMENT CORP

By: _____
Name: _____
Title: _____

IRAD CAPITAL LLC

By: [**********]
Name: [**********]
Title: [**********]

MAINSTAR TRUST CUSTODIAN FBO:
THOMAS W RADIC ROTH IRA

By: [**********]
Name: [**********]
Title: [**********]

WILLIAM D ABBOTT AND CINDY R ABBOTT REVOCABLE TRUST DATED 10/13/2020

By: _____
Name: _____
Title: _____

[**********]

BEEHOUSE, LLC

By: _____
Name: _____
Title: _____

GK BRAND LLLP

By: _____
Name: _____
Title: _____

MAINSTAR TRUST CUSTODIAN FBO: THOMAS W RADIC ROTH IRA

By: _____
Name: _____
Title: _____

WILLIAM D ABBOTT AND CINDY R ABBOTT REVOCABLE TRUST DATED 10/13/2020

By: _____
Name: _____
Title: _____

[**********]

[**********]

BEEHOUSE, LLC

By: _____
Name: _____
Title: _____

GK BRAND LLLP

By: _____
Name: _____
Title: _____

MAINSTAR TRUST CUSTODIAN FBO: THOMAS W RADIC ROTH IRA

By: _____
Name: _____
Title: _____

WILLIAM D ABBOTT AND CINDY R ABBOTT REVOCABLE TRUST DATED 10/13/2020

By: _____
Name: _____
Title: _____

[**********]

BEEHOUSE, LLC

By: _____
Name: _____
Title: _____

GK. BRAND LLLP

By: _____
Name: _____
Title: _____

MAINSTAR TRUST CUSTODIAN FBO:
THOMAS W RADIC ROTH IRA

By: _____
Name: _____
Title: _____

WILLIAM D ABBOTT AND CINDY R
ABBOTT REVOCABLE TRUST DATED
10/13/2020

By: _____
Name: _____
Title: _____

[**********]

BEEHOUSE, LLC

By: _____
Name: _____
Title: _____

GK BRAND LLLP

By: _____
Name: _____
Title: _____

MAINSTAR TRUST CUSTODIAN FBO:
THOMAS W RADIC ROTH IRA

By: _____
Name: _____
Title: _____

WILLIAM D .ABBOTT AND CINDY R
ABBOTT REVOCABLE TRUST DATED
10/13/2020

By: _____
Name: _____
Title: _____

[**********]

BEEHOUSE, LLC

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Name: [**********]
Title: [**********]

GK BRAND LLLP

By: _____
Name: _____
Title: _____

MAINSTAR TRUST CUSTODIAN FBO:
THOMAS W RADIC ROTH IRA

By: _____
Name: _____
Title: _____

WILLIAM D ABBOTT AND CINDY R
ABBOTT REVOCABLE TRUST DATED
10/13/2020

By: _____
Name: _____
Title: _____

BEEHOUSE, LLC

By: _____
Name: _____
Title: _____

GK B

By: [**********]
Name: [**********]

BEARS LLC

By: [**********]
Name: [**********]
Title: [**********]

WEBER DR LLC

By: [**********]
Name: [**********]
Title: [**********]

Exhibit A

Form of Promissory Note

(See attached)

SECURED PROMISSORY NOTE

Principal Amount: $[ ].00 (subject to adjustment as described herein) **Date:** March , 2021

For value received, the receipt of which is hereby acknowledged, **[CSAC ACQUISITION AZ INC.]** ("Maker") hereby promises to pay to the order of **[ ]** (the "Holder") at such place as Holder may from time to time designate in writing or via wire transfer of immediately available funds with confirmatory receipt pursuant to the instructions provided by the Holder, the principal sum of [ ] Dollars ($[ ].00) (subject to adjustment as described herein) (the "Principal Amount"), less any Withheld Amounts (as hereinafter defined) plus interest thereon, subject in all respects to adjustment as described in Section 1.01(b), Section 1.01(c), Section 2.06 and Section 9.03(f) of the Purchase Agreement. This Secured Promissory Note (this "Note") is being issued pursuant to that certain Membership Interest Purchase Agreement, dated as of January 27, 2021 (as amended from time to time, the "Purchase Agreement"), by and among, *inter alios,* Blue Camo, LLC, an Arizona limited liability company (the "Company"), the members of the Company set forth on the signature pages to the Purchase Agreement (the "Sellers"), the Sellers' Representative, Maker and AYR Wellness Inc., formerly known as AYR Strategies Inc., a British Columbia corporation and parent corporation of Maker (" Parent"). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Purchase Agreement.

The parties herby acknowledge and agree that the Principal Amount may be increased or decreased as described in Section 1.01(b), Section 1.01(c) and/or Section 2.06 of the Purchase Agreement. Within 5 Business Days after the final determination of the any adjustments to the Principal Amount as set forth in the Purchase Agreement in accordance with the terms and conditions set forth therein, the Sellers' Representative shall give the Holder written notice of the final Principal Amount after each adjustment described in the Purchase Agreement and after the final adjustment set forth in the Purchase Agreement such amount shall be the Principal Amount of this Note.

1. **Indemnification Offset.** It is acknowledged and agreed that Maker shall be entitled to set off, postpone, withhold and apply any amounts owing to Holder under this Note in accordance with and on the terms set forth in Section 9.03(f) of the Purchase Agreement (such amounts, "Withheld Amounts").

2. **Payment Terms.**

a) **Interest Rate and Interest Payment.** Interest shall accrue daily on the outstanding Principal Amount on the basis of a 365 or 366 day year, as the case may be, based on the actual number of days elapsed at a rate per annum of ten percent (10%). Accrued and unpaid interest on the outstanding Principal Amount shall be paid on [Insert the day of the 6 month anniversary of the Closing] (the "Initial Interest Payment Date"), and on each six month anniversary of the Initial Interest Payment Date thereafter. Upon the occurrence and during the continuance of an Event of Default, interest shall accrue on the outstanding Principal Amount at the base rate of interest set forth above plus 8% per annum (a total of 18%).

b) **Maturity.** Subject to any offsets for Withheld Amounts made pursuant to Section 1 of this Note, the entire Principal Amount and all then accrued and unpaid interest thereon shall be paid in full to Holder on the earlier of (i) [ ], 202[ ][1], (ii) following acceleration, if applicable, upon the occurrence and during the continuance of an Event of Default or (iii) concurrently with the consummation of a Repayment Event (as hereinafter defined), the Maker's involuntary assignment of this Note or the Maker's assignment of this Note by operation of law (such date, the "Maturity Date"). A "Repayment Event" means (A) a liquidation, dissolution or winding up of the Parent, the Maker, the Company, CSAC Holdings Inc., a Nevada corporation ("**CSAC Holdings**") (a wholly-owned subsidiary of the Parent), CSAC Acquisition Inc., a Nevada corporation ("**CSAC Acquisition**") or any Company Entity (B) a Change of Control of the Parent, the Maker, the Company, CSAC Holdings, CSAC Acquisition or any Company Entity. A "Change of Control" means (1) the sale of more than fifty percent (50%) of the issued and outstanding stock or other equity securities (on an as-converted basis) of any of the following entities: the Maker, the Parent, CSAC Acquisition, CSAC Holdings, the Company or any Company Entity; (2) the consolidation, merger or other business combination of any of the following entities with or into another entity: the Maker, the Parent, CSAC Acquisition, CSAC Holdings, the Company or any Company Entity; (3) the sale, lease, transfer, exclusive license or other disposition of more than fifty percent (50%) of the assets of any of the following entities in one or a related series of transactions: the Parent, the Maker, CSAC Holdings, CSAC Acquisition, the Company or any Company Entity; (4) with respect to Total Health & Wellness, Inc., an Arizona non-profit corporation, (i) the issuance of any equity securities to anyone other than the Company, the Maker or any Company Entity in connection with the conversion of the entity to a for-profit corporation, (ii) permitting a majority of the board of directors of Total Health & Wellness, Inc. to be persons that are not employees, officers or directors of Parent or the Company or (iii) the admission of any member of Total Health & Wellness, Inc. other than the Company or (5) the closing of a purchase, tender or exchange offer made to the holders of more than fifty percent (50%) of the outstanding stock (on an as-converted basis) of any of the following entities in one or a related series of transactions: the Maker, the Parent, CSAC Holdings, CSAC Acquisition, the Company or any Company Entity; *provided, however,* that in the event the Parent consummates any of the transactions described in clauses (1) through (4) above, such transactions shall be deemed a Change of Control only if the resulting pro forma ratio of secured indebtedness for borrowed money to EBITDA (as hereinafter defined) is greater than both (x) 2 to 1 and (y) the ratio of secured indebtedness for borrowed money to EBITDA immediately prior to such transaction. For the avoidance of doubt, exchanges of the non-voting exchangeable common shares of CSAC Acquisition into subordinate voting shares of Parent, in accordance with the terms of such non-voting exchangeable common shares, shall be disregarded for purposes of determining whether a Change of Control has occurred.

[1] To be the date that is 4 years from the closing date.

For purposes of this Note, "EBITDA" shall mean: income (loss) from operations of the Parent and its, direct or indirect, subsidiaries (including without limitation the Maker and the Company) (on a consolidated basis), plus (1) fair value adjustments relating to biological assets, (2) interest, (3) taxes, (4) depreciation and amortization, (5) non-cash stock-based compensation, (6) acquisition and transaction related expenses and (7) other non-operating costs that are extraordinary, unusual or non-recurring in nature; in each case calculated in accordance with United States generally accepted accounting principles applied on a consistent basis; *provided* that, so long as the Parent maintains the listing of any of its equity securities on the CSE or a nationally recognized stock exchange in Canada, the Parent or the Maker may elect to use the EBITDA of itself and its subsidiaries as included in its publicly filed securities reports.

Within ten (10) Business Days prior to the closing of any transaction described in clauses (1) through (4) of the definition of "Change of Control," the Parent shall prepare and deliver to the Sellers a calculation of the actual amount of the secured indebtedness for borrowed money and EBITDA as of the closing of such transaction, all in reasonable detail. The Parent will make available to each Seller the Parent's records, books and any workpapers used by the Parent in preparing its calculation of the amount of the secured indebtedness for borrowed money and EBITDA as of closing of such transaction, and will otherwise reasonably cooperate with each Seller in its or their review of the Parent's calculation, including, without limitation, providing each Seller with reasonable access during normal business hours following prior notice by a Seller to the applicable employees of the Parent. The final determination of whether the consummation of any of the above mentioned transactions meets the thresholds stated above shall be determined by the Requisite Sellers (as hereinafter defined) in accordance with the terms of this Note and the Other Notes (as hereinafter defined).

c) **Prepayment.** Subject to the terms of Section 23, Maker may prepay this Note in whole or in part at any time, after the final Principal Amount has been determined as described herein, without premium or penalty, provided that together with any such payment in full Maker must pay to Holder and all other Sellers all accrued interest and other amounts owing pursuant this Note and each Other Note and remaining unpaid. Any partial payment shall be applied (i) first, to the payment of expenses due under this Note and the Other Notes, (ii) second, if the amount of prepayment exceeds the amount of all such expenses, to accrued and unpaid interest due on this Note and each Other Note and (iii) third, if the amount of prepayment exceeds the amount of all such expenses and accrued and unpaid interest, to the payment of outstanding principal due on this Note and each Other Note.

3. **Events of Default.** The occurrence of any one or more of the following events shall constitute an "Event of Default":

a) the failure of Maker to make any payment within five (5) days of the date on which such payment is due hereunder;

b) the failure of Maker to perform any covenant contained herein (other than for payment) and such failure continues for a period of thirty (30) days;

c) Any material inaccuracy or material breach of Maker's representations or warranties set forth herein;

d) Any of Maker, the Parent, the Company, CSAC Acquisition, CSAC Holdings or any other Company Entity is generally not, or shall be unable to, or admits in writing its inability to, pay its debts as they become due;

e) the filing of any petition for relief by or against Maker, the Parent, CSAC Holdings, CSAC Acquisition, the Company or any other Company Entity under any provision of Title 11 of the United States Code, as amended, or under any other foreign, federal or state statute relating to bankruptcy, insolvency or composition or adjustment of assets (the "Bankruptcy Laws") which in the case of any petition filed against Maker, the Parent or the Company is not dismissed within 60 days;

f) Maker, the Parent, the Company, CSAC Holdings, CSAC Acquisition or any other Company Entity (i) consents to the entry of an order for relief against it in an involuntary case under the Bankruptcy Laws, (ii) makes a general assignment for the benefit of its creditors or (iii) admits in writing that it is generally unable to pay its debts as they become due;

g) an application for the appointment of a receiver or custodian for, the making of a general assignment for the benefit of creditors by, or the insolvency of Maker, the Parent, the Company, CSAC Holdings, CSAC Acquisition or any other Company Entity;

h) the cessation of business or dissolution of Maker, the Parent, the Company, CSAC Acquisition, CSAC Holdings or any other Company Entity;

i) The loss by the applicable Company Entity of any of the (i) Medical Marijuana Dispensary Registration Certificate ("**DRC**") #00000100DCWU00857159, (ii) Medical Marijuana DRC #00000036DCOP00819772, and (iii) Medical Marijuana DRC #00000109DCIT00443532 issued by the Arizona Department of Health Services' to certain Company Entities (the "Regulatory Licenses") or the failure to provide prompt (but in any event, within five (5) Business Days) written notice to the Holder in the event that the Maker, the Company, CSAC Acquisition, CSAC Holdings, the Parent or any other Company Entity receives notice from any Governmental Authority which threatens the loss, termination, cancellation or revocation of any Regulatory License;

j) A final judgment for the payment of money which when aggregated with all other judgments against the Maker, the Parent, the Company, CSAC Acquisition, CSAC Holdings and/or any other Company Entity exceeds $2,500,000 is rendered against Maker, the Parent, the Company, CSAC Acquisition, CSAC Holdings and/or any other Company Entity and which judgment is not, within sixty (60) days after the entry thereof, bonded, discharged or stayed pending appeal, or discharged within thirty (30) days after the expiration of such stay;

k) The occurrence of a payment default not (i) timely cured or (ii) waived and triggering a right of acceleration under any other instrument or note evidencing indebtedness in excess of $2,500,000 of Maker, the Parent, the Company, CSAC Acquisition, CSAC Holdings or any other Company Entity to other lenders; and

l) A breach by the Maker or the Parent (or their respective successors or assigns) of any of their respective obligations under the Purchase Agreement after the consummation of a Change of Control or a breach by the Maker of the Pledge Agreement (as hereinafter defined).

Upon the occurrence of any Event of Default that is continuing, the Requisite Sellers shall have the right to declare the entire Principal Amount and all interest outstanding thereon and expenses and other amounts payable under this Note and each Other Note to be due and payable immediately; provided however, that in the case of an Event of Default under clause (d),(e),(f),(g) or (h) above, such acceleration shall be automatic and without notice upon the occurrence of such Event of Default. In connection with such acceleration described herein, the Requisite Sellers need not provide, and the Maker hereby waives, any presentment, demand, protest or other notice of any kind, and the Requisite Sellers may immediately and without expiration of any grace period (unless otherwise set forth herein) enforce any and all of its rights and remedies hereunder and under the Pledge Agreement (but it shall not be obligated to do so) and all other remedies available to it under applicable Law.

4. **Remedies Not Exclusive.** The remedies of Holder as provided herein and in any other documents governing or securing repayment hereof (including without limitation the Pledge Agreement), and any other remedies available under applicable Law, shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of the Holder, and may be exercised as often as occasion therefor shall arise, all in accordance with applicable Law or in equity (including a decree of specific performance and/or other injunctive relief).

5. **Manner of Payment.** All payments shall be made in U.S. dollars in immediately available funds without defense, set-off, counterclaim or deduction, except for Withheld Amounts. If any payment date is not a Business Day, then the payment may be made on the next succeeding Business Day.

6. **Costs of Collection.** If any payment required to be made under this Note or any Other Note is not paid when due, Maker hereby agrees to pay all reasonable costs of collection, including the reasonable attorneys' fees of external counsel to Holder or any other Seller, fees and expenses actually incurred by Holder or any other Seller, whether or not suit is filed thereon.

7. **Representations and Warranties of Maker.** Maker hereby represents and warrants to the Holder that the following representations are true and complete as of the date of this Note and shall be true and complete while this Note is outstanding, except as otherwise indicated.

a) **Organization; Good Standing; Validity.** Maker is duly formed, validly existing and in good standing in the State of Nevada. As of the date hereof, Maker does not conduct business in any other jurisdiction to the extent that qualification as a foreign entity in such jurisdiction would be required pursuant to applicable Law unless the failure to have such qualification would not have a material adverse effect on Maker, on the prospect for payment of this Note or on the Holder's rights and remedies hereunder. Maker has all of the requisite corporate power and authority necessary to own and to operate its properties and assets and to carry on its business as now conducted and as proposed to be conducted.

b) **Authorization; Enforceability.** Maker has all requisite power and authority to enter into this Note and to carry out and perform its obligations under the terms of this Note. This Note has been duly authorized by the Maker's board of directors and stockholders (if applicable), validly executed and delivered on behalf of Maker and is a valid and binding obligation of Maker, enforceable in accordance with its terms, except to the extent that enforceability thereof may be limited by bankruptcy, insolvency, moratorium or similar laws affecting the enforcement of creditors' rights generally and except that the availability of equitable remedies such as specific performance or injunctive relief are subject to the discretion of the court before which any proceeding may be brought.

c) **No Conflicts.** The execution, delivery and performance of this Note by Maker and the consummation by Maker of the transactions contemplated hereby do not and will not (i) conflict with or violate any provision of the Maker's certificate of incorporation, bylaws or other organizational documents, (ii) conflict with, or constitute a default (or an event that 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 (with or without notice, lapse of time or both) of, any Contract, credit facility, debt or other instrument (evidencing a debt of Maker or otherwise) or other understanding to which Maker is a party or by which any property or asset of Maker is bound or affected, or (iii) result in a violation of any Law, Governmental Order or other restriction of any court or Governmental Authority to which Maker is subject, or by which any property or asset of Maker is bound or affected.

d) **Filings, Consents and Approvals.** Maker is not required to obtain any Governmental Order, Permit, consent or waiver, 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 or entity in connection with the execution, delivery and performance by Maker of this Note.

e) **Bankruptcy or Insolvency.** No bankruptcy or similar insolvency proceeding under state, federal or other Law has been filed, or is currently being contemplated, with respect to Maker.

f) **Compliance.** Maker is not (a) in violation of any Governmental Order or Permit of any court, arbitrator or other Governmental Authority or (b) to its knowledge, in violation in any material respect of any Law, including without limitation all state and local laws relating to cannabis, taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters.

8. **Notices.**

a) During the term of this Note and while any amount remains outstanding under this Note, unless the Holder shall have otherwise waived such requirement in writing, the Maker shall furnish to the Holder immediate written notice of an Event of Default hereunder.

b) All notices, claims, demands, and other communications hereunder shall be in writing and shall be deemed to have been given, if sent to the respective parties at the address set forth on the signature pages hereto (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8(b)). 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.

9. **Applicable Law, Jurisdiction, Venue and Jury Waiver.** Section 10.08 of the Purchase Agreement regarding governing law, jurisdiction and dispute resolution shall apply to this Note, *mutatis mutandis.* **THE PARTIES EXPRESSLY WAIVE ANY RIGHT THEY MAY HAVE TO A JURY TRIAL**

10. **Waiver of Presentment, Notice of Dishonor, Demand and Protest.** Maker (i) waives presentment, demand, protest, notice of dishonor, and notice of nonpayment or the performance of the obligations under this Note or any other notices to which Maker may be entitled under applicable Law; and (ii) waives the right to require the Holder or any other Seller to proceed against any other person (including, without limitation, the Parent) or pursue any other remedy before proceeding against Maker. The obligations of Maker under this Note and the Other Notes shall not be impaired by reason of any claim of waiver, release, surrender or compromise (unless agreed in writing by the Requisite Sellers), and, except as expressly set forth in Section 1, shall not be subject to any defense or set-off. The obligations of Maker hereunder shall not be impaired by (a) the failure of the Holder or any other Seller to assert any claim or demand or to enforce any right or remedy against Maker hereunder or under the Pledge Agreement or against the Company or the Parent and the other persons party thereto under the Purchase Agreement, (b) any extension or renewal, in whole or in part, of this Note or any other Note, (c) any rescission, waiver, release, compromise, amendment or modification of, or any consent to departure from, any of the terms or provisions of this Note, any Other Note or the Pledge Agreement, (d) any act by the Holder or any other Seller to obtain or retain a lien upon or a security interest in any property or to release any security, (e) any exchange, release or nonperfection of any lien or security interest, (f) any bankruptcy of Maker, or (g) any other act or omission (other than payment in full) which may or might in any manner vary the risk of Maker or the Holder or any other Seller.

11. **No Waiver by Holder.** Holder shall not be deemed, by any act or omission or commission, to have waived any of its rights or remedies, under this Note, unless the waiver is in writing and signed by the Requisite Sellers as more fully described in Section 15, and then only to the extent specifically set forth in writing. A waiver in one event shall not be construed as continuing or as a bar to or waiver of any right or remedy in a subsequent event.

12. **Transfer.** Neither this Note nor any of the rights, interests or obligations hereunder may be assigned, transferred or conveyed, whether by way of merger, operation of law, consolidation, change in control or otherwise in whole or in part, by Maker or the Holder without the prior written consent of the other party.

13. **Limits on Adjustment.** Notwithstanding anything to the contrary herein, in no event will the Principal Amount hereof be reduced below zero. In no event will any interest charged, collected or reserved under this Note in accordance with its terms exceed the maximum rate then permitted by applicable law, and if any payment made by Maker under this Note exceeds such maximum rate, then such excess sum will be credited by the Holder as a payment of the Principal Amount or returned to Maker (as determined by the Holder).

14. **Security.** Payment of the amounts due hereunder will be secured by a pledge of the membership interests of the Company pursuant to a Pledge Agreement dated the date hereof (the "Pledge Agreement"), from Maker in favor of Sellers' Representative.

15. **Amendments.** This Note, the Pledge Agreement and the Purchase Agreement constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof. This Note or any provision hereunder may not be amended, modified or waived without the prior written consent of the Maker and the Requisite Sellers provided however that any amendment to Section 21 shall also require the written consent of the Sellers' Representative; provided, further no such amendment, modification or waiver shall be binding on the Holder if the Holder did not consent thereto to the extent that such amendment, modification or waiver treats the Holder differently than any Seller.

16. **Subordination**. Maker and Holder each agree that the indebtedness represented by this Note and the Other Notes (as hereinafter defined) and the security interest granted by the Pledge Agreement will not be subordinated to any Indebtedness of the Maker (including, without limitation, any indebtedness guaranteed by the Maker), and that if the Maker desires to incur any secured Indebtedness (or any other Indebtedness which is senior to the indebtedness hereunder or under the Other Notes), prior to incurring such Indebtedness the Maker will cause such lender to enter into an agreement acknowledging the subordination of such indebtedness in a form satisfactory to the Requisite Sellers in their sole discretion.

17. **Signatures.** This Note may be executed in counterparts, each of which shall constitute an original, but all of which together shall be deemed to be and constitute one and the same instrument. Executed signature pages to this Note may be delivered by facsimile or other electronic transmission (including portable document format (PDF)) and any such signature page shall be deemed an original *provided, however,* that Maker shall deliver to the Holder the Maker's original counterpart signature page within five (5) business days from the date hereof. The titles and subtitles used in this Note are included for convenience only and are not to be considered in construing or interpreting this Note.

18. **Binding; Partial Invalidity**. This Note shall be binding upon Maker and its successors and permitted assigns and shall inure to the benefit of the Holder and its successors and permitted assigns. If any provision or any word, term, clause or part of any provision of this Note shall be invalid for any reason, the same shall be ineffective, but the remainder of this Note and of the provision shall not be affected and shall remain in full force and effect. This Note is for the sole benefit of the 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 Note; provided that notwithstanding anything to the contrary herein, each other holder of a Promissory Note and the Sellers' Representative are each an intended third party beneficiary of Section 21.

19. **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 Note and any agreements executed in connection herewith.

20. **Attorneys' Fees**. If any action at law or in equity is necessary to enforce or interpret the terms of this Note, the prevailing party will be entitled to seek reimbursement for all reasonable and documented legal fees, court costs and expenses incurred by the prevailing party in connection with the enforcement or interpretation of this Note with respect to the particular claim on which such party had prevailed (including reasonable legal fees in connection with any litigation, including any appeal therefrom)**.**

21. **Sellers' Representative**.

a) Holder hereby irrevocably appoints, designates and authorizes the Sellers' Representative to take such action on its behalf under the provisions of the Pledge Agreement and to exercise such powers and perform such duties as are expressly delegated to it by the terms of the Pledge Agreement, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in the Pledge Agreement, the Sellers' Representative shall not have any duty or responsibility expect those expressly set forth in the Pledge Agreement, nor shall the Sellers' Representative have or be deemed to have any fiduciary relationship with any Seller, and no implied covenants, functions, responsibilities, duties or obligations or liabilities shall be read into this Note or the Pledge Agreement or otherwise exist against the Pledge Agreement.

b) The Sellers' Representative may execute any of its duties under the Pledge Agreement by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Sellers' Representative shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

c) Neither the Sellers' Representative nor any of its managers, directors, equity holders, officers, employees or agents shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with the Pledge Agreement or the transactions contemplated hereby (except to the extent resulting from its own gross negligence or willful misconduct as determined by a court of competent jurisdiction), or (ii) be responsible in any manner to any Seller for any recital, statement, representation or warranty made by the Company, any other Company Entity, Maker or the Parent or any of their respective Affiliates, or any officer, director, employee, agent or representative of the Company, any other Company Entity, Maker or the Parent or any of their respective Affiliates, contained in the Pledge Agreement, or in any certificate, report statement or other document referred to in or provided for in or received by the Sellers' Representative under or in connection with the Pledge Agreement or the validity, effectiveness, genuineness, enforceability, or sufficiency of the Pledge Agreement (or the creation, perfection or priority of any Encumbrance therein), or for the failure of the Maker or any other party to the Pledge Agreement to perform its obligations thereunder. The Sellers' Representative shall not be under any obligation to any Seller to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, the Pledge Agreement, or to inspect the properties, books or records of the Company, the Maker or any of their respective Affiliates.

d) The Sellers' Representative shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document believed by it to be genuine and correct and to have been signed, sent or made by the proper person or persons, and upon advice and statements of legal counsel (including counsel to the Company), independent accountants and other experts selected by the Sellers' Representative. The Sellers' Representative shall be fully justified in failing or refusing to take any action under the Pledge Agreement unless it shall first receive such advice or concurrence of the Sellers holding Notes having an aggregate principal amount equal to at least a majority of the aggregate principal amount of all Notes then outstanding (the "Requisite Sellers") as it deems appropriate and, if it so requests, confirmation from the Sellers of their obligation to indemnify the Sellers' Representative against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Sellers' Representative shall in all cases be fully protected in acting, or refraining from acting, under the Pledge Agreement in accordance with a request or consent of the Requisite Sellers and such request and any action taken or failure to act pursuant thereto shall be binding upon each Seller.

e) The Sellers' Representative shall not be deemed to have knowledge or notice of the occurrence of any event of default or default under any of any Note or the Pledge Agreement except with respect to defaults in the payment of fees required to be paid to the Sellers' Representative for the account of the Sellers, unless the Sellers' Representative shall have received written notice from a Seller, the Company or the Maker referring to the Pledge Agreement, describing such event of default or default and stating that such notice is a 'notice of default.' The Sellers' Representative will notify the Sellers of its receipt of any such notice or any such defaults. The Sellers' Representative shall take such action with respect to such event of default or default as may be requested by the Requisite Sellers in accordance with the Pledge Agreement; provided that unless and until the Sellers' Representative has received any such request, the Sellers' Representative may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such event of default or default as it shall deem, in its sole discretion, advisable or in the best interests of the Sellers

f) Each Seller acknowledges that the Sellers' Representative has not made any representation or warranty to it and that no act by the Sellers' Representative hereafter taken, including any review of the affairs of the Company, any other Company Entity, the Maker, the Parent or any of their respective Affiliates, shall be deemed to constitute any representation or warranty by the Sellers' Representative to any Seller. Each Seller represents to the Sellers' Representative that it has, independently and without reliance upon the Sellers' Representative and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Maker and its respective Affiliates, and made its own decision to enter into the Purchase Agreement and to accept the Note on the terms and conditions set forth in the Purchase Agreement and the Note. Each Seller represents that it will, independently and without reliance upon the Sellers' Representative and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decision in taking or not taking action under such Seller's Note and the Pledge Agreement, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Maker. The Sellers' Representative shall not have any duty or responsibility to provide any Seller with any credit or other information concerning the business, prospects, operations, property, financial or other condition or creditworthiness of the Maker or its respective Affiliates which may come into the possession of the Sellers' Representative.

g) Each Seller shall indemnify upon demand the Sellers' Representative and its directors, officers, managers, equity holders employees, attorneys and agents, if any (to the extent not reimbursed by or on behalf of the Company or the Maker and without limiting the obligation of the Company or the Maker to do so), based on each Seller's Pro Rata Share, from and against any and all actions, causes of action, suits, losses, liabilities, damages, and expenses, including, without limitation, reasonable legal fees, except to the extent that any result from the Sellers' Representative's own gross negligence or willful misconduct as determined by a court of competent jurisdiction. Without limitation of the foregoing, each Seller shall reimburse the Sellers' Representative upon demand for its Pro Rata Share of any costs or out-of-pocket expenses (including reasonable legal fees) incurred by the Sellers' Representative in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights and responsibilities under, the Pledge Agreement or any document contemplated by or referred to therein, to the extent that the Sellers' Representative is not reimbursed for such expenses by the Company. The obligations of this Section 22(g) shall survive the repayment of this Note, cancellation or conversion of this Note, termination of the Pledge Agreement or the resignation or replacement of the Sellers' Representative. "Pro Rata Share" means with respect to any Seller, the percentage determined by dividing the aggregate principal amount of the Note held by such Seller by the aggregate principal amount of all Notes determined at the time the applicable event giving rise to the payment obligations set forth in this Section 22(g) occurs.

h) The Sellers' Representative and any of its Affiliates may make loans to, acquire equity interests in and engage in any kind of trust, financial, advisory or other business with the Maker or any of its Affiliates as though the Sellers' Representative was not the Sellers' Representative hereunder and without notice to or consent of any Seller. Each Seller acknowledges that, pursuant to such activities, the Sellers' Representative or its Affiliates may receive information about the Maker or its Affiliates (including information that may be subject to confidentiality obligations in favor of the Company or one of its Affiliates) and acknowledges that the Sellers' Representative shall be under no obligation to deliver such information to them. With respect to the Notes, the Sellers' Representative (if a noteholder) and its Affiliates shall have the same rights and powers under the Sellers' Representative's Note as any other Seller and may exercise the same as though it was not the Sellers' Representative and the terms "Seller" and "Sellers" shall include the Sellers' Representative and its Affiliates, to the extent applicable, in their individual capacities.

i) The Sellers' Representative may resign as Sellers' Representative at any time upon thirty (30) days' prior notice to the Sellers. If no successor agent has accepted appointment as the Sellers' Representative or the Requisite Sellers have not appointed a successor agent by the date which is thirty (30) days following a retiring Sellers' Representative's notice of resignation, the retiring Sellers Representative's resignation shall nevertheless thereupon become effective and the Requisite Sellers shall perform all of the duties of the Sellers' Representative under the Pledge Agreement until such time, if any, as the Requisite Sellers appoint a successor agent as provided for in this Section 22(i). Upon acceptance of appointment as successor agent hereunder, such successor agent shall succeed to all rights, powers and duties of the retiring Sellers' Representative and the term "Sellers' Representative" shall mean such successor agent, and the retiring Sellers' Representative's appointment, powers and duties as Sellers' Representative shall be terminated. After any retiring Sellers' Representative's resignation hereunder as Sellers' Representative, the provisions of this Section 22 shall continue to inure to its benefit as to any actions taken or omitted to be taken by it while it was the Sellers' Representative under the Pledge Agreement.

j) The Sellers irrevocably authorize the Sellers' Representative, at its option and discretion, (a) to release any Encumbrances granted to or held by the Agent under the Pledge Agreement (i) when all of the Secured Obligations (as defined in the Pledge Agreement) have been paid in full, or (ii) subject to the terms hereof, if approved, authorized or ratified in writing by the Requisite Sellers.

22. Affiliates. The parties hereto acknowledge and agree that, for purposes of clarity both CSAC Holdings and CSAC Acquisition are Affiliates of the Parent, the Maker and/or the Company.

23. Other Notes. This Note is being given to the Holder pursuant to the transactions contemplated by the Purchase Agreement and in connection therewith, the Company is issuing each other Seller additional promissory notes (the "Other Notes") on the terms and conditions set forth in the Purchase Agreement. The Holder hereby acknowledges that this Note (and all rights to payment hereunder) rank pari-passu with the Other Notes. All payments made under this Note or any Other Note shall be allocated between the Sellers with each Seller receiving its pro rata share of such payment based on the ratio that the principal amount of such Seller's Note (or Other Note) bears to the aggregate principal of this Note and all Other Notes; provided however that the foregoing shall not relieve the Maker of its payment obligations under this Note and all other Notes.

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IN WITNESS WHEREOF, the undersigned has executed this Note as of the day and year first set forth above.

MAKER:

[CSAC ACQUISITION AZ INC.]

By: _____
Name: Jonathan Sandelman
Title: President

HOLDER

_____
[ ]

Signature Page to Promissory Note

Exhibit B

Form of Pledge Agreement

(See attached)

PLEDGE AGREEMENT

This Pledge Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "**Agreement**") is dated as of March __, 2021, by and among CSAC Acquisition AZ Corp. (the "**Pledgor**") and TJV-168, LLC, an Arizona limited liability company, acting in its capacity as agent on behalf of the Sellers (as defined below) (the "**Secured Party**").

Background

A. In connection with the transactions contemplated by the Membership Interest Purchase Agreement dated as of January 27, 2021, as amended (the "**Purchase Agreement**") by and among AYR Wellness Inc. (formerly AYR Strategies Inc.), the Pledgor, Blue Camo LLC (the "**Company**"), the members of the Company (the "**Sellers**") and the Secured Party as the Sellers' Representative (as defined in the Purchase Agreement), whereby each Seller will sell the Company Interests (as defined in the Purchase Agreement) owned by such Seller to the Pledgor for the consideration described in the Purchase Agreement.

B. A portion of the consideration payable by the Pledgor under the Purchase Agreement is the issuance of Promissory Notes to each Seller in substantially the form attached hereto as Exhibit A (the "Notes").

C. This Agreement is given by the Pledgor in favor of the Secured Party acting in its capacity as agent for the Sellers (as described in the Notes) to secure the payment and performance of all of the Secured Obligations (as defined below).

D. It is a condition to the consummation of the transactions contemplated by the Purchase Agreement, that the Pledgor executes and delivers this Agreement.

Agreement

In consideration of the benefits accruing to the Pledgor under the Purchase Agreement, and other good and valuable consideration, receipt whereof is hereby acknowledged, the parties hereto agree as follows:

Section 1. Grant of Security Interest in the Collateral. As security for the Secured Obligations defined below, the Pledgor hereby grants to the Secured Party, acting as agent for the Sellers, and its successors and assigns, a security interest in and a continuing lien on all right, title, and interest of the Pledgor in, to and under all of the following property, in each case, whether now owned or existing or, hereafter created, acquired or arising, and in whatever form:

(a) Pledged Securities. (i) All membership or other equity interest in the Company (the "**Pledged Equity**") and any certificates representing such Pledged Equity (if any), (ii) unless otherwise provided herein, any and all payments and distributions of whatever kind or character, whether in cash (subject to the terms and conditions of this Agreement) or other property, at any time made, owing or payable to the Pledgor in respect of or on account of the Pledged Equity, whether due or to become due and whether representing profits, distributions pursuant to complete or partial liquidation or dissolution of the Company, distributions representing the complete or partial redemption of the Pledged Equity or repayment of capital contributions with respect to the Pledged Equity and the right to receive, receipt for, use, and enjoy all such payments and distributions, (iii) all books and records (in whatever form or media, including without limitation computerized records, software and disks) relating to any of the foregoing, (iv) all general intangibles relating to or arising out of any of the foregoing, (v) all rights to subscribe for securities declared or granted in connection therewith and (vi) all proceeds, products and substitutions of any of the foregoing (including, without limitation, proceeds constituting any property of the types described above) and (vi) all other rights and privileges (including voting rights) incident to the Pledged Equity (all of the foregoing being hereinafter referred to as the "**Pledged Securities**"); provided that in the event that during the term of this Agreement any reclassification, readjustment or other change is declared or made in the capital structure of Company, all new, substituted and additional participating or other equity interests issued by reason of any such change or acquisition shall be deemed to be part of the "Pledged Securities" under the terms of this Agreement in the same manner as the equity interests originally pledged hereunder; provided further that any additional equity interests of the Company obtained by the Pledgor shall automatically and without any further action of any party hereto be deemed to be part of the Pledged Securities hereunder.

(b) Proceeds. All proceeds of the foregoing;

all of the foregoing being herein sometimes referred to as the "**Collateral**". All terms which are used in this Agreement which are defined in the Uniform Commercial Code of the State of Arizona ("**UCC**") (as in effect from time to time; provided that, if by reason of mandatory provisions of Law, perfection, or the effect of perfection or non-perfection, of a security interest in any Collateral or the availability of any remedy under this Agreement is governed by the Uniform Commercial Code as in effect in a jurisdiction other than Arizona "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy, as the case may) be shall (whether or not capitalized) have the same meanings herein as such terms are defined in the UCC, unless this Agreement shall otherwise specifically provide.

Section 2. *Secured Obligations.* This Agreement is made and given to secure, and shall secure, the prompt payment and performance of (a) all amounts (whether advances, interest or otherwise) and all other the obligations of the Pledgor under each of the Notes and this Agreement (the "**Secured Obligations**"), which, for purposes of clarity, shall include interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Pledgor, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) under any Note or this Agreement, (b) all costs and expenses incurred by the Secured Party or any Seller under or in connection with this Agreement or any Note; (c) all costs and expenses (including reasonable attorney fees and disbursements) incurred by the Secured Party or a Seller in connection with collection or the enforcement of its or their rights under this Agreement or any Note; and (d) and all other obligations and liabilities of the Pledgor to the Secured Party or a Seller, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, or out of or in connection with the this Agreement or any Note, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs or expenses.

Section 3. *Covenants, Agreements, Representations and Warranties.* The Pledgor hereby covenants and agrees with, and represents and warrants to the Secured Party that:

(a) The Pledgor is duly organized and validly existing in good standing under the Laws (as defined in the Purchase Agreement) of the jurisdiction of its organization. The Pledgor is the sole and lawful legal, record, and beneficial owner of the Collateral, and has full right, power, and authority to enter into this Agreement and to perform each and all of its obligations herein provided for. The execution and delivery of this Agreement, and the performance of each of the obligations herein set forth, will not (i) contravene or constitute a default under any applicable Law (as defined in the Purchase Agreement) in any material respect that is binding upon the Pledgor or any provision of the Pledgor's organizational documents or any material contract in any material respect or (ii) result in the creation or imposition of any security interest in or other lien on any Collateral except for the security interest granted to the Secured Party hereunder and any Permitted Restrictions (as hereinafter defined).

(b) The Collateral and every part thereof is and shall be free and clear of all security interests, liens, attachments, levies, and encumbrances of every kind, nature, and description and whether voluntary or involuntary, other than restrictions imposed by federal and state securities Laws and those imposed by that certain Limited Liability Company Agreement of the Company dated as of May 11, 2020, as may be amended or amended and restated from time to time (the "**Operating Agreement**") (such restrictions, the "**Permitted Restrictions**"). The Pledgor shall warrant and defend the Collateral against any claims and demands of all persons at any time claiming the same or any interest in the Collateral (other than in connection with the Permitted Restrictions) adverse to the Secured Party.

(c) The pledge of the Pledged Securities pursuant to this Agreement creates a valid and perfected security interest in the Pledged Securities (having priority over all security interests other than Permitted Restrictions) and all filing and other actions necessary or desirable to perfect and protect such security interest have been or, concurrently herewith, will be duly made or taken

(d) No additional permit, notice or consent of any person, entity or governmental agency or subdivision is required for (i) the pledge by the Pledgor of the Pledged Securities pursuant to this Agreement or the execution, delivery or performance of this Agreement by the Pledgor, (ii) the perfection of the Secured Party's security interest in the Collateral, or (iii) the exercise by the Secured Party of the voting or other rights provided for in this Agreement or the remedies in respect of the Collateral pursuant to this Agreement (except as may be required in connection with the disposition of the interests by Laws affecting the offering and sale of securities generally or under the Operating Agreement).

(e) The Pledgor agrees to execute and deliver to the Secured Party such further agreements, assignments, instruments, and documents, and to do all such other things, as the Secured Party may deem reasonably necessary or appropriate to assure the Secured Party its lien and security interest hereunder, including, without limitation, such assignments, acknowledgments, membership interest powers, financing statements, and amendments thereof or supplements thereto, or other instruments and documents as the Secured Party may from time to time reasonably require in order to comply with the UCC (including, but not limited to, all actions necessary for the Secured Party to obtain possession or control as defined in Section 8-106 of the UCC) The Pledgor hereby authorizes the Secured Party to file any and all financing statements covering the Collateral or any part thereof as the Secured Party may require

(f) As of the date hereof, no effective election has been made under Article 8 of the UCC to cause the Pledged Securities to be deemed a security within the meaning of Article 8 of the UCC and the Pledged Securities are uncertificated. The Pledgor hereby acknowledges and agrees that it shall not cause the Company to (and the Company shall not) make any such election under Article 8 of the UCC and the Pledged Securities shall only be certificated upon not less than 30 days' prior written notice provided to the Secured Party in accordance with Section 10(a), and upon such certification, the Pledgor shall immediately deliver possession or grant control over the Pledged Securities to the Secured Party, accompanied by an instrument of assignment duly executed in blank by the Pledgor, The Pledgor shall cause (and the Company shall update) the books of the Company to reflect the pledge of the Pledged Securities. In addition to the covenants set forth above, the Pledgor hereby covenants that the Pledgor will not (and will cause the Company not to) opt into Article 8 of the UCC.

(g) Possession and Control. The Pledgor hereby agrees to take any or all action that may be necessary or desirable or that the Secured Party may reasonably request in order for the Secured Party to obtain prompt possession or control in accordance with Sections 9-105 – 9-107 of the UCC with respect to the Pledged Securities.

(h) Until the repayment in full of all of the Secured Obligations, the Pledgor shall not sell, assign, transfer, convey or otherwise dispose of any of the Collateral.

As used in this Agreement, "**Enforcement Event**" means the occurrence and continuance of an Event of Default (as such term is defined in the Notes).

Section 4. *Special Provisions Re: Pledged Securities.*

(a) The Pledgor represents and warrants to, and agrees with, the Secured Party the Pledged Equity listed and described on Schedule A attached hereto constitutes one hundred percent (100%) of the membership interests in the Company.

(b) The Secured Party may, at any time after the occurrence and continuance of an Enforcement Event, exercise all remedies available to it hereunder on the terms and conditions set forth herein. Notwithstanding anything to the contrary herein, Secured Party may exercise any remedies hereunder after the occurrence and during the continuance of an Enforcement Event in accordance with the terms of this Agreement without exhausting any remedies the Sellers may have against the Pledgor under any Note.

(c) Subject to Section 5, the Pledgor has the right to vote its interest in the Company (except as set forth herein, in the Operating Agreement) and there are no restrictions upon the voting rights associated with, or the transfer of, any of the Pledged Securities, except as Permitted Restrictions.

(d) The Pledgor hereby acknowledges and agrees that it shall not cause the Company to (and the Company shall not) issue any equity securities or securities convertible into equity securities of the Company unless the Pledgor or the third party receiving such equity securities or securities convertible into or exercisable for such equity securities pledges and deposits hereunder, or cause to be pledged and deposited hereunder, all such additional equity securities of the Company or securities convertible into or exercisable for such equity securities of the Company.

Section 5. *Voting Rights and Dividends.* Unless and until the occurrence and continuance of an Enforcement Event:

(a) The Pledgor shall be entitled to exercise all voting and/or consensual powers pertaining to the Collateral or any part thereof, for all purposes; provided that no such vote shall be inconsistent with the terms of this Agreement or any Note;

(b) Subject to the terms of this Agreement, the Pledgor shall be entitled to receive and retain all dividends and distributions in respect of the Collateral which are paid in cash or other property of whatsoever nature (other than equity securities or securities convertible into or exercisable for equity securities); and

(c) In order to permit the Pledgor to exercise such voting and/or consensual powers which it is entitled to exercise under subsection (a) above and to receive such distributions which the Pledgor is entitled to receive and retain under subsection (b) above, the Secured Party will, if necessary, upon the written request of the Pledgor, from time to time prior to the occurrence and continuance of any Enforcement Event, execute and deliver to such Pledgor appropriate proxies and distribution orders.

Section 6. *Power of Attorney.* In addition to any other powers of attorney contained herein, after the occurrence and continuance of an Enforcement Event the Pledgor hereby appoints the Secured Party or its nominee with full power and authority to: exercise all voting rights with respect to the Collateral or any part thereof; to endorse or sign the Pledgor's name on assignments, stock powers or other instruments of transfer; and to do all things necessary to carry out this Agreement. The Pledgor agrees that neither the Secured Party nor any such attorney will be liable for any acts or omissions or for any error of judgment or mistake of fact or Law other than such person's gross negligence or willful misconduct; provided that, in no event shall they be liable for any punitive, exemplary, indirect or consequential damages. The foregoing powers of attorney, being coupled with an interest, are irrevocable until the Secured Obligations (other than contingent obligations for which no claims have been asserted) have been fully paid and satisfied.

Section 7. *Defaults and Remedies.*

(a) Upon the occurrence and during the continuance of an Enforcement Event, the Secured Party shall have, in addition to all other rights provided herein or by Law, the rights and remedies of a secured party under the UCC, and further the Secured Party may, except as otherwise provided in this Agreement, the UCC or applicable Law, without demand and, to the extent permitted by applicable Law, without advertisement, notice, hearing or process of Law, all of which the Pledgor hereby waives to the extent permitted by applicable Law, at any time or times, sell and deliver any or all of the Collateral held by or for it at public or private sale, at any securities exchange or broker's board or at any of the Secured Party's offices or elsewhere, for cash, upon credit or otherwise, at such prices and upon such terms as the Secured Party deems advisable to obtain the best possible price for the Collateral. In addition to all other sums due to the Secured Party hereunder, Pledgor shall pay the Secured Party all reasonable out-of-pocket expenses incurred by the Secured Party, including reasonable fees, charges and disbursements of counsel and court costs, in obtaining, liquidating or enforcing payment of Collateral or in the prosecution or defense of any action or proceeding by or against the Secured Party by the Pledgor or the Pledgor concerning any matter arising out of or connected with this Agreement or the Collateral, including, without limitation, any of the foregoing arising in, arising under or related to a case under the United States Bankruptcy Code (or any successor statute). Any requirement of reasonable notice shall be met if such notice is personally served on or mailed, postage prepaid, to the Pledgor in accordance with Section 10(b) hereof at least 10 days before the time of sale or other event giving rise to the requirement of such notice; *provided, however,* that no notification need be given to the Pledgor if the Pledgor has signed, after an Enforcement Event has occurred and is continuing, a statement renouncing any right to notification of sale or other intended disposition. The Secured Party shall not be obligated to make any sale or other disposition of the Collateral regardless of notice having been given. To the extent permitted by Law, the Secured Party may be the purchaser at any such sale. To the extent permitted by Law, the Pledgor hereby waives all of its rights of redemption from any such sale. The Secured Party may postpone or cause the postponement of the sale of all or any portion of the Collateral by announcement at the time and place of such sale, and such sale may, without further notice, be made at the time and place to which the sale was postponed or the Secured Party may further postpone such sale by announcement made at such time and place.

(b) The Pledgor agrees that if any part of the Collateral is sold at any public or private sale, the Secured Party may elect to sell only to a buyer who will give further assurances, satisfactory in form and substance to the Secured Party, respecting compliance with the requirements of the United States Securities Act of 1933, as amended, and applicable state securities Laws, and a sale subject to such condition shall be deemed commercially reasonable.

(c) The Pledgor further agrees that in any sale of any part of the Collateral, the Secured Party is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable Law (including, without limitation, compliance with such procedures as may restrict the number of prospective bidders and purchasers and/or further restrict such prospective bidders or purchasers to persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral) or in order to obtain any required approval of the sale or of the purchaser by any governmental regulatory authority or official, and the Pledgor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Secured Party be liable or accountable to the Pledgor for any discount allowed by reason of the fact that such collateral is sold in compliance with any such limitation or restriction. The Secured Party acknowledges that all Collateral shall remain subject to the Operating Agreement, the Secured Party shall be bound by and subject to the Operating Agreement in the event that it takes possession of any of the Collateral and that without limiting the generality of the foregoing, any sale of the Collateral must be made in compliance with the Operating Agreement.

(d) Without in any way limiting the foregoing, upon the occurrence and during the continuance of an Enforcement Event, all rights of the Pledgor to receive and retain the distributions which they are entitled to receive and retain pursuant to Section 5(b) hereof shall, at the option of the Secured Party, cease and thereupon become vested in the Secured Party which, in addition to all other rights provided herein or by Law, shall then be entitled solely and exclusively to receive and retain the distributions which the Pledgor would otherwise have been authorized to retain pursuant to Section 5(b) hereof and all rights of the Pledgor to exercise the voting and/or consensual powers which they are entitled to exercise pursuant to Section 5(a) hereof shall, at the option of the Secured Party, cease and thereupon become vested in the Secured Party which, in addition to all other rights provided herein or by Law, shall then be entitled solely and exclusively to exercise all voting and other consensual powers pertaining to the Collateral and to exercise any and all rights of conversion, exchange or subscription and any other rights, privileges or options pertaining thereto as if the Secured Party were the absolute owner thereof, including the right to exchange, at its discretion, the Collateral or any part thereof upon the merger, consolidation, reorganization, recapitalization or other readjustment of the Company or upon the exercise by or on behalf of the Company or the Secured Party of any right, privilege or option pertaining to the Collateral or any part thereof and, in connection therewith, to deposit and deliver the Collateral or any part thereof with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Secured Party may determine.

(e) Upon the occurrence and continuance of an Enforcement Event, the Pledgor hereby irrevocably constitutes and appoints the Secured Party as its proxy and attorney-in-fact with respect to its Collateral, including the right to vote such Collateral, with full power of substitution to do so. In addition to the right to vote any such Collateral, the appointment of the agent as proxy and attorney-in-fact upon the occurrence and continuance of an Enforcement Event shall include the right to exercise all other rights, powers, privileges and remedies to which a holder of such Collateral would be entitled (including giving or withholding written consents of shareholders or other equity holders, calling special meetings of shareholders or other equity holders and voting at such meetings). The foregoing powers of attorney and proxy, being coupled with an interest, are irrevocable until the Secured Obligations have been fully paid and satisfied (other than contingent indemnification obligations for which no claims has been asserted).

(f) The powers conferred upon the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose on the Secured Party any duties to exercise such powers. The Secured Party shall have no responsibility (other than to act in a commercially reasonable manner) for (i) ascertaining or taking any action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters, or (ii) initiating any action to protect the Collateral or any part thereof against the possibility of a decline in market value. This Agreement constitutes an assignment of rights only and not an assignment of any duties or obligations of the Pledgor in any way related to the Collateral, and the Secured Party shall have no duty or obligation to discharge any such duty or obligation. Neither the Secured Party nor any party acting as attorney for any Secured Party shall be liable hereunder for any acts or omissions or for any error of judgment or mistake of fact or Law other than such person's gross negligence or willful misconduct; provided that, in no event shall they be liable for any punitive, exemplary, indirect or consequential damages.

(g) Failure by the Secured Party to exercise any right, remedy or option under this Agreement, or delay by the Secured Party in exercising the same, shall not operate as a waiver; and no waiver shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated. The rights and remedies of the Secured Party under this Agreement shall be cumulative and not exclusive of any other right or remedy which the Secured Party may have.

(h) The Pledgor shall indemnify, defend and hold harmless the Secured Party and its officers, directors, managers, equityholders, agent, representative and every attorney appointed pursuant to this Agreement (a) in respect of all liabilities and expenses incurred by them in good faith in the execution, enforcement or purported execution of any rights, powers or discretions vested in them pursuant to this Agreement, and (b) for any losses arising in connection with the exercise or purported exercise of any of their rights, powers and discretions hereunder except that Secured Party and its officers, directors, managers, equityholders, agent, representative and every attorney will be liable for any liabilities, expenses and losses which arise as a result of their own willful misconduct or gross negligence.

Notwithstanding anything to the contrary herein, the Secured Party shall exercise all rights and remedies hereunder in accordance with the UCC, the Operating Agreement and other applicable Laws.

Section 8. *Application of Proceeds.* The proceeds and avails of the Collateral at any time received by the Secured Party upon the occurrence and during the continuance of an Enforcement Event shall, when received by the Secured Party in cash or its equivalent, be applied by the Secured Party in reduction of the Secured Obligations. Any surplus remaining after the full payment and satisfaction of the Secured Obligations shall be returned to the Pledgor. To the extent the Secured Party holds a security interest in other assets or interests of the Company or the Pledgor, nothing contained herein shall require the Secured Party to proceed against any security interest in any of the assets or interests of the Company or the Pledgor prior to enforcing its rights against the Collateral.

Section 9. *Continuing Agreement.* Except as otherwise provided herein, this Agreement shall be a continuing agreement in every respect and shall remain in full force and effect until all of the Secured Obligations, both for principal and interest, have been fully paid and satisfied (other than contingent obligations for which no claims has been asserted). Upon such termination of this Agreement, the Secured Party shall, upon the request and at the expense of the Pledgor, forthwith release all its liens and security interests hereunder.

Section 10. *Miscellaneous.*

(a) This Agreement cannot be changed or terminated orally. This Agreement shall create a continuing lien on and security interest in the Collateral and shall be binding upon the Pledgor, its successors and assigns, and shall inure, together with the rights and remedies of the Secured Party hereunder, and its successors and permitted assigns; provided, however, that the Pledgor may not assign its rights or delegate its duties hereunder without the Secured Party's prior written consent.

(a) All notices and other communications provided for hereunder shall be given in the form and manner and delivered to the Secured Party at its address specified in the Purchase Agreement, and to the Pledgor at its address specified in the Purchase Agreement or, as to any party, at such other address as shall be designated by such party in a written notice to the other party.

(b) In the event and to the extent that any provision hereof shall be deemed to be invalid or unenforceable by reason of the operation of any Law or by reason of the interpretation placed thereon by any court, this Agreement shall to such extent be construed as not containing such provision, but only as to such jurisdictions where such Law or interpretation is operative, and the invalidity or unenforceability of such provision shall not affect the validity of any remaining provision hereof, and any and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

(c) This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. The Pledgor's transmission of a signed copy this Agreement by email or by facsimile constitutes execution and delivery of this Agreement by the Pledgor and is as effective as the Pledgor manually executing and delivering an original signed Agreement to the Secured Party.

(d) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ARIZONA, WITHOUT REGARD TO ITS CONFLICTS OF LAW PROVISIONS.

(e) FOR PURPOSES OF ANY SUIT, ACTION OR PROCEEDING INVOLVING THIS AGREEMENT, EACH PARTY EXPRESSLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN THE STATE OF ARIZONA AND AGREES THAT ANY ORDER, PROCESS OR OTHER PAPER MAY BE SERVED UPON SUCH PARTY WITHIN OR WITHOUT SUCH COURT'S JURISDICTION BY MAILING A COPY TO SUCH PARTY IN ACCORDANCE WITH THIS AGREEMENT. EACH PARTY IRREVOCABLY WAIVES ANY OBJECTION SUCH PARTY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT BROUGHT IN ANY SUCH COURT AND FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING CONTAINED IN THIS AGREEMENT SHALL AFFECT THE SECURED PARTY'S RIGHT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING ANY ACTION OR PROCEEDING AGAINST ANY PLEDGOR'S COLLATERAL IN THE COURTS OF ANY OTHER JURISDICTION.

(f) EACH PARTY, AND BY ITS ACCEPTANCE OF THIS AGREEMENT, THE SECURED PARTY, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT TO A JURY TRIAL OF ANY DISPUTE RELATING TO THIS AGREEMENT AND AGREE THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Pledgor has caused this Agreement to be duly executed and delivered as of the date first above written.

"PLEDGOR"

CSAC Acquisition AZ Corp.

By _____
Name:
Title:

Acknowledged and agreed to as of the date first above written.

TJV-168, LLC, as Secured Party

By _____
Name _____
Title _____

Acknowledged and agreed to as of the date first above written.

BLUE CAMO LLC

By _____
Name:
Title:

SCHEDULE A TO PLEDGE AGREEMENT THE PLEDGED EQUITY

NAME OF PLEDGOR	INTERESTS IN COMPANY	CERTIFICATE NO.	JURISDICTION OF ORGANIZATION OR RESIDENCE	PERCENTAGE INTEREST IN COMPANY (VOTING)	PERCENTAGE INTERESTS IN COMPANY (ECONOMIC)
CSAC Acquisition AZ Corp.	100%	N/A	Nevada	100%	100%

EXHIBIT A

FORM OF NOTE

(SEE ATTACHED)

Ayr Wellness Announces the Opening of Two New Stores in Florida

Liberty Health Sebring and Palm Bay Become the 32nd and 33rd Stores in the State and Increase Ayr's Total Dispensary Count to 49

Toronto, Ontario, April 8, 2021– Ayr Wellness Inc. (CSE: AYR.A, OTCQX: AYRWF) ("Ayr," "Ayr Wellness," "we," "us," "our," or the "Company"), a vertically-integrated cannabis multi-state operator (MSO), today announced the grand opening of two new dispensaries in Florida under the Liberty Health Sciences ("LHS") banner. This marks Ayr's 32nd and 33rd Florida dispensaries bringing its total retail footprint to 49 stores across seven states (including the pending acquisition in New Jersey).

LHS Sebring is located at 135 US Hwy 27 N, Sebring, FL and represents the Company's first dispensary in Highlands County, located in central Florida with a population of approximately 100,000. The 4,000 ft^2 store is conveniently located on a major traffic hub with 10 parking spots available for patients.

LHS Palm Bay is located at 4805 Babcock St NE, Palm Bay, FL and will serve a population of approximately 120,000 on Florida's east coast. The 2,800 ft^2 store will also feature drive-thru service for convenient patient pick-up.

"We are thrilled to be increasing access to medical cannabis to the patients of Sebring and Palm Bay, and we look forward to offering them quality, choice and excellent customer service. Whether you're an experienced cannabis patient or coming in for a first-time consultation, you will find exciting, high quality products to lead you on your journey to wellness and wonder," said Jonathan Sandelman, CEO of Ayr Wellness.

During the grand opening celebrations for both stores, patients will enjoy a 15% discount on all products, free merchandise giveaways and the availability of private onsite consultations. Please visit Ayr's website here for additional information, store hours and store menus.

Ayr Wellness completed the acquisition of Liberty Health Sciences in an all-stock transaction on February 26, 2021. The Company plans to have 42 stores open by the end of 2021. The Florida medical marijuana market continues to show robust growth with the Florida Office of Medical Marijuana Use reporting over 520,000 registered patients as of April 2, 2021, up 57% year-over-year.

Forward-Looking Statements

Certain information contained in this news release may be forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "target", "expect", "anticipate", "believe", "foresee", "could", "would", "estimate", "goal", "outlook", "intend", "plan", "seek", "will", "may", "tracking", "pacing" and "should" and similar expressions or words suggesting future outcomes. This news release includes forward-looking information and statements pertaining to, among other things, Ayr's future growth plans. Numerous risks and uncertainties could cause the actual events and results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: anticipated strategic, operational and competitive benefits may not be realized; events or series of events, including in connection with COVID-19, may cause business interruptions; required regulatory approvals may not be obtained; acquisitions may not be able to be completed on satisfactory terms or at all; the completion and success of our new cultivation facilities; and Ayr may not be able to raise additional debt or equity capital if required. Among other things, Ayr has assumed that its businesses will operate as anticipated, that it will be able to complete acquisitions on reasonable terms, that its new cultivation facilities will be completed on time and on budget and will be successful, and that all required regulatory approvals will be obtained on satisfactory terms and within expected time frames. In particular, there can be no assurance that we will complete all pending acquisitions in or enter into agreements with respect to other acquisitions.

About Ayr Wellness

Ayr is an expanding vertically integrated, U.S. multi-state cannabis operator, focused on delivering the highest quality cannabis products and customer experience throughout its footprint. Based on the belief that everything starts with the quality of the plant, the Company is focused on superior cultivation to grow superior branded cannabis products. Ayr strives to enrich consumers' experience every day through the wellness and wonder of cannabis.

Ayr's leadership team brings proven expertise in growing successful businesses through disciplined operational and financial management, and is committed to driving positive impact for customers, employees and the communities they touch. For more information, please visit www.ayrwellness.com.

Company Contact:

Megan Kulick
Head of Investor Relations
T: (646) 977-7914
Email: IR@ayrwellness.com

Investor Relations Contact:

Sean Mansouri, CFA or Cody Slach
Gateway Investor Relations
T: (949) 574-3860
Email: IR@ayrwellness.com

Exhibit 99.11

Ayr Wellness 12.5% Senior Secured Notes Begin Trading on the CSE

Toronto, Ontario, April 20, 2021 – Ayr Wellness Inc. (CSE: AYR.A, OTC: AYRWF) ("Ayr" or the "Company"), a leading vertically integrated cannabis multi-state operator, is pleased to announce that its 12.5% Senior Secured Notes (the "Notes") will begin trading on the CSE, effective April 21, 2021 under the ticker symbol "AYR.NT.U"

The Senior Notes:

Ayr issued US$110 million Notes in an oversubscribed private placement led by Canaccord Genuity Corp. in December 2020. Listing on the CSE follows the expiry of the four-month holding period under Canadian Securities Laws. The Notes pay interest of 12.5% per annum (semi-annually) and mature on December 10, 2024.

The Notes contain certain covenants and restrictions on Ayr's business, including restrictions on the incurrence of debt, asset sales and dividends and other distributions. The Notes are secured by a first-priority security interest in specified assets of Ayr and certain of its subsidiaries. Detailed information on the Notes can be found in the trust indenture filed on SEDAR.

About Ayr Wellness

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Company Contact:

Megan Kulick
Head of Investor Relations
T: (646)977-7914
Email: IR@ayrwellness.com

Investor Relations Contact:

Cody Cree or Jackie Keshner
Gateway Investor Relations
T: (949) 574-3860
Email: IR@ayrwellness.com

Ayr Wellness Celebrates 4/20 With Record Sales

Over 14,200 Transactions Processed, Generating US$1.2 Million in Daily Sales

Toronto, Ontario, April 21, 2021– Ayr Wellness Inc. (CSE: AYR.A, OTCQX: AYRWF) ("Ayr," "Ayr Wellness," "we," "us," "our," or the "Company"), a vertically-integrated cannabis multi-state operator (MSO), celebrated the 420 Holiday with retail sales records across its six-state footprint. Nevada, Massachusetts and Pennsylvania all had record days. In total, the Company saw 14,241 transactions and $1.24 million in sales yesterday, for an average ticket of US$87. Retail gross margin remained high at over 50%.

In Nevada, where the local economy is seeing the benefits of the reopening of the casinos and entertainment venues, Ayr, through its service and operation agreements with licensed operators, saw over 7,500 transactions, including over 2,000 in its busiest location in Henderson, NV, 30% above its average daily count.

"I could not be prouder of our Ayr Wellness team. This 420 we set a new standard for performance and customer service with over 14,200 transactions processed in one day. As cannabis continues to mainstream throughout our culture and 420 increasingly becomes a "National Holiday", we are thrilled to provide our consumers with an exceptional customer experience, excellent products and new ways to safely celebrate the wellness and wonder of cannabis," said Jonathan Sandelman, CEO of Ayr Wellness.

Sira Natural, Somerville, MA

Mynt, Reno, NV

About Ayr Wellness

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T: (646) 977-7914
Email: IR@ayrwellness.com

Investor Relations Contact:

Cody Slach or Jackie Keshner
Gateway Investor Relations
T: (949) 574-3860
Email: IR@ayrwellness.com

Ayr Wellness Announces the Opening of Milestone 50th Dispensary

Liberty Health Mary Esther Becomes the 34th Store in Florida and Increases Ayr's Total Dispensary Count to 50

Toronto, Ontario, April 26, 2021– Ayr Wellness Inc. (CSE: AYR.A, OTCQX: AYRWF) ("Ayr," "Ayr Wellness," "we," "us," "our," or the "Company"), a vertically-integrated cannabis multi-state operator (MSO), today announced the grand opening of a new dispensary in Mary Esther, Florida under the Liberty Health Science ("LHS") banner. The new location is Ayr's 34 th in Florida and brings Ayr's total retail footprint to a milestone 50 stores across seven states (including the pending acquisition in New Jersey).

LHS Mary Esther is located at 421 Mary Esther Blvd., Mary Esther, FL. Mary Esther is a town on Florida's Emerald Coast in Okaloosa County (population of approximately 180,000). The 3200 ft^2 store is conveniently located just off of Route 98, the major coastal thoroughfare connecting the Gulf Coast communities from Panama City to Pensacola.

During the grand opening celebration, patients will enjoy a 15% discount on all products, free merchandise giveaways and the availability of private onsite consultations. Please visit Liberty's website here for additional information, store hours and store menus.

Ayr Wellness completed the acquisition of Liberty Health Sciences in an all-stock transaction on February 26, 2021. The Company plans to have 42 stores open in Florida by the end of 2021. The Florida medical marijuana market continues to show robust growth with the Florida Office of Medical Marijuana Use reporting over 540,000 registered patients as of April 23, 2021, up 61% year-over-year.

Forward-Looking Statements

Certain information contained in this news release may be forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "target", "expect", "anticipate", "believe", "foresee", "could", "would", "estimate", "goal", "outlook", "intend", "plan", "seek", "will", "may", "tracking", "pacing" and "should" and similar expressions or words suggesting future outcomes. This news release includes forward-looking information and statements pertaining to, among other things, Ayr's future growth plans. Numerous risks and uncertainties could cause the actual events and results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: anticipated strategic, operational and competitive benefits may not be realized; events or series of events, including in connection with COVID-19, may cause business interruptions; required regulatory approvals may not be obtained; acquisitions may not be able to be completed on satisfactory terms or at all; the completion and success of our new cultivation facilities; and Ayr may not be able to raise additional debt or equity capital if required. Among other things, Ayr has assumed that its businesses will operate as anticipated, that it will be able to complete acquisitions on reasonable terms, that its new cultivation facilities will be completed on time and on budget and will be successful, and that all required regulatory approvals will be obtained on satisfactory terms and within expected time frames. In particular, there can be no assurance that we will complete all pending acquisitions in or enter into agreements with respect to other acquisitions.

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Cody Cree or Jackie Keshner
Gateway Investor Relations
T: (949) 574-3860
Email: ayr@gatewayir.com

Exhibit 99.14

Ayr Wellness Reminds Rights Holders to Convert Prior to May 25, 2021 Expiration

Toronto, Ontario, May 17, 2021 – Ayr Wellness Inc. (CSE: AYR.A, OTC: AYRWF) ("Ayr" or the "Company"), a leading vertically integrated cannabis multi-state operator, reminds holders of Ayr Rights (Ticker AYR.RT) to convert their rights into Ayr Subordinate, Restricted or Limited Voting Shares prior to the May 25, 2021 expiration. As of May 17, 2021, Ayr had 131,930 Rights of the Corporation outstanding, each of which entitles the holder to receive one-tenth of an AYR Subordinate, Restricted or Limited Voting Share.

In accordance with the rights agreement between the Corporation and Odyssey Trust Company dated December 21, 2017, as supplemented (the "**Rights Agreement**"), the Company hereby directs all holders of Ayr Rights, in accordance with the terms and conditions of the Rights Agreement, to convert their Ayr Rights into the Ayr Subordinate, Restricted or Limited Voting Shares to which such holders are entitled. Additional information regarding the conversion of Ayr Rights has been made available, for informational purposes only, in the notice of conversion of rights filed on March 27, 2019 under the Company's profile on SEDAR. Please contact your broker or Odyssey Trust Company at corptrust@odysseytrust.com to facilitate such conversion. Brokers may have earlier deadlines.

Failure to convert the Rights prior to their expiration will lead to the loss of the associated value.

About Ayr Wellness

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Company Contact:

Megan Kulick
Head of Investor Relations
T: (646) 977-7914
Email: IR@ayrwellness.com

Media Contact:

Robert Vanisko
VP, Corporate Communications
Email: robert.vanisko@ayrwellness.com

Investor Relations Contact:

Brian Pinkston
MATTIO Communications
T: (703) 926-9159
Email: ir@mattio.com
Email: IR@ayrwellness.com

BC Registry Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

CERTIFIED COPY
Of a Document filed with the Province of
British Columbia Registrar of Companies

CAROL PREST

Notice of Articles

BUSINESS CORPORATIONS ACT

This Notice of Articles was issued by the Registrar on: April 29, 2021 04:39 PM Pacific Time

Incorporation Number: **BC1291251**

Recognition Date and Time: February 26, 2021 08:50 AM Pacific Time as a result of an Amalgamation

NOTICE OF ARTICLES

Name of Company:
AYR WELLNESS INC.

REGISTERED OFFICE INFORMATION

Mailing Address:

SUITE 1700, PARK PLACE
666 BURRARD STREET
VANCOUVER BC V6C 2X8
CANADA

Delivery Address:

SUITE 1700, PARK PLACE
666 BURRARD STREET
VANCOUVER BC V6C 2X8
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

SUITE 1700, PARK PLACE
666 BURRARD STREET
VANCOUVER BC V6C 2X8
CANADA

Delivery Address:

SUITE 1700, PARK PLACE
666 BURRARD STREET
VANCOUVER BC V6C 2X8
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Burggraeve, Chris

Mailing Address:
26TH FLOOR, 590 MADISON AVENUE
NEW YORK NY 10022
UNITED STATES

Delivery Address:
26TH FLOOR, 590 MADISON AVENUE
NEW YORK NY 10022
UNITED STATES

Last Name, First Name, Middle Name:
Isaacson, Glenn Howard

Mailing Address:
26TH FLOOR, 590 MADISON AVENUE
NEW YORK NY 10022
UNITED STATES

Delivery Address:
26TH FLOOR, 590 MADISON AVENUE
NEW YORK NY 10022
UNITED STATES

Last Name, First Name, Middle Name:
Karger, Louis F,

Mailing Address:
26TH FLOOR, 590 MADISON AVENUE
NEW YORK NY 10022
UNITED STATES

Delivery Address:
26TH FLOOR, 590 MADISON AVENUE
NEW YORK NY 10022
UNITED STATES

Last Name, First Name, Middle Name:
Miles, Charles

Mailing Address:
26TH FLOOR, 590 MADISON AVENUE

Delivery Address:
26TH FLOOR, 590 MADISON AVENUE

NEW YORK NY 10022
UNITED STATES

NEW YORK NY 10022
UNITED STATES

Last Name, First Name, Middle Name:
Menzies, Steve

Mailing Address:
26TH FLOOR, 590 MADISON AVENUE
NEW YORK NY 10022
UNITED STATES

Delivery Address:
26TH FLOOR, 590 MADISON AVENUE
NEW YORK NY 10022
UNITED STATES

Last Name, First Name, Middle Name:
Pfeiffer, William

Mailing Address:
2000 DOGWOOD HILL
TALLAHASEE FL 32308
UNITED STATES

Delivery Address:
26TH FLOOR, 590 MADISON AVENUE
NEW YORK NY 10022
UNITED STATES

Last Name, First Name, Middle Name:
Sandelman, Jonathan

Mailing Address:
26TH FLOOR, 590 MADISON AVENUE
NEW YORK NY 10022
UNITED STATES

Delivery Address:
26TH FLOOR, 590 MADISON AVENUE
NEW YORK NY 10022
UNITED STATES

RESOLUTION DATES:

Date(s) of Resolution(s) or Court Order(s) attaching or altering Special Rights and Restrictions attached to a class or a series of shares:

November 4, 2020

AUTHORIZED SHARE STRUCTURE

1.	No Maximum	Multiple Voting Shares	Without Par Value With Special Rights or Restrictions attached
2.	No Maximum	Subordinate Voting Shares	Without Par Value With Special Rights or Restrictions attached
3.	No Maximum	Restricted Voting Shares	Without Par Value With Special Rights or Restrictions attached
4.	No Maximum	Limited Voting Shares	Without Par Value With Special Rights or Restrictions attached

Exhibit 99.16

Number: BC1291251

BRITISH COLUMBIA

CERTIFICATE

OF

AMALGAMATION

BUSINESS CORPORATIONS ACT

I Hereby Certify that AYR WELLNESS INC., incorporation number C1210067, and LIBERTY HEALTH SCIENCES INC., incorporation number BC1291177 were amalgamated as one company under the name AYR WELLNESS INC. on February 26, 2021 at 08:50 AM Pacific Time.

ELECTRONIC CERTIFICATE

Issued under my hand at Victoria, British Columbia
On February 26, 2021

CAROL PREST
Registrar of Companies
Province of British Columbia
Canada

Incorporation Number BC1291251

Effective as of February 26, 2021

ARTICLES
OF
AYR WELLNESS INC.

PROVINCE OF BRITISH COLUMBIA
BUSINESS CORPORATIONS ACT

THE ATTACHED ARE THE ARTICLES OF THE COMPANY PURSUANT TO A COURT APPROVED PLAN OF ARRANGEMENT AND SECTION 295 (2)A) OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA) FOLLOWING THE VERTICAL SHORT FORM AMALGAMATION OF AYR WELLNESS INC. (C1210067) AND LIBERTY HEALTH SCIENCES INC. (BC1291177) ON FEBRUARY 26, 2021 AT 12:11 A.M. (PACIFIC TIME).

These amended and restated articles are carried forward from the following predecessor company:

AYR Strategies Inc. (C1210067), which were adopted by special resolution at the annual general meeting ofaYr Strategies Inc. (C1210067) held on November 4, 2020 and effective upon filing of Notice of Alteration with the Registrar of Companies on December 3, 2020 at 12:01 a.m. (Pacific Time).

AYR Strategies Inc. changed its name to AYR Wellness Inc. on February 12, 2021 at 9:32 a.m. (Pacific Time).

AMENDED AND RESTATED ARTICLES
OF
AYR WELLNESS INC.

Incorporation number: BC1291251

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ARTICLE 1
INTERPRETATION

Section 1.1 Definitions

In these amended and restated articles (the "**Articles**"), the following words and phrases have the meanings set out beside them:

"**appropriate person**" has the meaning assigned in the Securities Transfer Act;

"**board of directors**", "**directors**" and "**board**" mean the directors or sole director of the Company for the time being;

"**Business Corporations Act**" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

"**Change of Control Transaction**" means an amalgamation, arrangement, recapitalization, business combination or similar transaction of the Company, other than an amalgamation, arrangement, recapitalization, business combination or similar transaction that would result in (i) the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the continuing entity or its direct or indirect parent) more than fifty percent (50%) of the total voting power of the voting securities of the Company, the continuing entity or its direct or indirect parent, and more than fifty percent (50%) of the total number of outstanding shares of the Company, the continuing entity or its direct or indirect parent, in each case as outstanding immediately after such transaction, and (ii) the shareholders of the Company immediately prior to the transaction owning voting securities of the Company, the continuing entity or its direct or indirect parent immediately following the transaction in substantially the same proportions (vis-a-vis each other) as such shareholders owned the voting securities of the Company immediately prior to the transaction (provided that in neither event shall the exercise of any exchangeable shares of a subsidiary of the Company that are exchangeable into shares of the Company be taken into account in such determination);

"**Coattail Agreement**" has the meaning ascribed thereto in Section 25.2(1)(h);

"**Company**" means the company whose name is set out at the top of page 1, being the company which has adopted these Articles;

"**courts**" has the meaning ascribed thereto in Section 27.1(1);

"**Covered Persons**" has the meaning ascribed thereto in Section 28.1;

"**Equity Shares**" means collectively, the Multiple Voting Shares, the Subordinate Voting Shares, the Restricted Voting Shares and the Limited Voting Shares, and "**Equity Share**" shall mean any of them;

"**enforcement action**" has the meaning ascribed to such term in Section 27.1(2);

"**Exchange**" means the Canadian Securities Exchange (including any successor stock exchange), or any other stock exchange on which the Subordinate Voting Shares are then listed;

"**Excluded Opportunity**" has the meaning ascribed to such term in Section 28.1;

"**Foreign Action**" has the meaning ascribed to such term in Section 27.1(2);

"**FPI Threshold**" has the meaning ascribed to such term in Section 25.3(1)(g)(2);

"**Interpretation Act**" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

"**legal personal representative**" means the personal or other legal representative of the shareholder;

"**Limited Voting Shares**" means the limited voting shares of the Company, subject to regulatory approval, failing which, means the non-voting shares of the Company and all references in these Articles to "Limited Voting Share" shall thereinafter refer to "Non-Voting Share";

"**Multiple Voting Shares**" means the multiple voting shares of the Company;

"**Nominating Shareholder**" has the meaning ascribed thereto in Section 26.1(1)(c);

"**Non-U.S. Person**" means any Person or entity that is not a U.S. Person;

"**Notice Date**" has the meaning ascribed thereto in Section 26.3(1)(a);

"**Person**" means any individual, partnership, corporation, company, association, trust, joint venture or limited or unlimited liability company, and for greater certainty, shall include any U.S. Person or Non-U.S. Person;

"**protected purchaser**" has the meaning assigned in the Securities Transfer Act;

"**registered address**" of a shareholder means the shareholder's address as recorded in the central securities register;

"**Restricted Voting Shares**" means the restricted voting shares of the Company;

"**seal**" means the seal of the Company, if any;

"**Securities Act**" means the *Securities Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

"**securities legislation**" means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; "**Canadian securities legislation**" means the securities legislation in any applicable province or territory of Canada and includes the Securities Act; and "**U.S. securities legislation**" means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the Securities Act of 1933 and the Securities Exchange Act of 1934;

"**Securities Transfer Act**" means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

"**Specified Exceptions**" has the meaning ascribed thereto in Section 25.1(1)(g)(3);

"**Subordinate Voting Shares**" means the subordinate voting shares of the Company;

"**U.S. Person**" has the meaning ascribed thereto in Rule 903(k) of Regulation S under the U.S. Securities Act (as may be amended or replaced from time to time);

"**U.S. Securities Act**" means the United States Securities Act of 1933,*as amended.*

Section 1.2 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the Business Corporations Act and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the Business Corporations Act and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition in the Business Corporations Act will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the Business Corporations Act, the Business Corporations Act will prevail.

Section 1.3 Deeming Provision – Directly or Indirectly

For purposes of these Articles, any reference to any of the Equity Shares that is "held" or "beneficially owned or controlled" by a Person shall refer to and include such Equity Shares held, beneficially owned or controlled, directly or indirectly, by such Person.

ARTICLE 2
SHARES AND SHARE CERTIFICATES

Section 2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the kinds, classes and, if any, series described in the Notice of Articles of the Company.

Section 2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the Business Corporations Act.

Section 2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the shareholder is the registered owner are uncertificated shares within the meaning of the Business Corporations Act, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several Persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

Section 2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company (including the Company's legal counsel or transfer agent) is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

Section 2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

(1) If the Company is satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, it must, on production to it of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as it thinks fit:

(a) order the share certificate or acknowledgment, as the case may be, to be cancelled; and

(b) issue a replacement share certificate or acknowledgment, as the case may be.

Section 2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate

(1) If a Person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that Person:

(a) so requests before the Company or its transfer agent has notice that the share certificate has been acquired by a protected purchaser;

(b) provides the Company and its transfer agent with an indemnity bond sufficient in the Company and its transfer agent's judgment to protect the Company and its transfer agent from any loss that the Company or its transfer agent may suffer by issuing a new certificate; and

(c) satisfies any other reasonable requirements imposed by the Company or its transfer agent.

A Person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that Person fails to notify the Company of that fact within a reasonable time after that Person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

Section 2.7 Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights under any indemnity bond, the Company may recover the new share certificate from a Person to whom it was issued or any Person taking under that Person other than a protected purchaser.

Section 2.8 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

Section 2.9 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Sections 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the Business Corporations Act, determined by the directors.

Section 2.10 Recognition of Trusts

Except as required by law or statute or these Articles, no Person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

ARTICLE 3
ISSUE OF SHARES

Section 3.1 Directors Authorized

Subject to the Business Corporations Act and the rights of the holders of issued shares of the Company, the Company may allot, sell, issue and otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the Persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

Section 3.2 Commissions and Discounts

The Company may pay at any time a reasonable commission or allow a reasonable discount to any Person in consideration of that Person purchasing or agreeing to purchase shares of the Company from the Company or any other Person or procuring or agreeing to procure purchasers for shares of the Company.

Section 3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

Section 3.4 Conditions of Issue

(1) Except as provided for by the Business Corporations Act, no share may be issued until it is fully paid. A share is fully paid when:

(a) consideration is provided to the Company for the issue of the share by one or more of the following:

(i) past services performed for the Company;

(ii) property;

(iii) money; and

(b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Section 3.1.

Section 3.5 Share Purchase Warrants and Rights

Subject to the Business Corporations Act, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

ARTICLE 4
SHARE REGISTERS

Section 4.1 Central Securities Register

(1) The Company must maintain in British Columbia a central securities register as required by the Business Corporations Act. The directors may appoint:

(a) an agent to maintain the central securities register; and

(b) one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares.

The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

(2) So long as they are publicly listed and subject to the Business Corporations Act, the Subordinate Voting Shares, Restricted Voting Shares and Limited Voting Shares may, in the Company's discretion, be subject to a single securities register (with appropriate notations to indicate the applicable class where applicable).

Section 4.2 Closing Register

The Company must not at any time close its central securities register.

ARTICLE 5
SHARE TRANSFERS

Section 5.1 Registering Transfers

(1) The Company must register a transfer of a share of the Company if either:

(a) the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

(i) in the case where the Company has issued a share certificate in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate Person or by an agent who has actual authority to act on behalf of that Person;

(ii) in the case of a share that is not represented by a share certificate (including an uncertificated share within the meaning of the Business Corporations Act and including the case where the Company has issued a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate in respect of the share to be transferred), a written instrument of transfer, made by the shareholder or other appropriate Person or by an agent who has actual authority to act on behalf of that Person; and

(iii) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser (which may include a medallion or similar signature guarantee); or

(b) all the preconditions for a transfer of a share under the Securities Transfer Act have been met and the Company is required under the Securities Transfer Act to register the transfer.

Section 5.2 Waivers of Requirements for Transfer

The Company may waive any of the requirements set out in Section 5.1(1)(a) and any of the preconditions referred to in Section 5.1(1)(b).

Section 5.3 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the Company or the transfer agent for the class or series of shares to be transferred.

Section 5.4 Transferor Remains Shareholder

Except to the extent that the Business Corporations*Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

Section 5.5 Signing of Instrument of Transfer

If a shareholder or other appropriate Person or an agent who has actual authority to act on behalf of that Person, signs an instrument of transfer in respect of shares registered in the name of the shareholder, subject to the Company or its transfer agent requiring a medallion or similar signature guarantee and/or other evidence of authority, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified but share certificates are deposited with the instrument of transfer, all the shares represented by such share certificates:

(a) in the name of the Person named as transferee in that instrument of transfer; or

(b) if no Person is named as transferee in that instrument of transfer, in the name of the Person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

Section 5.6 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the Person named in the instrument of transfer as transferee or, if no Person is named as transferee in the instrument of transfer, of the Person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

ARTICLE 6
TRANSMISSION OF SHARES

Section 6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another Person in joint tenancy, the surviving joint holder, will be the only Person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a Person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

Section 6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the rights, privileges and obligations that attach to the shares held by the shareholder, including the right to

transfer the shares in accordance with these Articles and applicable securities legislation, if appropriate evidence of appointment or incumbency within the meaning of the Securities Transfer Act has been deposited with the Company. This Section 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another Person in joint tenancy.

ARTICLE 7
PURCHASE OF SHARES

Section 7.1 Company Authorized to Purchase or Otherwise Acquire Shares

Subject to Section 7.2, the special rights or restrictions attached to the shares of any class or series of shares, the Business Corporations Act and applicable securities legislation, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

Section 7.2 No Purchase, Redemption or Other Acquisition When Insolvent

(1) The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(a) the Company is insolvent; or

(b) making the payment or providing the consideration would render the Company insolvent.

Section 7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

(1) If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell or otherwise dispose of the share, but, while such share is held by the Company, it:

(a) is not entitled to vote the share at a meeting of its shareholders;

(b) must not pay a dividend in respect of the share; and

(c) must not make any other distribution in respect of the share.

ARTICLE 8
BORROWING POWERS

(1) The Company, if authorized by the directors, may:

(a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

(b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other Person and at such discounts or premiums and on such other terms as they consider appropriate;

(c) guarantee the repayment of money by any other Person or the performance of any of any other Person; and

(d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

ARTICLE 9
ALTERATIONS

Section 9.1 Alteration of Authorized Share Structure

(1) Subject to Section 9.2, the Company may by:

(a) a resolution of its board of directors:

(i) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(ii) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(iii) alter the identifying name of any of its shares; and

(iv) subdivide or consolidate all or any of its unissued, or fully paid issued, shares.

(b) an ordinary resolution:

(i) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares; and

(ii) if the Company is authorized to issue shares of a class of shares with par value:

(A) decrease the par value of those shares; and

(B) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares.

(c) a special resolution, otherwise alter its shares or authorized share structure when required or permitted to do so by the Business Corporations Act.

Section 9.2 Special Rights and Restrictions

(1) The Company may by ordinary resolution:

(a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, unless any of those shares have been issued in which case the Company may do so only by special resolution; or

(b) vary or delete any special rights or restrictions attached to the shares of any class or series of unless any of those shares have been issued in which case the Company may do so only by special resolution.

Section 9.3 Change of Name

The Company may by a resolution of its board of directors or ordinary resolution authorize an alteration of its Notice of Articles to change its name or adopt or change any translation of that name.

Section 9.4 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

ARTICLE 10
MEETINGS OF SHAREHOLDERS

Section 10.1 Annual General Meetings

The Company must, unless an annual general meeting is deferred or waived in accordance with the Business Corporations Act, hold its first annual general meeting following incorporation, amalgamation or continuation within 18 months after the date on which it was incorporated or otherwise created and recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place, either in or outside British Columbia, as may be determined by the directors.

Section 10.2 Resolution Instead of Annual General Meeting

If all the shareholders entitled to vote at an annual general meeting consent by a unanimous resolution under the Business Corporations Act to all of the business required to be transacted at that annual general meeting, the meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Section 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

Section 10.3 Calling and Location of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders to be held at such time and place, either in or outside British Columbia, as may be determined by the directors.

Section 10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(a) if and for so long as the Company is a public company, 21 days; and

(b) otherwise, 10 days.

Section 10.5 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Business Corporations Act, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(a) if and for so long as the Company is a public company, 21 days; and

(b) otherwise, 10 days.

If no record date is set, it is 5:00 p.m. (Vancouver time) on the business day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

Section 10.6 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Business Corporations Act, by more than four months. If no record date is set, the record date is 5:00 p.m. (Vancouver time) on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

Section 10.7 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the Persons entitled to notice does not invalidate any proceedings at that meeting. Any Person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting. Attendance of a Person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that Person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

Section 10.8 Notice of Special Business at Meetings of Shareholders

(1) If a meeting of shareholders is to consider special business within the meaning of Section 11.1, the notice of meeting must:

(a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

Section 10.9 Class Meetings and Series Meetings of Shareholders

Unless otherwise specified in these Articles, the provisions of these Articles relating to a meeting of shareholders will apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

Section 10.10 Electronic Meetings

The directors may determine that a meeting of shareholders shall be held entirely by means of telephonic, electronic or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, Persons entitled to attend may participate by means of such communications facilities, if the directors determine to make them available. A Person participating in a meeting by such means is deemed to be present at the meeting.

ARTICLE 11
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

Section 11.1 Special Business

(1) At a meeting of shareholders, the following business is special business:

(a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(b) at an annual general meeting, all business is special business except for the following:

(i) business relating to the conduct of or voting at the meeting;

(ii) consideration of any financial statements of the Company presented to the meeting;

(iii) consideration of any reports of the directors or auditor;

(iv) the setting or changing of the number of directors;

(v) the election or appointment of directors;

(vi) the appointment of an auditor;

(vii) the setting of the remuneration of an auditor;

(viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and

(ix) any other business which, under these Articles or the Business Corporations Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

Section 11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

Section 11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares and to Section 11.4, the quorum for the transaction of business at a meeting of shareholders is two shareholders who are present in Person or represented by proxy and who represent at least 25% of the applicable class or series of shares (and, for greater certainty, where more than one class or series of shares are voting together as if they were a single class of shares, at least 25% of the total issued and outstanding shares of such classes or series).

Section 11.4 One Shareholder May Constitute Quorum

(1) If there is only one shareholder entitled to vote at a meeting of shareholders:

(a) the quorum is one Person who is, or who represents by proxy, that shareholder, and

(b) that shareholder, present in Person or by proxy, may constitute the meeting.

Section 11.5 Other Persons May Attend

The directors, the president (if any), the corporate secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other Persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those Persons does attend a meeting of shareholders, that Person is not to be counted in the quorum and is not entitled to vote at the meeting unless that Person is a shareholder or proxy holder entitled to vote at the meeting.

Section 11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

Section 11.7 Lack of Quorum

(1) If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

Section 11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Section 11.7(1)(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the Person or Persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

Section 11.9 Chair

(1) The following individuals are entitled to preside as chair at a meeting of shareholders:

(a) the chair of the board, if any; or

(b) if the chair of the board is absent or unwilling to act as chair of the meeting, the first of the following individuals to agree to act as chair: the chief executive officer or the president, if any.

Section 11.10 Selection of Alternate Chair

If, at any meeting of shareholders, the chair of the board or president are not present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the corporate secretary, if any, or any director present at the meeting, that they will not be present at the meeting, one of the chief executive officer, the chief financial officer, a vice-president, the corporate secretary or the Company's legal counsel may act as chair of the meeting and, failing them, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in Person or by proxy may choose any Person present at the meeting to chair the meeting.

Section 11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Section 11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

Section 11.13 Electronic Voting

Any vote at a meeting of shareholders may be held entirely or partially by means of telephonic, electronic or other communications facilities, if the directors determine to make them available, whether or not Persons entitled to attend participate in the meeting by means of communications facilities.

Section 11.14 Decisions by Show of Hands or Poll

(1) Subject to the Business Corporations Act:

(a) for so long as any Multiple Voting Shares are outstanding, every motion put to a vote at a meeting of shareholders will be decided by a poll, unless the chair determines otherwise;

(b) if no Multiple Voting Shares are outstanding, every motion put to a vote at a meeting of shareholders will be decided on a show of hands or the functional equivalent of a show of hands by means of electronic, telephonic or other communications facility, unless a poll, before or on the declaration of the result of the vote by show of hands or the functional equivalent of a show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in Person or by proxy.

Section 11.15 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands (or its functional equivalent) or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Section 11.14, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

Section 11.16 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

Section 11.17 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

Section 11.18 Manner of Taking Poll

(1) Subject to Section 11.19, if a poll is duly demanded at a meeting of shareholders:

(a) the poll must be taken:

(i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(ii) in the manner, at the time and at the place that the chair of the meeting directs;

(b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(c) the demand for the poll may be withdrawn by the Person who demanded it.

Section 11.19 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

Section 11.20 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and their determination made in good faith is final and conclusive.

Section 11.21 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

Section 11.22 No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

Section 11.23 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Section 11.24 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting at its records office, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three-month period, the Company may destroy such ballots and proxies.

ARTICLE 12
VOTES OF SHAREHOLDERS

Section 12.1 Number of Votes by Shareholder or by Shares

(1) Subject to Section 25.2(1) and any other special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Section 12.3:

(a) on a vote by show of hands, every Person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(b) on a poll, every shareholder entitled to vote on the matter is entitled, in respect of each share entitled to be voted on the matter and held by that shareholder, to that number of votes provided by these Articles or the Business Corporations Act and may exercise that vote either in Person or by proxy.

Section 12.2 Votes of Persons in Representative Capacity

A Person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the Person satisfies the chair of the meeting, or the directors, that the Person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

Section 12.3 Votes by Joint Holders

(1) If there are joint shareholders registered in respect of any share:

(a) any one of the joint shareholders may vote at any meeting of shareholders, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

Section 12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Section 12.3, deemed to be joint shareholders.

Section 12.5 Representative of a Corporate Shareholder

(1) If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a Person to act as its representative at any meeting of shareholders of the Company, and:

(a) for that purpose, the instrument appointing a representative must:

(i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

(ii) be provided, at the meeting, to the chair of the meeting or to a Person designated by the chair of the meeting;

(b) if a representative is appointed under this Section 12.5:

(i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in Person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

Section 12.6 When Proxy Provisions Do Not Apply to the Company

Sections 12.9 and 12.12 do not apply to the Company if and for so long as it is a public company.

Section 12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

Section 12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

Section 12.9 When Proxy Holder Need Not Be Shareholder

(1) Subject to Section 12.6, a Person must not be appointed as a proxy holder unless the Person is a shareholder, although a Person who is not a shareholder may be appointed as a proxy holder if:

(a) the Person appointing the proxy holder is a corporation or a representative of a corporation appointed under Section 12.5;

(b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;

(c) the shareholders present in Person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

Section 12.10 Deposit of Proxy

(1) A proxy for a meeting of shareholders must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

(b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a Person designated by the chair of the meeting. A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

Section 12.11 Validity of Proxy Vote

(1) A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(b) by the chair of the meeting, before the vote is taken.

Section 12.12 Form of Proxy

(1) Subject to Section 12.6, a proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]
(the "**Company**")

The undersigned, being a shareholder of the Company, hereby appoints **[name]** or, failing that Person, **[name]**, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on **[month, day, year]** and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy if given in respect of all shares registered in the name of the shareholder):

Signed ***[month, day, year]***

_____

[Signature of shareholder]

_____

[Name of shareholder-printed]

Section 12.13 Revocation of Proxy

(1) Every proxy may be revoked by an instrument in writing that is:

(a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(b) provided, at the meeting, to the chair of the meeting.

Section 12.14 Revocation of Proxy Must Be Signed

(1) An instrument referred to in Section 12.13 must be signed as follows:

(a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or their legal personal representative or trustee in bankruptcy;

(b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Section 12.5.

Section 12.15 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any Person to vote at the meeting and may, but need not, demand from that Person production of evidence as to the existence of the authority to vote.

Section 12.16 Chair May Determine Validity of Proxy.

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Article 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting, and any such determination made in

good faith shall be final, conclusive and binding upon the meeting.

ARTICLE 13
DIRECTORS

Section 13.1 First Directors; Number of Directors

The Company shall have a minimum of three and a maximum of 15 directors. The number of directors initially is equal to the number of first directors after the Company is first recognized under the Business Corporations Act and thereafter is the number within the minimum and maximum determined by the directors from time to time. If the number of directors has not been determined as provided in this section, the number of directors is the number of directors holding office immediately following the most recent election or appointment of directors, whether at an annual or special general meeting of the shareholders, or by the directors pursuant to Section 14.7.

Section 13.2 Change in Number of Directors

(1) If the number of directors is set under Section 13.1:

(a) the shareholders may elect the directors needed to fill any vacancies in the board of directors up to that number; or

(b) the directors, subject to Section 14.7, may appoint directors to fill those vacancies.

No decrease in the number of directors will shorten the term of an incumbent director.

Section 13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Sections is in office.

Section 13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for their office but must be qualified as required by the Business Corporations Act to become, act or continue to act as a director.

Section 13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If they so decide, the remuneration, if any, of the directors will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

Section 13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses they may incur in and about the business of the Company.

Section 13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that, in the opinion of the directors, are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, they may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that they may be entitled to receive.

Section 13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to their spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

ARTICLE 14
ELECTION AND REMOVAL OF DIRECTORS

Section 14.1 Election at Annual General Meeting

(1) At every annual general meeting and in every unanimous resolution contemplated by Section 10.2:

(a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set by the directors under these Articles; and

(b) the directors cease to hold office upon the termination of the next annual general meeting at which the election or appointment of directors under paragraph (a) occurs but are eligible for re-election or re-appointment, subject to being nominated in accordance with Article 26.

Section 14.2 Consent to be a Director

(1) No election, appointment or designation of an individual as a director is valid unless:

(a) that individual consents to be a director in the manner provided for in the Business Corporations Act;

(b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(c) with respect to first directors, the designation is otherwise valid under the Business Corporations Act.

Section 14.3 Failure to Elect or Appoint Directors

(1) If:

(a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Section 10.2, on or before the date by which the annual general meeting is required to be held under the Business Corporations Act; or

(b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Section 10.2, to elect or appoint any directors;

(c) then each director then in office continues to hold office until the earlier of:

(i) the date on which their successor is elected or appointed; and

(ii) the date on which they otherwise cease to hold office under the Business Corporations Act or these Articles.

Section 14.4 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

Section 14.5 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the Business Corporations Act, for any other purpose.

Section 14.6 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

Section 14.7 Additional Directors

(1) Notwithstanding Section 13.2, between annual general meetings or unanimous resolutions contemplated by Section 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Section 14.7 must not at any time exceed:

(a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Section 14.7.

Any director so appointed ceases to hold office immediately following the next annual general meeting at which the election or appointment of directors under Section 14.1(1)(a) occurs, but is eligible for re-election or re-appointment, subject to being nominated in accordance with Article 26.

Section 14.8 Ceasing to be a Director

(1) A director ceases to be a director when:

(a) the term of office of the director expires;

(b) the director dies;

(c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(d) the director is removed from office pursuant to Sections 14.9 or 14.10.

Section 14.9 Removal of Director by Shareholders

The Company may remove any director before the expiration of their term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

Section 14.10 Removal of Director by Directors

The directors may remove any director before the expiration of their term of office if the director is convicted of an indictable offence, convicted by a court of an offence under or found in breach and sanctioned by a securities regulatory authority of any Canadian securities legislation or U.S. securities legislation, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

ARTICLE 15
POWERS AND DUTIES OF DIRECTORS

Section 15.1 Powers of Management

The directors must, subject to the Business Corporations Act and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the Business Corporations Act or by these Articles, required to be exercised by the shareholders of the Company.

Section 15.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any Person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of Persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

ARTICLE 16
DISCLOSURE OF INTEREST OF DIRECTORS

Section 16.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the Business Corporations Act) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the Business Corporations Act.

Section 16.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

Section 16.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

Section 16.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act.*

Section 16.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to their office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

Section 16.6 No Disqualification

No director or intended director is disqualified by their office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

Section 16.7 Professional Services by Director or Officer

A director or officer, or any Person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such Person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

Section 16.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any Person in which the Company may be interested as a shareholder or otherwise, and the director or officer is not accountable to the Company for any remuneration or other benefits received by them as director, officer or employee of, or from their interest in, such other Person.

ARTICLE 17
PROCEEDINGS OF DIRECTORS

Section 17.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

Section 17.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

Section 17.3 Chair of Meetings

(1) The following individual is entitled to preside as chair at a meeting of directors:

(a) the chair of the board, if any;

(b) in the absence of the chair of the board, the president, if any, if the president is a director; or

(c) any other director chosen by the directors if:

(i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(iii) the chair of the board and the president, if a director, have advised the corporate secretary, if any, or any other director, that they will not be present at the meeting.

Section 17.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in Person or by telephone if all directors participating in the meeting, whether in Person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in Person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Section 17.4 is deemed for all purposes of the Business Corporations Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

Section 17.5 Calling of Meetings

A director may, and the corporate secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

Section 17.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Section 17.1, not less than 48 hours' notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Section 23.1.

Section 17.7 When Notice Not Required

(1) It is not necessary to give notice of a meeting of the directors to a director if:

(a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(b) the director, as the case may be, has waived notice of the meeting.

Section 17.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director, does not invalidate any proceedings at that meeting.

Section 17.9 Waiver of Notice of Meetings

(1) Any director may send to the Company a document signed by them waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

(2) Attendance of a director at a meeting of the directors is a waiver of notice of the meeting, unless that director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

Section 17.10 Quorum

The quorum necessary for the transaction of the business of the directors shall be a majority of the board of directors or such other number as the directors may determine from time to time. If the number of directors is set at one or two, quorum is deemed to be set at one director, and that director may constitute a meeting.

Section 17.11 Validity of Acts Where Appointment Defective

Subject to the Business Corporations Act, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

Section 17.12 Consent Resolutions in Writing

(1) A resolution of the directors or of any committee of the directors may be passed without a meeting:

(a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that they have or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consents to it in writing.

A consent in writing under this Section may be by signed document, fax, e-mail or any other method of transmitting legibly recorded messages. A consent in writing

may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Section 17.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the Business Corporations Act and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

ARTICLE 18
EXECUTIVE AND OTHER COMMITTEES

Section 18.1 Appointment and Powers of Executive Committee

(1) The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

Section 18.2 Appointment and Powers of Other Committees

(1) The directors may, by resolution:

(a) appoint one or more committees (other than the executive committee) consisting of the director or directors and, if applicable, officer or officers that they consider appropriate;

(b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:

(i) the power to fill vacancies in the board of directors;

(ii) the power to remove a director;

(iii) the power to change the membership of, or fill vacancies in, any committee; and

(iv) the power to appoint or remove officers appointed by the directors; and

(c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

Section 18.3 Obligations of Committees

(1) In the exercise of the powers delegated to a committee appointed under Sections 18.1 or 18.2, the committee must:

(a) conform to any rules that may from time to time be imposed on it by the directors; and

(b) report every act or thing done in exercise of those powers at such times as the directors may require.

Section 18.4 Powers of Board

(1) The directors may, at any time, with respect to a committee appointed under Sections 18.1 or 18.2:

(a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(b) terminate the appointment of, or change the membership of, the committee; and

(c) fill vacancies in the committee.

Section 18.5 Committee Meetings

(1) Subject to Section 18.3(1)(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Sections 18.1 or 18.2:

(a) the committee may meet and adjourn as it thinks proper;

(b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(c) a majority of the members of the committee constitutes a quorum of the committee; and

(d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

ARTICLE 19
OFFICERS

Section 19.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

Section 19.2 Functions, Duties and Powers of Officers

(1) The directors may, for each officer:

(a) determine the functions and duties of the officer;

(b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

Section 19.3 Qualifications

An officer is not required to hold a share in the capital of the Company as qualification for their office but must be qualified as required by the Business Corporations Act to become, act or continue to act as an officer. One Person may hold more than one position as an officer of the Company. Any Person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

Section 19.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer, in addition to such remuneration, may receive, after they cease to hold such office or leaves the employment of the Company, a pension or gratuity.

ARTICLE 20
INDEMNIFICATION

Section 20.1 Definitions

(1) In this Article 20:

(a) "**eligible penalty**" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(b) "**eligible proceeding**" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director or former director of the Company (an "**eligible party**") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director of the Company:

(i) is or may be joined as a party; or

(ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(c) "**expenses**" has the meaning set out in the Business Corporations Act.

Section 20.2 Mandatory Indemnification of Directors and Officers and Former Directors and Officers

The Company must indemnify a director, officer, former director or officer of the Company and their heirs and legal personal representatives, as set out in the Business Corporations Act, against all eligible penalties to which such Person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such Person in respect of that proceeding. Each director, officer, former director and officer is deemed to have contracted with the Comp any on the terms of the indemnity contained in this Section 20.2.

Section 20.3 Mandatory Advancement of Expenses

The Company must pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an eligible party in respect of that proceeding but the Company must first receive from the eligible party a written undertaking that, if it is ultimately determined that the payment of expenses is prohibited by the Business Corporations Act, the eligible party will repay the amounts advanced.

Section 20.4 Indemnification of Other Persons

The Company may indemnify any other Person in accordance with the Business Corporations Act.

Section 20.5 Non-Compliance with the Business Corporations Act

The failure of a director or officer of the Company to comply with the Business Corporations Act or these Articles does not invalidate any indemnity to which they are entitled under this Part.

Section 20.6 Company May Purchase Insurance

(1) The Company may purchase and maintain insurance for the benefit of any Person (or their heirs or legal personal representatives) who:

(a) is or was a director, officer, employee or agent of the Company;

(b) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

(c) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(d) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by them as such director, officer, employee or agent or Person who holds or held such equivalent position.

ARTICLE 21
DIVIDENDS

Section 21.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

Section 21.2 Declaration of Dividends

The directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

Section 21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Section 21.2.

Section 21.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. (Vancouver time) on the date on which the directors pass the resolution declaring the dividend.

Section 21.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

Section 21.6 Settlement of Difficulties

(1) If any difficulty arises in regard to a distribution under Section 21.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(a) set the value for distribution of specific assets;

(b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(c) vest any such specific assets in trustees for the Persons entitled to the dividend.

Section 21.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

Section 21.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

Section 21.9 Receipt by Joint Shareholders

If several Persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

Section 21.10 Dividend Bears No Interest

No dividend bears interest against the Company.

Section 21.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

Section 21.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by electronic transfer, if so authorized by the shareholder, or by cheque, made payable to the order of the Person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the Person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque or the forwarding by electronic transfer will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

Section 21.13 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

ARTICLE 22
DOCUMENTS, RECORDS AND REPORTS

Section 22.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the Business Corporations Act.

Section 22.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

ARTICLE 23
NOTICES

Section 23.1 Method of Giving Notice

(1) Unless the Business Corporations Act or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the Business Corporations Act or these Articles to be sent by or to a Person may be sent by any one of the following methods:

(a) prepaid mail addressed to the Person at the applicable address for that Person as follows:

(i) for a record mailed to a shareholder, the shareholder's registered address;

(ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the mailing address of the intended recipient;

(b) delivery at the applicable address for that Person as follows, addressed to the Person:

(i) for a record delivered to a shareholder, the shareholder's registered address;

(ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the delivery address of the intended recipient;

(c) fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(d) e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;

(e) physical delivery to the intended recipient;

(f) creating and providing a record posted on or made available through a general accessible electronic source and providing written notice by any of the foregoing methods as to the availability of such record; or

(g) as otherwise permitted by applicable securities legislation.

Section 23.2 Deemed Receipt of Mailing

A record that is mailed to a Person by ordinary mail to the applicable address for that Person referred to in Section 23.1 is deemed to be received by the Person to whom it was mailed on the day, Saturdays, Sundays and holidays (in Vancouver) excepted, following the date of mailing. A record that is delivered to a Person or their applicable address is deemed to be received by the Person on receipt by that Person or delivery to that address. A record that is sent to a Person by fax or e-mail is deemed to be received by the Person on transmission if sent during business hours at the place of intended receipt by that Person and, if not sent during their business hours, on the next business day of the place of intended receipt of that Person. A record that is delivered in accordance with Section 23.1(1)(f) is deemed to be received by the Person on the day such written notice is sent.

Section 23.3 Certificate of Sending

A certificate signed by the corporate secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required, and sent as permitted, by Section 23.1 is conclusive evidence of that fact.

Section 23.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first

named in the central securities register in respect of the share.

Section 23.5 Notice to Trustees

(1) A notice, statement, report or other record may be provided by the Company to the Persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(a) mailing the record, addressed to them:

(i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(ii) at the address, if any, supplied to the Company for that purpose by the Persons claiming to be so entitled; or

(b) if an address referred to in paragraph 23.5(1)(a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

ARTICLE 24
SEAL

Section 24.1 Who May Attest Seal

(1) Except as provided in Sections 24.2 and 24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(a) any two directors;

(b) any officer, together with any director;

(c) if the Company only has one director, that director; or

(d) any one or more directors or officers or Persons as may be determined by the directors.

Section 24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Section 24.1, the impression of the seal may be attested by the signature of any director or officer.

Section 24.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the Business Corporations Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the Person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the corporate secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary treasurer may in writing authorize such Person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

ARTICLE 25
SPECIAL RIGHTS AND RESTRICTIONS

Section 25.1 Subordinate Voting Shares

(1) An unlimited number of Subordinate Voting Shares, without nominal or par value, are authorized for issuance, having attached thereto the special rights and restrictions as set forth below:

(a) *Voting Rights.*

Holders of Subordinate Voting Shares shall be entitled to notice of and to attend (if applicable, virtually) any meeting of the shareholders of the Company. Holders of Subordinate Voting Shares shall be entitled to vote at any meeting of the shareholders of the Company, and at each such meeting, shall be entitled to one (1) vote in respect of each Subordinate Voting Share held, except for a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote.

Except as otherwise provided in these Articles (including without limitation the restrictions on voting rights for directors in the case of the Limited Voting Shares) or except as provided in the *Business Corporations Act,* Subordinate Voting Shares, Multiple Voting Shares, Restricted Voting Shares and Limited Voting Shares are equal in all respects and shall vote together as if they were shares of a single class. In connection with any Change of Control Transaction requiring approval of the holders of all classes of Equity Shares under the *Business Corporations Act*, holders of all Equity Shares shall be treated equally and identically, on a per share basis, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of outstanding Subordinate Voting Shares in respect of a resolution approving such Change of Control Transaction, voting separately as a class at a meeting of the holders of that class called and held for such purpose.

Notwithstanding the provisions of the second paragraph of this Section 25.1(1)(a), the holders of Subordinate Voting Shares shall be entitled to vote as a separate class, in addition to any other vote of shareholders that may be required, in respect of any alteration, repeal or amendment of these Articles which would: (i) adversely affect

the rights or special rights of the holders of Subordinate Voting Shares (including an amendment to the terms of these Articles which provide that any Multiple Voting Shares sold or transferred to a Person that is not a Permitted Holder shall be automatically converted into Subordinate Voting Shares); or (ii) affect the holders of any Equity Shares differently, on a per share basis; or (iii) except as already set forth herein, create any class or series of shares ranking equal to or senior to the Subordinate Voting Shares; and in each case such alteration, repeal or amendment shall not be effective unless a resolution in respect thereof is approved by a majority of the votes cast by holders of outstanding Subordinate Voting Shares.

(b) *Constraints on Ownership.*

Subject to the Specified Exceptions, the Subordinate Voting Shares may only be held, beneficially owned or controlled, by Non-U.S. Persons.

(c) *Dividends.*

Holders of Subordinate Voting Shares shall be entitled to receive, as and when declared by the board of directors, dividends in cash or property of the Company. No dividend will be declared or paid on any other class of Equity Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on a per share basis) on the Subordinate Voting Shares. The Subordinate Voting Shares shall rank equally with the other Equity Shares as to dividends on a share-for-share basis, without preference or distinction. In the event of the payment of a dividend in the form of shares, holders of Subordinate Voting Shares shall receive Subordinate Voting Shares, unless otherwise determined by the board of directors, provided an equal number of shares is declared as a dividend or distribution on a then outstanding per-Equity Share basis, without preference or distinction, in each case.

(d) *Liquidation, Dissolution or Winding-Up.*

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Subordinate Voting Shares shall, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Subordinate Voting Shares, be entitled to participate ratably in the remaining property of the Company along with all holders of the other classes of Equity Shares (on a per share basis).

(e) *Rights to Subscribe; Pre-Emptive Rights.*

The holders of Subordinate Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of shares, or bonds, debentures or other securities of the Company now or in the future.

(f) *Subdivision or Consolidation.*

No subdivision or consolidation of the Subordinate Voting Shares shall occur unless, simultaneously, the other classes of Equity Shares are subdivided or consolidated or otherwise adjusted so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes. Subject to Section 25.1(1)(g), the Subordinate Voting Shares cannot be converted into any other class of shares.

(g) *Conversion of Subordinate Voting Shares.*

(1) *Automatic*

Subject to the Specified Exceptions, each issued and outstanding Subordinate Voting Share shall be automatically converted into one Restricted Voting Share, without any further act on the part of the Company or of the holder, if such Subordinate Voting Share becomes held, beneficially owned or controlled, by a U.S. Person.

(2) *Upon an Offer*

(i) For the purposes of this Section 25.1(g)(2):

(A) "**Affiliate**" has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions* as, from time to time, amended, re-enacted or replaced;

(B) "**Associate**" has the meaning assigned by the *Securities Act* (Ontario) as, from time to time, amended, re-enacted or replaced;

(C) "**Conversion Period**" means the period of time commencing on the eighth day after the Offer Date and terminating on the Expiry Date;

(D) "**Converted Shares**" means Subject Equity Shares resulting from the conversion of Subordinate Voting Shares into the Subject Equity Shares pursuant to subparagraph (ii);

(E) "**Exclusionary Offer**" means an offer to purchase Subject Equity Shares that:

(i) is a General Offer; and

(ii) is not made concurrently with an offer to purchase Subordinate Voting Shares that is identical to the offer to purchase the Subject Equity Shares in terms of price per share and percentage of outstanding shares to be taken up exclusive of shares owned immediately prior to the offer by the Offeror, and in all other material respects, and that has no condition attached other than the right not to take up and pay for shares tendered if no shares are purchased pursuant to the offer for Subject Equity Shares;

and for the purposes of this definition, if an offer to purchase Subject Equity Shares is a General Offer but not an Exclusionary Offer, the varying of any term of such offer shall be deemed to constitute the making of a new offer unless a variation identical in all material respects concurrently is made to the corresponding offer to purchase Subordinate Voting Shares;

(F) "**Expiry Date**" means the last date on which holders of the Subject Equity Shares may accept an Exclusionary Offer;

(G) "**General Offer**" means an offer to purchase Subject Equity Shares that must, by reason of applicable securities legislation or the requirements of any stock exchange on which the Subject Equity Shares are listed, be made to all or substantially all holders of Subject Equity Shares who are in a province of Canada to which any such legislation or requirement applies (assuming that the offeree was resident in Ontario);

(H) "**Offer Date**" means the date on which an Exclusionary Offer is made;

(I) "**Offeror**" means a Person that makes an offer to purchase the Subject Equity Shares (the "**bidder**"), and includes any Associate or Affiliate of the bidder or any Person that is disclosed in the offering document to be acting jointly or in concert with the bidder,

(J) "**Person**" has the meaning assigned by the *Securities Act* (Ontario) as, from time to time, amended, re-enacted or replaced and includes a company or other body corporate wherever or however incorporated;

(K) "**Subject Equity Shares**" means any one or more classes of Equity Shares that are subject to an Exclusionary Offer, other than Subordinate Voting Shares; and

(L) "**Transfer Agent**" means the transfer agent of the Company at the relevant time for any of the Subject Equity Shares (and if there is no such transfer agent, "**Transfer Agent**" means the Company);

(ii) subject to subparagraph (v), if an Exclusionary Offer is made, each outstanding Subordinate Voting Share shall, at the option of each holder of Subordinate Voting Shares during the Conversion Period, be convertible on a one-for-one basis into the class of Equity Shares that are subject to such Exclusionary Offer (and if more than one class of Equity Shares are subject to such Exclusionary Offer, or different Exclusionary Offers are made for separate classes of Subject Equity Shares, on a one-for-one basis into any class of Equity Shares that are subject to any such Exclusionary Offer, at the holder's election, or failing such election, into any class of Equity Shares that are subject to any such Exclusionary Offer at the board of directors' discretion). The conversion right may be exercised by notice in writing given to the Transfer Agent prior to the Expiry Date accompanied by the share certificate(s) representing the Subordinate Voting Shares which the holder desires to convert, together with any letter of transmittal or other documentation, including any medallion signature guarantee, as may be required by the Transfer Agent or pursuant to the Exclusionary Offer, in either case in duly executed or completed form, and such notice shall be executed by such holder, or by his attorney duly authorized in writing, and shall specify the number of Subordinate Voting Shares which the holder desires to have converted and the class of Equity Shares which are desired to be converted into. The Company shall pay any governmental stamp, transfer or similar tax (but for greater certainty, no income or capital gains tax) imposed on or in respect of such conversion. If less than all of the Subordinate Voting Shares represented by any share certificate are to be converted, the holder shall be entitled to receive a new share certificate representing in the aggregate the number of Subordinate Voting Shares represented by the original share certificate, which are not to be converted. Upon any conversion of any shares of any class into shares of another class, the Company shall adjust the capital accounts maintained for the respective classes of shares as provided in the *Business Corporations Act*. The conversion right may only be exercised in respect of Subordinate Voting Shares for the purpose of depositing the resulting Subject Equity Shares pursuant to such offer and for no other reason;

(iii) an election by a holder of Subordinate Voting Shares to exercise the conversion right provided for in subparagraph (ii) shall be deemed to also constitute irrevocable elections by such holder (a) to deposit the Converted Shares pursuant to the Exclusionary Offer (subject to such holder's right to subsequently withdraw the shares from the offer), and (b) to exercise the right to convert back into Subordinate Voting Shares all Converted Shares (on a one-for-one basis) in respect of which such holder exercises his, her or its right of withdrawal from the Exclusionary Offer or which are not otherwise ultimately taken up under the Exclusionary Offer. Any conversion of Converted Shares back into Subordinate Voting Shares in respect of which the holder exercises his, her or its right of withdrawal from the Exclusionary Offer shall become effective at the time such right of withdrawal is exercised. If the right of withdrawal is not exercised, any conversion of Converted Shares back into Subordinate Voting Shares pursuant to a deemed election shall become effective:

(A) for Converted Shares not taken up in accordance with the terms of an Exclusionary Offer which is nonetheless completed, on the day that the Offeror has taken up and paid for all shares to be acquired by the Offeror under the Exclusionary Offer; and

(B) in respect of an Exclusionary Offer which is abandoned or withdrawn, at the time at which the Exclusionary Offer is abandoned or withdrawn;

(iv) no share certificates representing Converted Shares shall be delivered to the holders of such shares before such shares are deposited pursuant to the Exclusionary Offer. The Transfer Agent, on behalf of the holders of the Converted Shares, shall deposit pursuant to the Exclusionary Offer the certificates representing all Subordinate Voting Shares for which the certificates, notices and other documents have been duly delivered to the Transfer Agent pursuant to subparagraph (ii) and shall advise the Offeror of the extent that such certificates so deposited represent Subject Equity Shares of the Company. Upon completion of the Exclusionary Offer, the Transfer Agent shall deliver to the holders of the shares purchased pursuant to the Exclusionary Offer all consideration paid by the Offeror pursuant to the Exclusionary Offer. If Converted Shares are converted back into Subordinate Voting Shares pursuant to subparagraph (iii), the Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Subordinate Voting Shares resulting from the conversion. Provided however that if no Subordinate Voting Shares of a shareholder were acquired by the Offeror pursuant to the Exclusionary Offer, the Transfer Agent shall return the original share certificate (if not duly endorsed for transfer to a named transferee) evidencing such Subordinate Voting Shares tendered pursuant to subparagraph (ii) in satisfaction of its obligations under this subparagraph (iv). The Company shall make all arrangements with the Transfer Agent necessary or desirable to give effect to this subparagraph (iv);

(v) subject to subparagraph (vi), the conversion right provided for in subparagraph (ii) shall not come into effect with respect to a class of Subject Equity Shares if:

(A) prior to the time at which the Exclusionary Offer is made there is or has been delivered to the Transfer Agent and to the corporate secretary of the Company a certification or certifications signed by or on behalf of one or more shareholders of the Company owning in the aggregate, as at the time the Exclusionary Offer is made, more than 50% of the then outstanding Subject Equity Shares of each class (exclusive of shares owned immediately prior to the Exclusionary Offer by the Offeror), which certification or certifications shall confirm, in the case of each such shareholder that made such certification, that such shareholder shall not:

(i) accept any Exclusionary Offer without giving the Transfer Agent and the corporate secretary of the Company written notice of such acceptance or intended acceptance at least 7 days prior to the Expiry Date;

(ii) make any Exclusionary Offer;

(iii) act jointly or in concert with any Person that makes any Exclusionary Offer; or

(iv) transfer any Subject Equity Shares, directly or indirectly, during the time any Exclusionary Offer is outstanding without giving the Transfer Agent and the corporate secretary of the Company written notice of such transfer or intended transfer at least seven (7) days prior to the Expiry Date, which notice shall state, if known to the transferor, the names of the transferees and the number of Subject Equity Shares transferred or to be transferred to each transferee; or

(B) within seven (7) days after the Offer Date there is delivered to the Transfer Agent and to the corporate secretary of the Company a certification or certifications signed by or on behalf of one or more shareholders of the Company owning in the aggregate more than 50% of the then outstanding Subject Equity Shares of such class (exclusive of shares owned immediately prior to the Exclusionary Offer by the Offeror), which certification or certifications shall confirm, in the case of each shareholder who made such certification:

(i) the number of Subject Equity Shares owned by the shareholder;

(ii) that such shareholder is not making the Exclusionary Offer and is not an Associate or Affiliate of, or acting jointly or in concert with, the Person making such offer;

(iii) that such shareholder shall not accept the Exclusionary Offer, including any varied form of the offer, without giving the Transfer Agent and the corporate secretary of the Company written notice of such acceptance or intended acceptance at least seven (7) days prior to the Expiry Date; and

(iv) that such shareholder shall not transfer any Subject Equity Shares, directly or indirectly, prior to the Expiry Date without giving the Transfer Agent and the corporate secretary of the Company written notice of such transfer or intended transfer at least seven (7) days prior to the Expiry Date, which notice shall state, if known to the transferor, the names of the transferees and the number of Subject Equity Shares transferred or to be transferred to each transferee if this information is known to the transferor;

(vi) if a notice (the "**Notice**") referred to in sub-clause (v)(A)(i), (v)(A)(iv), (v)(B)(iii) or (v)(B)(iv) is given to the Transfer Agent and to the corporate secretary of the Company and the conversion right provided for in subparagraph (ii) has not, because of the giving of such Notice, come into effect, the Company shall, either forthwith upon receipt of the Notice or forthwith after the seventh (7^{th}) day following the Offer Date, whichever is later, make a good faith determination as to whether there are subsisting certifications that comply with either clause (v)(A) or (v)(B) from shareholders of the Company who own in the aggregate more than 50% of the then outstanding Subject Equity Shares, exclusive of shares owned immediately prior to the Exclusionary Offer by the Offeror. If the Company determines that there are not such subsisting certifications, subparagraph (v) shall cease to apply and the conversion right provided for in subparagraph (ii) shall be in effect for the remainder of the Conversion Period;

(vii) as soon as reasonably possible after the seventh (7^{th}) day after the Offer Date, the Company shall send to each holder of Subordinate Voting Shares a written notice advising the holders as to whether they are entitled to convert their Subordinate Voting Shares into Subject Equity Shares and the reasons therefor. If such notice discloses that they are not so entitled, but it is subsequently determined that they are so entitled by virtue of subparagraph (vi) or otherwise, the Company shall forthwith send another notice to them advising them of that fact and the reasons therefor;

(viii) if a notice referred to in subparagraph (vii) discloses that the conversion right set forth in Section 25.1(1)(g)(ii) has come into effect, the notice shall:

(A) include a description of the procedure to be followed to effect the conversion and to have the Converted Shares tendered under the Exclusionary Offer;

(B) include the information set out in subparagraph (vii) hereof; and

(C) be accompanied by a copy of the Exclusionary Offer and all other materials sent to any holders of Subject Equity Shares in respect of such offer; and as soon as reasonably possible after any additional material, including any notice of variation, is sent to any holders of Subject Equity Shares in respect of such offer, the Company shall send a copy of such additional materials to each holder of Subordinate Voting Shares;

(ix) prior to or forthwith after sending any notice referred to in subparagraph (vii), the Company shall cause a news release to be issued to a Canadian national news service, describing the contents of the notice; and

(x) references to share certificates shall include, as applicable, the equivalent in any non-certificated inventory system (such as, for example, a Direct Registration System or electronic position), with appropriate changes.

(3) *Specified Exceptions*

There will be no right to convert the Subordinate Voting Shares into Subject Equity Shares in each of the following circumstances (collectively, the "**Specified Exceptions**"):

(i) Equity Shares held, beneficially owned or controlled, by one or more underwriters solely for the purposes of a distribution to the public; or

(ii) Equity Shares held, beneficially owned or controlled, by a Person acting solely in the capacity of an intermediary in connection with either the payment of funds and/or the delivery of securities and that provides centralized facilities for the deposit, clearing or settlement of trades in securities (including CDS Clearing and Depositary Services Inc., or any successor or assign) without general discretionary authority over the voting or disposition of such Equity Shares.

(h) *Renaming as Common Shares.*

At the effective time that no Multiple Voting Shares remain issued and outstanding (including, without limitation, by the conversion of all Multiple Voting Shares, in accordance with these Articles, into Subordinate Voting Shares and/or Restricted Voting Shares, as applicable), the Subordinate Voting Shares shall henceforward be named "Common Shares", and all references in these Articles to "Subordinate Voting Share" shall thereinafter refer to "Common Share".

Section 25.2 Multiple Voting Shares

(1) An unlimited number of Multiple Voting Shares, without nominal or par value, are authorized for issuance, having attached thereto the special rights and restrictions as set forth below:

(a) *Voting Rights.*

Holders of Multiple Voting Shares shall be entitled to notice of and to attend (if applicable, virtually) any meeting of the shareholders of the Company. Holders of Multiple Voting Shares shall be entitled to vote at any meeting of the shareholders of the Company, and at each such meeting, shall be entitled to twenty-five (25) votes in respect of each Multiple Voting Share held, except for a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote.

Except as otherwise provided in these Articles (including without limitation the restrictions on voting rights for directors in the case of the Limited Voting Shares) or except as provided in the *Business Corporations Act,* Multiple Voting Shares, Subordinate Voting Shares, Restricted Voting Shares and Limited Voting Shares are equal in all respects and shall vote together as if they were shares of a single class. In connection with any Change of Control Transaction requiring approval of the holders of all classes of Equity Shares under the *Business Corporations Act*, holders of each such Equity Shares shall be treated equally and identically, on a per share basis, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of outstanding Multiple Voting Shares in respect of a resolution approving such Change of Control Transaction, voting separately as a class at a meeting of the holders of that class called and held for such purpose.

Notwithstanding the provisions of the second paragraph of this Section 25.2(1)(a), the holders of Multiple Voting Shares shall be entitled to vote as a separate class, in addition to any other vote of shareholders that may be required, in respect of any alteration, repeal or amendment of these Articles which would: (i) adversely affect the rights or special rights of the holders of Multiple Voting Shares (including an amendment to the terms of these Articles which provide that any Multiple Voting Shares sold or transferred to a Person that is not a Permitted Holder shall be automatically converted into Restricted Voting Shares and/or Subordinate Voting Shares, as applicable); or (ii) affect the holders of Equity Shares differently, on a per share basis; or (iii) create any class or series of shares ranking equal to or senior to the Multiple Voting Shares; and in each case such alteration, repeal or amendment shall not be effective unless a resolution in respect thereof is approved by a majority of the votes cast by holders of outstanding Multiple Voting Shares.

(b) *Constraints on Ownership.*

The Multiple Voting Shares may be held, beneficially owned or controlled, by U.S. Persons and Non-U.S. Persons.

(c) *Dividends.*

Holders of Multiple Voting Shares shall be entitled to receive, as and when declared by the directors, dividends in cash or property of the Company. No dividend will be declared or paid on other Equity Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on a per share basis) on the Multiple Voting Shares. The Multiple Voting Shares shall rank equally with the other Equity Shares as to dividends on a share-for-share basis, without preference or distinction. In the event of the payment of a dividend in the form of shares, holders of Multiple Voting Shares shall receive Multiple Voting Shares, unless otherwise determined by the board of directors of the Company, provided an equal number of shares is declared as a dividend or distribution on a per-Equity Share basis in each case.

(d) *Liquidation, Dissolution or Winding-Up.*

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Multiple Voting Shares shall, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Multiple Voting Shares, be entitled to participate ratably in the remaining property of the Company along with all other holders of Equity Shares (on a per share basis).

(e) *Rights to Subscribe; Pre-Emptive Rights.*

The holders of Multiple Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of shares, or bonds, debentures or other securities of the Company now or in the future.

(f) *Subdivision or Consolidation.*

No subdivision or consolidation of the Multiple Voting Shares shall occur unless, simultaneously, the other classes of Equity Shares are subdivided or consolidated or otherwise adjusted so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes. Subject to Section 25.2(1)(g), the Multiple Voting Shares cannot be converted into any other class of shares.

(g) *Conversion of Multiple Voting Shares.*

Holders of Multiple Voting Shares shall have conversion rights as follows:

(i) Right to Convert.

Each Multiple Voting Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Company or any transfer agent for such shares, on a one-for-one basis, into (i) fully paid and non-assessable Subordinate Voting Shares in the event the Multiple Voting Shares are held, beneficially owned or controlled, by a Non-U.S. Person, or (ii) fully paid and non-assessable Restricted Voting Shares in the event the Multiple Voting Shares are held, beneficially owned or controlled, by a U.S. Person.

(ii) Automatic Conversion.

(A) Upon the date that is 60 months from the date of first issuance of a Multiple Voting Share (the date of first issuance being May 24, 2019), each Multiple Voting Share shall be automatically converted, without any action on the part of the holder, into (i) one fully paid and non-assessable Subordinate Voting Share, in the event the Multiple Voting Share is held, beneficially owned or controlled by a Non-U.S. Person, or (ii) one fully paid and non-assessable Restricted Voting Share in the event the Multiple Voting Shares is held, beneficially owned or controlled by a U.S. Person.

(B) Upon the first date that any Multiple Voting Share shall be held by a Person other than by a Permitted Holder, the Permitted Holder which held such Multiple Voting Share until such date, without any further action, shall automatically be deemed to have exercised his, her or its rights under Section 25.2(1)(g)(i) to convert such Multiple Voting Share into (i) one fully paid and non-assessable Subordinate Voting Share, in the event the Multiple Voting Share is held, beneficially owned or controlled by a Non-U.S. Person, or (ii) one fully paid and non-assessable Restricted Voting Share in the event the Multiple Voting Shares is held, beneficially owned or controlled by a U.S. Person.

(C) Upon the first date that the aggregate number of Multiple Voting Shares held by all Permitted Holders is reduced to a number which is less than 33 1/3% of the aggregate number of Multiple Voting Shares held by all Permitted Holders on the date of first issuance of the Multiple Voting Shares (being May 24, 2019), each Permitted Holder shall automatically be deemed, without further action, to have exercised his, her or its rights under Section 25.2(1)(g)(i) to convert all Multiple Voting Shares held by such Permitted Holder into an equal number of (i) fully paid and non-assessable Subordinate Voting Shares, in the event the Multiple Voting Shares are held, beneficially owned or controlled by a Non-U.S. Person, or (ii) fully paid and non-assessable Restricted Voting Shares in the event the Multiple Voting Shares are held, beneficially owned or controlled by a U.S. Person.

(D) A Multiple Voting Share that is converted into a Subordinate Voting Share or a Restricted Voting Share, in each case as applicable and as provided for in Section 25.2(1)(g)(ii)(A), Section 25.2(1)(g)(ii)(B) or Section 25.2(1)(g)(ii)(C) will automatically be cancelled.

(E) For the purposes hereof:

(i) "**Members of the Immediate Family**" means with respect to any individual, each parent (whether by birth or adoption), spouse or child (including any step-child) or other descendants (whether by birth or adoption) of such individual, each spouse of any of the aforementioned Persons, each trust created solely for the benefit of such individual and/or one or more of the aforementioned Persons, and each legal representative of such individual or of any aforementioned Persons (including without limitation a tutor, curator, mandatary due to incapacity, custodian, guardian or testamentary executor), acting in such capacity under the authority of the law, an order from a competent tribunal, a will or a mandate in case of incapacity or similar instrument. For the purposes of this definition, a Person shall be considered the spouse of an individual if such Person is legally married to such individual, lives in a civil union with such individual or is the common law partner of such individual. A Person who was the spouse of an individual within the meaning of this paragraph immediately before the death of such individual shall continue to be considered a spouse of such individual after the death of such individual;

(ii) "**Permitted Holders**" means (a) Jonathan Sandelman, Charles Miles or Kamaldeep Thindal and any Members of the Immediate Family of any of them, (b) Mercer Park L.P., (c) Mercer Park CB, L.P., and (d) any Person controlled, directly or indirectly by one or more of the Persons referred to in clause (a), (b) or (c) above; and

(iii) "**Person**" has the meaning assigned by the *Securities Act* (British Columbia) as, from time to time, amended, re-enacted or replaced and includes a company or other body corporate wherever or however incorporated.

(iii) Mechanics of Conversion.

Before any holder of Multiple Voting Shares shall be entitled to convert Multiple Voting Shares into Subordinate Voting Shares and/or Restricted Voting Shares, as applicable, the holder thereof shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any transfer agent for Subordinate Voting Shares or Restricted Voting Shares, as applicable, or the equivalent in any non-certificated inventory system (such as, for example, a Direct Registration System or electronic position) administered by any applicable depository or transfer agent of the Company, and shall give written notice to the Company at its head office, of the election to convert the same and the Subordinate Voting Shares or Restricted Voting Shares, as applicable, resulting therefrom shall be registered in the name of the registered holder of the Multiple Voting Shares converted or, subject to payment by the registered holder of any stock transfer or applicable taxes and compliance with any other reasonable requirements of the Company in respect of such transfer, in such name or names as such registered holder may direct in writing. Upon receipt of such notice and certificate or certificates and, as applicable, compliance with such other requirements, the Company shall (or shall cause its transfer agent to), at its expense, as soon as practicable thereafter, remove or cause the removal of such holder from the register of holders in respect of the Multiple Voting Shares for which the conversion right is being exercised, add the holder (or any Person or Persons in whose name or names such converting holder shall have directed the resulting Subordinate Voting Shares or Restricted Voting Shares, as applicable, to be registered) to the securities register of holders in respect of the resulting Subordinate Voting Shares or Restricted Voting Shares, as applicable, cancel or cause the cancellation of the certificate or certificates representing such Multiple Voting Shares and issue and deliver at such office to such holder, or to the nominee or nominees of such holder, a certificate or certificates or the equivalent in any non-certificated inventory system (such as, for example, a Direct Registration System or electronic position) administered by any applicable depository or transfer agent of the Company, representing the Subordinate Voting Shares or Restricted Voting Shares, as applicable, issued upon the conversion of such Multiple Voting Shares. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Multiple Voting Shares to be converted, and the Person or Persons entitled to receive the Subordinate Voting Shares or Restricted Voting Shares, as applicable, issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Subordinate Voting Shares or Restricted Voting Shares, as applicable, as of such date. If less than all of the Multiple Voting Shares represented by any certificate are to be converted, the holder shall be entitled to receive a new certificate representing the Multiple Voting Shares represented by the original certificate which are not to be converted. A Multiple Voting Share that is converted into a Subordinate Voting Share or Restricted Voting Share, as applicable, as provided for in this Section 25.2(1)(g)(iii) will automatically be cancelled.

(iv) Effect of Conversion.

All Multiple Voting Shares which 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 Subordinate Voting Shares or Restricted Voting Shares, as applicable, in exchange therefor.

(h) *Transfer of Multiple Voting Shares.*

Except in accordance with Sections 2.3 or 2.8 of the coattail agreement dated the same date as the Multiple Voting Shares are first issued (the "**Coattail Agreement**") or as expressly provided herein, including upon conversion into Subordinate Voting Shares and/or Restricted Voting Shares, as applicable, no Multiple Voting Share may be sold, transferred, assigned, pledged or otherwise disposed of without the written consent of the directors, and the directors are not required to give any reason for refusing to consent to any such sale, transfer or disposition.

(i) *Share Superior to Multiple Voting Shares*

The Company may take no action which would authorize or create shares of any class or series having preferences superior to or on a parity with the Multiple Voting Shares without the consent of the holders of a majority of the outstanding Multiple Voting Shares expressed by special separate resolution. At any meeting of holders of Multiple Voting Shares called to consider such a special separate resolution, each Multiple Voting Share will entitle the holder to one (1) vote and each fraction of a Multiple Voting Share shall entitle the holder to the corresponding fraction of one (1) vote.

Section 25.3 Restricted Voting Shares

(1) An unlimited number of Restricted Voting Shares, without nominal or par value, are authorized for issuance, having attached thereto the special rights and restrictions as set forth below:

(a) *Voting Rights.*

Holders of Restricted Voting Shares shall be entitled to notice of and to attend (if applicable, virtually) any meeting of the shareholders of the Company. Holders of Restricted Voting Shares shall be entitled to vote at any meeting of the shareholders of the Company, and at each such meeting, shall be entitled to one (1) vote in respect of each Restricted Voting Share held, except for a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote.

Except as otherwise provided in these Articles (including without limitation the restrictions on voting rights for directors in the case of the Limited Voting Shares) or except as provided in the Business Corporations Act, Multiple Voting Shares, Subordinate Voting Shares, Restricted Voting Shares and Limited Voting Shares are equal in all respects and shall vote together as if they were shares of a single class. In connection with any Change of Control Transaction requiring approval of the holders of all classes of Equity Shares under the Business Corporations Act, holders of each class of Equity Shares shall be treated equally and identically, on a per share basis, unless different treatment of the shares of any such class is approved by a majority of the votes cast by the holders of outstanding Restricted Voting Shares in respect of a resolution approving such Change of Control Transaction, voting separately as a class at a meeting of the holders of Restricted Voting Shares called and held for such purpose.

Notwithstanding the provisions of the second paragraph of this Section 25.3(1)(a), the holders of Restricted Voting Shares shall be entitled to vote as a separate class, in addition to any other vote of shareholders that may be required, in respect of any alteration, repeal or amendment of these Articles which would: (i) adversely affect the rights or special rights of the holders of Restricted Voting Shares (including an amendment to the terms of these Articles which provide that any Multiple Voting Shares sold or transferred to a Person that is not a Permitted Holder shall be automatically converted into Subordinate Voting Shares and/or Restricted Voting Shares, as applicable); or (ii) affect the holders of any class of Equity Shares differently, on a per share basis; or (iii) except as already set forth herein, create any class or series of shares ranking equal to or senior to the Restricted Voting Shares; and in each case such alteration, repeal or amendment shall not be effective unless a resolution in respect thereof is approved by a majority of the votes cast by holders of outstanding Restricted Voting Shares.

(b) *Constraints on Ownership.*

Subject to the Specified Exceptions, the Restricted Voting Shares may only be held, beneficially owned or controlled, by U.S. Persons.

(c) *Dividends.*

Holders of Restricted Voting Shares shall be entitled to receive, as and when declared by the board of directors, dividends in cash or property of the Company. No dividend will be declared or paid on any other class of Equity Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on a per share basis) on the Restricted Voting Shares. The Restricted Voting Shares shall rank equally with the other Equity Shares as to dividends on a share-for-share basis, without preference or distinction. In the event of the payment of a dividend in the form of shares, holders of Restricted Voting Shares shall receive Restricted Voting Shares, unless otherwise determined by the board of directors, provided an equal number of shares is declared as a dividend or distribution on a then outstanding per-Equity Share basis, without preference or distinction, in each case.

(d) *Liquidation, Dissolution or Winding-Up.*

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Restricted Voting Shares shall, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Restricted Voting Shares, be entitled to participate ratably in the remaining property of the Company along with all holders of the other classes of Equity Shares (on a per share basis).

(e) *Rights to Subscribe; Pre-Emptive Rights.*

The holders of Restricted Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of shares, or bonds, debentures or other securities of the Company now or in the future.

(f) *Subdivision or Consolidation.*

No subdivision or consolidation of the Restricted Voting Shares shall occur unless, simultaneously, the other classes of Equity Shares are subdivided or consolidated or otherwise adjusted so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes. Subject to Section 25.3(1)(g), the Restricted Voting Shares cannot be converted into any other class of shares.

(g) *Conversion of Restricted Voting Shares.*

(1) *Automatic*

Subject to the Specified Exceptions, each issued and outstanding Restricted Voting Share shall be automatically converted into one Subordinate Voting Share, without any further act on the part of the Company or of the holder, if such Restricted Voting Share becomes held, beneficially owned or controlled, by a Non-U.S. Person.

(2) *Conversion into Limited Voting Shares*

Subject to the Specified Exceptions, if, at any given time, the total number of Restricted Voting Shares becomes equal to or in excess of the FPI Threshold, the minimum number of Restricted Voting Shares required to stay within the FPI Threshold shall be automatically converted, without further act or formality, on a pro-rata basis across all registered holders of Restricted Voting Shares (rounded up to the next nearest whole number of shares), on a one-for-one basis, into Limited Voting Shares. For purposes of these Articles, "**FPI Threshold**" means:

(0.50 x Aggregate Number of Multiple Voting Shares, Subordinate Voting Shares and Restricted Voting Shares) – (Aggregate Number of Multiple Voting Shares held, beneficially owned or controlled by U.S. Persons)

Notwithstanding the foregoing, in connection with a formal bid for all Equity Shares on identical terms made in compliance with Canadian securities laws that results in the bidder owning or controlling more than fifty percent (50%) of the total voting power of the voting securities of the Company for the election of directors (assuming the Limited Voting Shares each have one (1) vote per share for the election of directors), the bidder may elect, by way of written notice to the Company, that the Restricted Voting Shares it so acquires not be automatically converted into Limited Voting Shares.

(3) *Upon an Offer*

(i) For the purposes of this Section 25.3(1)(g)(3):

(A) "**Affiliate**" has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions* as, from time to time, amended, re-enacted or replaced;

(B) "**Associate**" has the meaning assigned by the *Securities Act* (Ontario) as, from time to time, amended, re-enacted or replaced;

(C) "**Conversion Period**" means the period of time commencing on the eighth day after the Offer Date and terminating on the Expiry Date;

(D) "**Converted Shares**" means the Subject Equity Shares resulting from the conversion of Restricted Voting Shares into the Subject Equity Shares pursuant to subparagraph (ii);

(E) "**Exclusionary Offer**" means an offer to purchase Subject Equity Shares that:

(i) is a General Offer; and

(ii) is not made concurrently with an offer to purchase Restricted Voting Shares that is identical to the offer to purchase the Subject Equity Shares in terms of price per share and percentage of outstanding shares to be taken up exclusive of shares owned immediately prior to the offer by the Offeror, and in all other material respects, and that has no condition attached other than the right not to take up and pay for shares tendered if no shares are purchased pursuant to the offer for Subject Equity Shares;

and for the purposes of this definition, if an offer to purchase Subject Equity Shares is a General Offer but not an Exclusionary Offer, the varying of any term of such offer shall be deemed to constitute the making of a new offer unless a variation identical in all material respects concurrently is made to the corresponding offer to purchase Restricted Voting Shares;

(F) "**Expiry Date**" means the last date on which holders of the Subject Equity Shares may accept an Exclusionary Offer;

(G) "**General Offer**" means an offer to purchase Subject Equity Shares that must, by reason of applicable securities legislation or the requirements of any stock exchange on which the Subject Equity Shares are listed, be made to all or substantially all holders of Subject Equity Shares who are in a province of Canada to which any such legislation or requirement applies (assuming that the offeree was resident in Ontario);

(H) "**Offer Date**" means the date on which an Exclusionary Offer is made;

(I) "**Offeror**" means a Person that makes an offer to purchase the Subject Equity Shares (the "**bidder**"), and includes any Associate or Affiliate of the bidder or any Person that is disclosed in the offering document to be acting jointly or in concert with the bidder;

(J) "**Person**" has the meaning assigned by the *Securities Act* (Ontario) as, from time to time, amended, re-enacted or replaced and includes a company or other body corporate wherever or however incorporated;

(K) "**Subject Equity Shares**" means any one or more classes of Equity Shares that are subject to an Exclusionary Offer, other than Restricted Voting Shares; and

(L) "**Transfer Agent**" means the transfer agent of the Company at the relevant time for any of the Subject Equity Shares (and if there is no such transfer agent, "**Transfer Agent**" means the Company);

(ii) subject to subparagraph (v), if an Exclusionary Offer is made, each outstanding Restricted Voting Share shall, at the option of each holder of Restricted Voting Shares during the Conversion Period, be convertible on a one-for-one basis into the class of Equity Shares that are subject to such Exclusionary Offer (and if more than one class of Equity Shares are subject to such Exclusionary Offer, or different Exclusionary Offers are made for separate classes of Subject Equity Shares, on a one-for-one basis into any class of Equity Shares that are subject to any such Exclusionary Offer, at the holder's election, or failing such election, into any class of Equity Shares that are subject to any such Exclusionary Offer at the board of directors' discretion). The conversion right may be exercised by notice in writing given to the Transfer Agent prior to the Expiry Date accompanied by the share certificate(s) representing the Restricted Voting Shares which the holder desires to convert, together with any letter of transmittal or other documentation, including any medallion signature guarantee, as may be required by the Transfer Agent or pursuant to the Exclusionary Offer, in either case, in duly executed or completed form, and such notice shall be executed by such holder, or by his attorney duly authorized in writing, and shall specify the number of Restricted Voting Shares which the holder desires to have converted and the class of Equity Shares which are desired to be converted into. The Company shall pay any governmental stamp, transfer or similar tax (but for greater certainty, no income or capital gains tax) imposed on or in respect of such conversion. If less than all of the Restricted Voting Shares represented by any share certificate are to be converted, the holder shall be entitled to receive a new share certificate representing in the aggregate the number of Restricted Voting Shares represented by the original share certificate, which are not to be converted. Upon any conversion of any shares of any class into shares of another class, the Company shall adjust the capital accounts maintained for the respective classes of shares as provided in the Business Corporations Act. The conversion right may only be exercised in respect of Restricted Voting Shares for the purpose of depositing the resulting Subject Equity Shares pursuant to such offer and for no other reason;

(iii) an election by a holder of Restricted Voting Shares to exercise the conversion right provided for in subparagraph (ii) shall be deemed to also constitute irrevocable elections by such holder (a) to deposit the Converted Shares pursuant to the Exclusionary Offer (subject to such holder's right to subsequently withdraw the shares from the offer), and (b) to exercise the right to convert back into Restricted Voting Shares all Converted Shares (on a one-for-one basis) in respect of which such holder exercises his, her or its right of withdrawal from the Exclusionary Offer or which are not otherwise ultimately taken up under the Exclusionary Offer. Any conversion of Converted Shares back into Restricted Voting Shares in respect of which the holder exercises his, her or its right of withdrawal from the Exclusionary Offer shall become effective at the time such right of withdrawal is exercised. If the right of withdrawal is not exercised, any conversion of Converted Shares back into Restricted Voting Shares pursuant to a deemed election shall become effective:

(A) for Converted Shares not taken up in accordance with the terms of an Exclusionary Offer which is nonetheless completed, on the day that the Offeror has taken up and paid for all shares to be acquired by the Offeror under the Exclusionary Offer; and

(B) in respect of an Exclusionary Offer which is abandoned or withdrawn, at the time at which the Exclusionary Offer is abandoned or withdrawn;

(iv) no share certificates representing Converted Shares shall be delivered to the holders of such shares before such shares are deposited pursuant to the Exclusionary Offer. The Transfer Agent, on behalf of the holders of the Converted Shares, shall deposit pursuant to the Exclusionary Offer the share certificates representing all Restricted Voting Shares for which the certificates, notices and other documents have been duly delivered to the Transfer Agent pursuant to subparagraph (ii) and shall advise the Offeror of the extent that such certificates so deposited represent Subject Equity Shares of the Company. Upon completion of the Exclusionary Offer, the Transfer Agent shall deliver to the holders of the shares purchased pursuant to the Exclusionary Offer all consideration paid by the Offeror pursuant to the Exclusionary Offer. If Converted Shares are converted back into Restricted Voting Shares pursuant to subparagraph (iii), the Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Restricted Voting Shares resulting from the conversion. Provided however that if no Restricted Voting Shares of a shareholder were acquired by the Offeror pursuant to the Exclusionary Offer, the Transfer Agent shall return the original share certificate (if not duly endorsed for transfer to a named transferee) evidencing such Restricted Voting Shares tendered pursuant to subparagraph (ii) in satisfaction of its obligations under this subparagraph (iv). The Company shall make all arrangements with the Transfer Agent necessary or desirable to give effect to this subparagraph (iv);

(v) subject to subparagraph (vi), the conversion right provided for in subparagraph (ii) shall not come into effect with respect to a class of Subject Equity Shares if:

(A) prior to the time at which the Exclusionary Offer is made there is or has been delivered to the Transfer Agent and to the corporate secretary of the Company a certification or certifications signed by or on behalf of one or more shareholders of the Company owning in the aggregate, as at the time the Exclusionary Offer is made, more than 50% of the then outstanding Subject Equity Shares of each class (exclusive of shares owned immediately prior to the Exclusionary Offer by the Offeror), which certification or certifications shall confirm, in the case of each such shareholder, that made such certification, that such shareholder shall not:

(i) accept any Exclusionary Offer without giving the Transfer Agent and the corporate secretary of the Company written notice of such acceptance or intended acceptance at least 7 days prior to the Expiry Date;

(ii) make any Exclusionary Offer;

(iii) act jointly or in concert with any Person that makes any Exclusionary Offer; or

(iv) transfer any Subject Equity Shares, directly or indirectly, during the time any Exclusionary Offer is outstanding without giving the Transfer Agent and the corporate secretary of the Company written notice of such transfer or intended transfer at least seven (7) days prior to the Expiry Date, which notice shall state, if known to the transferor, the names of the transferees and the number of Subject Equity Shares transferred or to be transferred to each transferee; or

(B) within seven (7) days after the Offer Date there is delivered to the Transfer Agent and to the corporate secretary of the Company a certification or certifications signed by or on behalf of one or more shareholders of the Company owning in the aggregate more than 50% of the then outstanding Subject Equity Shares of such class (exclusive of shares owned immediately prior to the Exclusionary Offer by the Offeror), which certification or certifications shall confirm, in the case of each shareholder who made such certification:

(i) the number of Subject Equity Shares owned by the shareholder;

(ii) that such shareholder is not making the Exclusionary Offer and is not an Associate or Affiliate of, or acting jointly or in concert with, the Person making such offer;

(iii) that such shareholder shall not accept the Exclusionary Offer, including any varied form of the offer, without giving the Transfer Agent and the corporate secretary of the Company written notice of such acceptance or intended acceptance at least seven (7) days prior to the Expiry Date; and

(iv) that such shareholder shall not transfer any Subject Equity Shares, directly or indirectly, prior to the Expiry Date without giving the Transfer Agent and the corporate secretary of the Company written notice of such transfer or intended transfer at least seven (7) days prior to the Expiry Date, which notice shall state, if known to the transferor, the names of the transferees and the number of Subject Equity Shares transferred or to be transferred to each transferee if this information is known to the transferor;

(vi) if a notice (the "**Notice**") referred to in sub-clause (v)(A)(i), (v)(A)(iv), (v)(B)(iii) or (v)(B)(iv) is given to the Transfer Agent and to the corporate secretary of the Company and the conversion right provided for in subparagraph (ii) has not, because of the giving of such Notice, come into effect, the Company shall, either forthwith upon receipt of the Notice or forthwith after the seventh (7th) day following the Offer Date, whichever is later, make a good faith determination as to whether there are subsisting certifications that comply with either clause (v)(A) or (v)(B) from shareholders of the Company who own in the aggregate more than 50% of the then outstanding Subject Equity Shares of each class, exclusive of shares owned immediately prior to the Exclusionary Offer by the Offeror. If the Company determines that there are not such subsisting certifications, subparagraph (v) shall cease to apply and the conversion right provided for in subparagraph (ii) shall be in effect for the remainder of the Conversion Period;

(vii) as soon as reasonably possible after the seventh (7th) day after the Offer Date, the Company shall send to each holder of Restricted Voting Shares a written notice advising the holders as to whether they are entitled to convert their Restricted Voting Shares into Subject Equity Shares and the reasons therefor. If such notice discloses that they are not so entitled, but it is subsequently determined that they are so entitled by virtue of subparagraph (vi) or otherwise, the Company shall forthwith send another notice to them advising them of that fact and the reasons therefor;

(viii) if a notice referred to in subparagraph (vii) discloses that the conversion right set forth in Section 25.3(1)(g)(3)(ii) has come into effect, the notice shall:

(A) include a description of the procedure to be followed to effect the conversion and to have the Converted Shares tendered under the Exclusionary Offer;

(B) include the information set out in subparagraph (vii) hereof; and

(C) be accompanied by a copy of the Exclusionary Offer and all other materials sent to any holders of Subject Equity Shares in respect of such offer; and as soon as reasonably possible after any additional material, including any notice of variation, is sent to any holders of Subject Equity Shares in respect of such offer, the Company shall send a copy of such additional materials to each holder of Restricted Voting Shares;

(ix) prior to or forthwith after sending any notice referred to in subparagraph (vii), the Company shall cause a news release to be issued to a Canadian national news service, describing the contents of the notice; and

(x) references to share certificates shall include, as applicable, the equivalent in any non-certificated inventory system (such as, for example, a Direct Registration System or an electronic position), with appropriate changes.

Section 25.4 Limited Voting Shares

(1) An unlimited number of Limited Voting Shares, without nominal or par value, are authorized for issuance, having attached thereto the special rights and restrictions as set forth below:

(a) *Voting Rights.*

Holders of Limited Voting Shares shall be entitled to notice of and to attend (if applicable, virtually) any meeting of the shareholders of the Company. Holders of Limited Voting Shares shall be entitled to vote at any meeting of the shareholders of the Company, and at each such meeting, shall be entitled to one (1) vote in respect of each Limited Voting Share held, except that holders shall not have an entitlement to vote (i) in respect of the election for directors of the board of directors or (ii) for a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote.

Except as otherwise provided in these Articles (including without limitation the restrictions on voting rights for directors in the case of the Limited Voting Shares) or except as provided in the Business Corporations Act, Multiple Voting Shares, Subordinate Voting Shares, Restricted Voting Shares and Limited Voting Shares are equal in all respects and shall vote together as if they were shares of a single class. In connection with any Change of Control Transaction requiring approval of the holders of all classes of Equity Shares under the Business Corporations Act, holders of each class of Equity Shares shall be treated equally and identically, on a per share basis, unless different treatment of the shares of any such class is approved by a majority of the votes cast by the holders of outstanding Limited Voting Shares in respect of a resolution approving such Change of Control Transaction, voting separately as a class at a meeting of the holders of Limited Voting Shares called and held for such purpose.

Notwithstanding the provisions of the second paragraph of this Section 25.4(1)(a), the holders of Limited Voting Shares shall be entitled to vote as a separate class, in addition to any other vote of shareholders that may be required, in respect of any alteration, repeal or amendment of these Articles which would: (i) adversely affect the rights or special rights of the holders of Limited Voting Shares (including an amendment to the terms of these Articles which provide that any Multiple Voting Shares sold or transferred to a Person that is not a Permitted Holder shall be automatically converted into Subordinate Voting Shares and/or Restricted Voting Shares, as applicable); or (ii) affect the holders of any class of Equity Shares differently, on a per share basis; or (iii) except as already set forth herein, create any class or series of shares ranking equal to or senior to the Limited Voting Shares; and in each case such alteration, repeal or amendment shall not be effective unless a resolution in respect thereof is approved by a majority of the votes cast by holders of outstanding Limited Voting Shares.

(b) *Constraints on Ownership.*

Subject to the Specified Exceptions, the Limited Voting Shares may only be held, beneficially owned or controlled, by U.S. Persons.

(c) *Dividends.*

Holders of Limited Voting Shares shall be entitled to receive, as and when declared by the board of directors, dividends in cash or property of the Company. No dividend will be declared or paid on any other class of Equity Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on a per share basis) on the Limited Voting Shares. The Limited Voting Shares shall rank equally with the other Equity Shares as to dividends on a share-for-share basis, without preference or distinction. In the event of the payment of a dividend in the form of shares, holders of Limited Voting Shares shall receive Limited Voting Shares, unless otherwise determined by the board of directors, provided an equal number of shares is declared as a dividend or distribution on a then outstanding per-Equity Share basis, without preference or distinction, in each case.

(d) *Liquidation, Dissolution or Winding-Up.*

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Limited Voting Shares shall, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Limited Voting Shares, be entitled to participate ratably in the remaining property of the Company along with all holders of the other classes of Equity Shares (on a per share basis).

(e) *Rights to Subscribe; Pre-Emptive Rights.*

The holders of Limited Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of shares, or bonds, debentures or other securities of the Company now or in the future.

(f) *Subdivision or Consolidation.*

No subdivision or consolidation of the Limited Voting Shares shall occur unless, simultaneously, the other classes of Equity Shares are subdivided or consolidated or otherwise adjusted so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes. Subject to Section 25.4(1)(g), the Limited Voting Shares cannot be converted into any other class of shares.

(g) *Conversion of Limited Voting Shares.*

(1) *Automatic*

Subject to the Specified Exceptions, each issued and outstanding Limited Voting Share shall be automatically converted into one Subordinate Voting Share, without any further act on the part of the Company or of the holder, if at any given time, such Limited Voting Share becomes held, beneficially owned or controlled, by a Non-U.S. Person.

(2) *Conversion into Restricted Voting Shares*

Subject to the Specified Exceptions, if, at any given time, the total number of Restricted Voting Shares represents a number below the FPI Threshold, the number of Limited Voting Shares shall be automatically converted, without further act or formality, on a pro-rata basis across all registered holders of Limited Voting Shares (rounded up to the next nearest whole number of shares), on a one-for-one basis, into Restricted Voting Shares, to the maximum extent possible such that the Limited Voting Shares then represent a number of Equity Shares that is one share less than the FPI Threshold.

Notwithstanding the foregoing, in connection with a formal bid for all Equity Shares on identical terms made in compliance with Canadian securities laws that results in the bidder owning or controlling more than fifty percent (50%) of the total voting power of the voting securities of the Company for the election of directors (assuming the Limited Voting Shares each have one (1) vote per share for the election of directors), the bidder may elect, by way of written notice to the Company, that the Limited Voting Shares it so acquires not be automatically converted into Restricted Voting Shares.

(3) *Upon an Offer*

(i) For the purposes of this Section 25.4(1)(g)(3):

(A) "**Affiliate**" has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions* as, from time to time, amended, re-enacted or replaced;

(B) "**Associate**" has the meaning assigned by the *Securities Act* (Ontario) as, from time to time, amended, re-enacted or replaced;

(C) "**Conversion Period**" means the period of time commencing on the eighth day after the Offer Date and terminating on the Expiry Date;

(D) "**Converted Shares**" means the Subject Equity Shares resulting from the conversion of Limited Voting Shares into the Subject Equity Shares pursuant to subparagraph (ii);

(E) "**Exclusionary Offer**" means an offer to purchase Subject Equity Shares that:

(i) is a General Offer; and

(ii) is not made concurrently with an offer to purchase Limited Voting Shares that is identical to the offer to purchase the Subject Equity Shares in terms of price per share and percentage of outstanding shares to be taken up exclusive of shares owned immediately prior to the offer by the Offeror, and in all other material respects, and that has no condition attached other than the right not to take up and pay for shares tendered if no shares are purchased pursuant to the offer for Subject Equity Shares;

and for the purposes of this definition, if an offer to purchase Subject Equity Shares is a General Offer but not an Exclusionary Offer, the varying of any term of such offer shall be deemed to constitute the making of a new offer unless a variation identical in all material respects concurrently is made to the corresponding offer to purchase Limited Voting Shares;

(F) "**Expiry Date**" means the last date on which holders of the Subject Equity Shares may accept an Exclusionary Offer;

(G) "**General Offer**" means an offer to purchase Subject Equity Shares that must, by reason of applicable securities legislation or the requirements of any stock exchange on which the Subject Equity Shares are listed, be made to all or substantially all holders of Subject Equity Shares who are in a province of Canada to which any such legislation or requirement applies (assuming that the offeree was resident in Ontario);

(H) "**Offer Date**" means the date on which an Exclusionary Offer is made;

(I) "**Offeror**" means a Person that makes an offer to purchase the Subject Equity Shares (the "**bidder**"), and includes any Associate or Affiliate of the bidder or any Person that is disclosed in the offering document to be acting jointly or in concert with the bidder,

(J) "**Person**" has the meaning assigned by the *Securities Act* (Ontario) as, from time to time, amended, re-enacted or replaced and includes a company or other body corporate wherever or however incorporated;

(K) "**Subject Equity Shares**" means any one or more classes of Equity Shares that are subject to an Exclusionary Offer, other than Limited Voting Shares; and

(L) "**Transfer Agent**" means the transfer agent of the Company at the relevant time for any of the Subject Equity Shares (and if there is no such transfer agent, "**Transfer Agent**" means the Company);

(ii) subject to subparagraph (v), if an Exclusionary Offer is made, each outstanding Limited Voting Share shall, at the option of each holder of Limited Voting Shares during the Conversion Period, be convertible on a one-for-one basis into the class of Equity Shares that are subject to such Exclusionary Offer (and if more than one class of Equity Shares are subject to such Exclusionary Offer, or different Exclusionary Offers are made for separate classes of Subject Equity Shares, on a one-for-one basis into any class of Equity Shares that are subject to any such Exclusionary Offer, at the holder's election, or failing such election, into any class of Equity Shares that are subject to any such Exclusionary Offer at the board of directors' discretion). The conversion right may be exercised by notice in writing given to the Transfer Agent prior to the Expiry Date accompanied by the share certificate(s) representing the Limited Voting Shares which the holder desires to convert, together with any letter of transmittal or other documentation, including any medallion signature guarantee, as may be required by the Transfer Agent or pursuant to the Exclusionary Offer, in either case, in duly executed or completed form, and such notice shall be executed by such holder, or by his attorney duly authorized in writing, and shall specify the number of Limited Voting Shares which the holder desires to have converted and the class of Equity Shares which are desired to be converted into. The Company shall pay any governmental stamp, transfer or similar tax (but for greater certainty, no income or capital gains tax) imposed on or in respect of such conversion. If less than all of the Limited Voting Shares represented by any share certificate are to be converted, the holder shall be entitled to receive a new share certificate representing in the aggregate the number of Limited Voting Shares represented by the original share certificate, which are not to be converted. Upon any conversion of any shares of any class into shares of another class, the Company shall adjust the capital accounts maintained for the respective classes of shares as provided in the *Business Corporations Act.* The conversion right may only be exercised in respect of Limited Voting Shares for the purpose of depositing the resulting Subject Equity Shares pursuant to such offer and for no other reason;

(iii) an election by a holder of Limited Voting Shares to exercise the conversion right provided for in subparagraph (ii) shall be deemed to also constitute irrevocable elections by such holder (a) to deposit the Converted Shares pursuant to the Exclusionary Offer (subject to such holder's right to subsequently withdraw the shares from the offer), and (b) to exercise the right to convert back into Limited Voting Shares all Converted Shares (on a one-for-one basis) in respect of which such holder exercises his, her or its right of withdrawal from the Exclusionary Offer or which are not otherwise ultimately taken up under the Exclusionary Offer. Any conversion of Converted Shares back into Limited Voting Shares in respect of which the holder exercises his, her or its right of withdrawal from the Exclusionary Offer shall become effective at the time such right of withdrawal is exercised. If the right of withdrawal is not exercised, any conversion of Converted Shares back into Limited Voting Shares pursuant to a deemed election shall become effective:

(A) for Converted Shares not taken up in accordance with the terms of an Exclusionary Offer which is nonetheless completed, on the day that the Offeror has taken up and paid for all shares to be acquired by the Offeror under the Exclusionary Offer; and

(B) in respect of an Exclusionary Offer which is abandoned or withdrawn, at the time at which the Exclusionary Offer is abandoned or withdrawn;

(iv) no share certificates representing Converted Shares shall be delivered to the holders of such shares before such shares are deposited pursuant to the Exclusionary Offer. The Transfer Agent, on behalf of the holders of the Converted Shares, shall deposit pursuant to the Exclusionary Offer the share certificates representing all Limited Voting Shares for which the certificates, notices and other documents have been duly delivered to the Transfer Agent pursuant to subparagraph (ii) and shall advise the Offeror of the extent that such certificates so deposited represent Subject Equity Shares of the Company. Upon completion of the Exclusionary Offer, the Transfer Agent shall deliver to the holders of the shares purchased pursuant to the Exclusionary Offer all consideration paid by the Offeror pursuant to the Exclusionary Offer. If Converted Shares are converted back into Limited Voting Shares pursuant to subparagraph (iii), the Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Limited Voting Shares resulting from the conversion. Provided however that if no Limited Voting Shares of a shareholder were acquired by the Offeror pursuant to the Exclusionary Offer, the Transfer Agent shall return the original share certificate (if not duly endorsed for transfer to a named transferee) evidencing such Limited Voting Shares tendered pursuant to subparagraph (ii) in satisfaction of its obligations under this subparagraph (iv). The Company shall make all arrangements with the Transfer Agent necessary or desirable to give effect to this subparagraph (iv);

(v) subject to subparagraph (vi), the conversion right provided for in subparagraph (ii) shall not come into effect with respect to a class of Subject Equity Shares if:

(A) prior to the time at which the Exclusionary Offer is made there is or has been delivered to the Transfer Agent and to the corporate secretary of the Company a certification or certifications signed by or on behalf of one or more shareholders of the Company owning in the aggregate, as at the time the Exclusionary Offer is made, more than 50% of the then outstanding Subject Equity Shares of each class (exclusive of shares owned immediately prior to the Exclusionary Offer by the Offeror), which certification or certifications shall confirm, in the case of each such shareholder, that made such certification, that such shareholder shall not:

(i) accept any Exclusionary Offer without giving the Transfer Agent and the corporate secretary of the Company written notice of such acceptance or intended acceptance at least 7 days prior to the Expiry Date;

(ii) make any Exclusionary Offer;

(iii) act jointly or in concert with any Person that makes any Exclusionary Offer; or

(iv) transfer any Subject Equity Shares, directly or indirectly, during the time any Exclusionary Offer is outstanding without giving the Transfer Agent and the corporate secretary of the Company written notice of such transfer or intended transfer at least seven (7) days prior to the Expiry Date, which notice shall state, if known to the transferor, the names of the transferees and the number of Subject Equity Shares transferred or to be transferred to each transferee; or

(B) within seven (7) days after the Offer Date there is delivered to the Transfer Agent and to the corporate secretary of the Company a certification or certifications signed by or on behalf of one or more shareholders of the Company owning in the aggregate more than 50% of the then outstanding Subject Equity Shares of such class (exclusive of shares owned immediately prior to the Exclusionary Offer by the Offeror), which certification or certifications shall confirm, in the case of each shareholder who made such certification:

(i) the number of Subject Equity Shares owned by the shareholder;

(ii) that such shareholder is not making the Exclusionary Offer and is not an Associate or Affiliate of, or acting jointly or in concert with, the Person making such offer;

(iii) that such shareholder shall not accept the Exclusionary Offer, including any varied form of the offer, without giving the Transfer Agent and the corporate secretary of the Company written notice of such acceptance or intended acceptance at least seven (7) days prior to the Expiry Date; and

(iv) that such shareholder shall not transfer any Subject Equity Shares, directly or indirectly, prior to the Expiry Date without giving the Transfer Agent and the corporate secretary of the Company written notice of such transfer or intended transfer at least seven (7) days prior to the Expiry Date, which notice shall state, if known to the transferor, the names of the transferees and the number of Subject Equity Shares transferred or to be transferred to each transferee if this information is known to the transferor;

(vi) if a notice (the "**Notice**") referred to in sub-clause (v)(A)(i), (v)(A)(iv), (v)(B)(iii) or (v)(B)(iv) is given to the Transfer Agent and to the corporate secretary of the Company and the conversion right provided for in subparagraph (ii) has not, because of the giving of such Notice, come into effect, the Company shall, either forthwith upon receipt of the Notice or forthwith after the seventh (7th) day following the Offer Date, whichever is later, make a good faith determination as to whether there are subsisting certifications that comply with either clause (v)(A) or (v)(B) from shareholders of the Company who own in the aggregate more than 50% of the then outstanding Subject Equity Shares of each class, exclusive of shares owned immediately prior to the Exclusionary Offer by the Offeror. If the Company determines that there are not such subsisting certifications, subparagraph (v) shall cease to apply and the conversion right provided for in subparagraph (ii) shall be in effect for the remainder of the Conversion Period;

(vii) as soon as reasonably possible after the seventh (7th) day after the Offer Date, the Company shall send to each holder of Limited Voting Shares a written notice advising the holders as to whether they are entitled to convert their Limited Voting Shares into Subject Equity Shares and the reasons therefor. If such notice discloses that they are not so entitled, but it is subsequently determined that they are so entitled by virtue of subparagraph (vi) or otherwise, the Company shall forthwith send another notice to them advising them of that fact and the reasons therefor;

(viii) if a notice referred to in subparagraph (vii) discloses that the conversion right set forth in Section 25.4(1)(g)(3)(ii) has come into effect, the notice shall:

(A) include a description of the procedure to be followed to effect the conversion and to have the Converted Shares tendered under the Exclusionary Offer;

(B) include the information set out in subparagraph (vii) hereof; and

(C) be accompanied by a copy of the Exclusionary Offer and all other materials sent to any holders of Subject Equity Shares in respect of such offer; and as soon as reasonably possible after any additional material, including any notice of variation, is sent to any holders of Subject Equity Shares in respect of such offer, the Company shall send a copy of such additional materials to each holder of Limited Voting Shares;

(ix) prior to or forthwith after sending any notice referred to in subparagraph (vii), the Company shall cause a news release to be issued to a Canadian national news service, describing the contents of the notice; and

(x) references to share certificates shall include, as applicable, the equivalent in any non-certificated inventory system (such as, for example, a Direct Registration System or an electronic position), with appropriate changes.

Section 25.5 Rights, Privileges, Restrictions and Conditions Applicable to Equity Shares

(A) Redemption, Transfer and Other Limiting Provisions

(1) For the purposes of this Section 25.5, the following terms will have the meaning specified below:

"**Applicable Price**" means a price per Equity Share determined by the Board, but not less than 95% of the lesser of: (i) the Closing Market Price of the Subordinate Voting Shares on the Exchange (or the then principal marketplace on which the Subordinate Voting Shares are listed or quoted for trading) on the trading day immediately prior to the closing of the Redemption or Transfer (or the average of the last bid and last asking prices if there was no trading on the specified date); and (ii) the five-day volume weighted average price of the Subordinate Voting Shares on the Exchange (or the then principal marketplace on which the Subordinate Voting Shares are listed or quoted for trading) for the five trading days immediately prior to the closing of the Redemption or Transfer (or the average of the last bid and last asking prices if there was no trading on the specified dates). Notwithstanding the foregoing, if the Subordinate Voting Shares are not traded or quoted for trading on the Exchange or any other marketplace, the Applicable Price may be determined by the Board in its sole discretion, and if at such time of determination there are no Subordinate Voting Shares issued and outstanding, then all references in this definition to "Subordinate Voting Shares" shall be to "Restricted Voting Shares" or "Limited Voting Shares", as applicable);

"**Board**" means the board of directors of the Company;

"**Business**" means the conduct of any activities relating to the cultivation, manufacturing and dispensing of cannabis and cannabis-derived products, including in the United States or elsewhere, which include the owning and operating of cannabis licenses;

"Closing Market Price" shall be: (i) an amount equal to the closing price of the Subordinate Voting Shares on the trading day immediately prior to the closing of the Redemption or Transfer or exchange if there was a trade on the specified date and the applicable exchange or market provides a closing price; or (ii) an amount equal to the average of the last bid and last asking prices if there was no trading on the applicable date; and notwithstanding the foregoing, if at such time of determination there are no Subordinate Voting Shares issued and outstanding, then all references in this definition to "Subordinate Voting Shares" shall be to "Restricted Voting Shares" or "Limited Voting Shares", as applicable;

"**Determination Date**" means the date on which the Company provides written notice to any shareholder that the Board has determined that such shareholder is an Unsuitable Person;

"**Exchange**" means the Canadian Securities Exchange or any other stock exchange on which the Subordinate Voting Shares are then listed;

"**Governmental Authority**" or "**Governmental Authorities**" means any United States or foreign, federal, provincial, state, county, regional, local or municipal government, any agency, administration, board, bureau, commission, department, service, or other instrumentality or political subdivision of the foregoing, and any Person with jurisdiction exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or monetary policy (including any court or arbitration authority) and any Exchange;

"**Licenses**" means all licenses, permits, approvals, orders, authorizations, registrations, findings of suitability, franchises, exemptions, waivers and entitlements issued by a Governmental Authority to or for the benefit of the Company or any affiliate required for, or relating to, the conduct of the Business;

"**Limited Voting Shares**" means the limited voting shares of the Company;

"**Multiple Voting Shares**" means the multiple voting shares of the Company;

"**Ownership**" (and derivatives thereof) means (i) ownership of record as evidenced in the Company's central securities register, (ii) '**beneficial ownership**" as defined in Section 1 of the Business Corporations Act, or (iii) the power to exercise control or direction over a security;

"**Person**" means an individual, partnership, corporation, company, limited or unlimited liability company, trust or any other entity;

"**Redemption**" has the meaning ascribed thereto in Section 25.5(8);

"**Redemption Date**" means the date on which the Company will redeem and pay for the Equity Shares pursuant to Section 25.5. The Redemption Date will be not less than thirty (30) Trading Days following the date of the Redemption Notice unless a Governmental Authority requires that the Equity Shares be redeemed as of an earlier date, in which case, the Redemption Date will be such earlier date and if there is an outstanding Redemption Notice, the Company will issue an amended Redemption Notice reflecting the new Redemption Date forthwith;

"**Redemption Notice**" has the meaning ascribed thereto in Section 25.5(9);

"**Restricted Voting Shares**" means the restricted voting shares of the Company;

"**Significant Interest**" means Ownership of five percent (5%) or more of all of the issued and outstanding shares of the Company, including through acting jointly or in concert with another shareholder, or such other number of Equity Shares as is determined by the Board from time to time;

"**Subject Shareholder**" means a Person, a group of Persons acting jointly or in concert or a group of Persons who the Board reasonably determines are acting jointly or in concert;

"**Subordinate Voting Shares**" means the subordinate voting shares of the Company;

"**Trading Day**" means a day on which trades of any class of the Equity Shares are executed on the Exchange or any other stock exchange on which the Equity Shares are listed or quoted for trading;

"**Transfer**" has the meaning ascribed thereto in Section 25.5(8);

"**Transfer Date**" means the date on which a Transfer of Equity Shares required by the Company is required to be completed by the Company;

"**Transfer Notice**" has the meaning ascribed thereto in Section 25.5(12);

"**Transferred Share**" has the meaning ascribed thereto in Section 25.5(8); and

"**Unsuitable Person**" means:

(i) any Person (including a Subject Shareholder) with a Significant Interest who a Governmental Authority granting the Licenses has determined to be unsuitable to own Equity Shares;

(ii) any Person (including a Subject Shareholder) with a Significant Interest whose ownership of Equity Shares may result in the loss, suspension or revocation (or similar action) with respect to any Licenses or in the Company or any affiliate being unable to obtain any new Licenses in the normal course, including, but not limited to, as a result of such Person's failure to apply for a suitability review from or to otherwise fail to comply with the requirements of a Governmental Authority, all as determined by the Board; or

(iii) who have not been determined by the applicable Governmental Authority to be an acceptable Person or otherwise have not received the requisite consent of such Governing Authority to own the Equity Shares within a reasonable period of time acceptable to the Board or prior to acquiring any Equity Shares, as applicable.

(2) Subject to Section 25.5(4), no Subject Shareholder may acquire Equity Shares that would result in the holding of a Significant Interest, directly or indirectly, in one or more transactions, without providing not less than 30 days' advance written notice (or such shorter period as the Board may approve) to the Company by written notice to the Company's head office to the attention of the corporate secretary and without having received all required approvals from all Governmental Authorities.

(3) If the Board reasonably believes that a Subject Shareholder may have failed to comply with any of the provisions of Section 25.5(2), the Company may, without prejudice to any other remedy hereunder, apply to the Supreme Court of British Columbia or another court of competent jurisdiction for an order directing that the Subject Shareholder disclose the number of Equity Shares Owned.

(4) The provisions of Section 25.5(2) and Section 25.5(3) will not apply to the Ownership, acquisition or disposition of Equity Shares as a result of:

(a) any transfer of Equity Shares occurring by operation of bankruptcy or insolvency law including, inter alia, the transfer of Equity Shares of the Company to a trustee in bankruptcy;

(b) an acquisition or proposed acquisition by one or more underwriters or portfolio managers who hold Equity Shares for the purposes of distribution to the public or for the benefit of a third party provided that such third party is in compliance with Section 25.5(2);

(c) the holding by a recognized clearing agency or recognized depositary in the ordinary course of its business; or

(d) the conversion, exchange or exercise of securities of the Company or an affiliate (other than the Equity Shares) duly issued or granted by the Company or an affiliate, into or for Equity Shares, in accordance with their respective terms.

(5) At the option of the Company and upon determination by the Board that an Unsuitable Person has not received the requisite approval of any Government Authority to own the Equity Shares, the Company may issue a notice prohibiting any Unsuitable Person owning Equity Shares from exercising any voting rights with respect to such Equity Shares and on and after the Determination Date specified therein, and/or providing that such holder will cease to have any rights whatsoever with respect to such Equity Shares, including any rights to the receipt of dividends from the Company, other than the right to receive the Applicable Price, without interest, on the Redemption Date or the Transfer Date, as applicable; provided, however, that if any such Equity Shares come to be owned solely by Persons other than an Unsuitable Person (such as by transfer of such Equity Shares to a liquidating trust, subject to the approval of the Board and any applicable Governmental Authority), such Persons may, in the discretion of the Board, exercise the voting and/or other rights attached to such Equity Shares and the Board may determine, in its sole discretion, not to Redeem or require the Transfer of such Equity Shares.

(6) Notwithstanding anything to the contrary contained herein, all transfers of Multiple Voting Shares are subject to the terms of the Coattail Agreement and to the other provisions of Article 25. In the event of any conflict between these Articles and any provision of the Coattail Agreement, the provisions of these Articles shall prevail.

(7) Following any Redemption in accordance with the terms of this Section 25.5, the redeemed Equity Shares will be cancelled.

(8) At the option, but not obligation, of the Company, and at the discretion of the Board, any Equity Shares directly or indirectly owned by an Unsuitable Person may be (i) redeemed by the Company (for the Applicable Price) out of funds lawfully available on the Redemption Date (a "**Redemption**"), or (ii) required to be transferred to a third party for the Applicable Price and on such terms and conditions as the Board may direct (a "**Transfer**", and each Equity Share subject to a Transfer, a "**Transferred Share**"). Equity Shares to be redeemed or mandatorily transferred pursuant to this section will be redeemed or mandatorily transferred at any time and from time to time pursuant to the terms hereof.

(9) In the case of a Redemption, the Company will send a written notice to the holder of the Equity Shares called for Redemption, which will set forth: (i) the Redemption Date, (ii) the number of Equity Shares to be redeemed on the Redemption Date, (iii) the Applicable Price or the formula pursuant to which the Applicable Price will be determined and the manner of payment therefor, (iv) the place where such Equity Shares (or certificate therefor, as applicable) must be surrendered, or accompanied by proper instruments of transfer (and if so determined by the Board, together with a medallion signature guarantee), and (v) any other requirement of surrender of the Equity Shares to be redeemed (the "**Redemption Notice**"). The Redemption Notice may be conditional such that the Company need not redeem the Equity Shares owned by an Unsuitable Person on the Redemption Date if the Board determines, in its sole discretion, that such Redemption is no longer advisable or necessary on or before the Redemption Date. If applicable, the Company will send a written notice confirming the amount of the Applicable Price promptly following the determination of such Applicable Price.

(10) Upon receipt by the Unsuitable Person of a Redemption Notice in accordance with Section 25.5(9) and surrender of the relevant Equity Share certificate, if applicable, the holder of the Equity Shares tendered for redemption (together with the applicable transfer documents) shall be entitled to receive the Applicable Price per redeemed Equity Share.

(11) The Applicable Price payable in respect of the Equity Shares surrendered for Redemption during any calendar month shall be satisfied by way of cash payment no later than the last day of the calendar month following the month in which the Equity Shares were tendered for Redemption. Payments made by the Company of the cash portion of the Applicable Price, less any applicable taxes and any costs to the Company of the Redemption, are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the Unsuitable Person unless such cheque is dishonoured upon presentment. Upon such payment, the Company shall be discharged from all liability to the former Unsuitable Person in respect of the redeemed Equity Shares.

(12) In the case of a required Transfer, the Company will send a written notice to the holder of the Equity Shares in question, which will set forth: (i) the Transfer Date, (ii) the number of Equity Shares to be Transferred on the Transfer Date, (iii) the Applicable Price or the formula pursuant to which the Applicable Price will be determined and the manner of payment therefor, (iv) the place where such Equity Shares (or certificate therefor, as applicable) must be surrendered, accompanied by proper instruments of transfer (and if so determined by the Board, together with a medallion signature guarantee), and (v) any other requirement in respect of the Equity Shares to be Transferred, which may without limitation include a requirement to dispose of the Equity Shares via the Exchange to a Person who would not be in violation of the provisions of this Section 25.5(12) (the "**Transfer Notice**"). The Transfer Notice may be conditional such that the Company need not require the Transfer of the Equity Shares owned by an Unsuitable Person on the Transfer Date if the Board determines, in its sole discretion, that such Transfer is no longer advisable or necessary on or before the Transfer Date. If applicable, the Company will send a written notice confirming the amount of the Applicable Price promptly following the determination of such Applicable Price.

(13) Upon receipt by the Unsuitable Person of a Transfer Notice in accordance with Section 25.5(12) and surrender of the relevant Equity Share certificate, if applicable (together with applicable Transfer documents), the holder of the Equity Shares tendered for Transfer shall be entitled to receive the Applicable Price per Transferred Share.

(14) The Applicable Price payable in respect of the Equity Shares surrendered for Transfer during any calendar month shall be satisfied, less any costs to the Company of the Transfer, by way of cash payment no later than the last day of the calendar month following the month in which the Equity Shares were tendered for Transfer. Payments made by the Company of the cash portion of the Applicable Price, less any applicable taxes and any costs to the Company of the Transfer, are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the Unsuitable Person unless such cheque is dishonoured upon presentment. Upon such payment, the Company shall be discharged from all liability to the former Unsuitable Person in respect of the Transferred Shares.

(15) If Equity Shares are required to be Transferred under Section 25.5(12), the former owner of the Equity Shares immediately before the Transfer shall by that Transfer be divested of their interest or right in the Equity Shares, and the Person who, but for the Transfer, would be the registered owner of the Equity Shares or a Person who satisfies the Company that, but for the Transfer, they could properly be treated as the registered owner or registered holder of the Equity Shares shall, from the time of the Transfer, be entitled to receive only the Applicable Price per Transferred Share, without interest, less any applicable taxes and any costs to the Company of the Transfer.

(16) Following the sending of any Redemption Notice or Transfer Notice, and prior to the completion of the Redemption or Transfer specified therein, the Company may refuse to recognize any other disposition of the Equity Shares in question.

(17) If the Company does not know the address of the former holder of Equity Shares Transferred or Redeemed hereunder, it may retain the amount payable to the former holder thereof, title to which shall revert to the Company if not claimed within two (2) years (and at that time all rights thereto shall belong to the Company).

(18) To the extent required by applicable laws, the Company may deduct and withhold any tax from the Applicable Price. To the extent any amounts are so withheld and are timely remitted to the applicable Governmental Authority, such amounts shall be treated for all purposes herein as having been paid to the Person in respect of which such deduction and withholding was made.

(19) All notices given by the Company to holders of Equity Shares pursuant to this Schedule, including a Redemption Notice or Transfer Notice, will be in writing and will be deemed given when delivered by personal service, overnight courier or first-class mail, postage prepaid, to the holder's registered address as shown on the Company's share register.

(20) The Company's right to Redeem or Transfer Equity Shares pursuant to this Section 25.5 will not be exclusive of any other right the Company may have or hereafter acquire under any agreement or any provision of the notice of articles or the articles of the Company or otherwise with respect to the Equity Shares or any restrictions on holders thereof.

(21) In connection with the conduct of its or its affiliates' Business, the Company may require that a Subject Shareholder provide to one or more Governmental Authorities, if and when required, information and fingerprints for a criminal background check, individual history form(s), and other information required in connection with applications for Licenses.

(22) The Board can waive any provision of this Section 25.5.

(23) In the event that any provision (or portion of a provision) of this Section 25.5 or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of Section 25.5 (including the remainder of such provision, as applicable) will continue in full force and effect.

(B) Board Powers, Declarations and Deeming Provisions

(1) Where an Equity Share is held, beneficially owned or controlled, directly or indirectly, or jointly by (i) one or more U.S. Persons and (ii) one or more Non-U.S. Persons, such Equity Share shall be deemed to be held, beneficially owned or controlled by a U.S. Person.

(2) So long as they are publicly listed, the Subordinate Voting Shares, Restricted Voting Shares and Limited Voting Shares may, in the Company's discretion and subject to regulatory approval, trade under a single stock symbol on the Exchange.

(3) Subject to the Business Corporations Act, the board of directors may, in its sole discretion, in order to administer the constrained share provisions of the Equity Shares set out in these Articles:

(a) require any Person in whose name Equity Shares are registered or any beneficial holder or controller, whether direct or indirect, of the Equity Shares to furnish a statutory declaration declaring whether:

(i) the shareholder holds, is the beneficial owner of and/or has control over the Equity Shares of the Company (and if the Person is not also the beneficial owner and in control of the Equity Shares, the Person must make reasonable inquiries of the beneficial owner(s) or persons in control of such Equity Shares to confirm that the statements made in the statutory declaration as they pertain to the beneficial owner and controller are true); and

(ii) the Equity Shares are held, beneficially owned or controlled, by a U.S. Person or a Non-U.S. Person;

and declaring any further facts or provide any other documents that the directors consider relevant;

(b) require any Person seeking to have a transfer of an Equity Share registered in such Person's name or to have an Equity Share issued to him or her or it to furnish a declaration similar to the declaration a shareholder may be required to furnish under paragraph (a) above; and

(c) determine the circumstances in which any declarations are required, their form and the times when they are to be furnished.

(4) Where a Person fails to furnish a declaration pursuant to a by-law or other document made under this Section 25.5(B) in accordance with the requested timeline, the directors may, in their sole discretion, deem such shareholder to be a U.S. Person.

(5) Notwithstanding Section 5.1(1), where a Person is required to furnish a declaration pursuant to a by-law or other document made under this Section 25.5(B) the directors may refuse to register a transfer of an Equity Share in such Person's name or to issue an Equity Share to such Person until that Person has furnished the declaration.

(C) Administration by the Board

(1) In the administration of the provisions of these Articles, the board of directors shall have, in addition to the powers set forth herein, all of the powers necessary or desirable, in their opinion, to carry out the intent and purpose of these Articles.

(2) In administering the provisions of these Articles, including for the purpose of determining the shareholder's or transferee's status as a U.S. Person or Non-U.S. Person, the board of directors may rely on:

(a) a statement made in a declaration referred to in Section 25.5(B); and

(b) any information received from Broadridge Investor Communications Corporation, or any affiliate, successor or assign thereof;

(c) any information received from CDS Clearing and Depositary Services Inc., or any affiliate, successor or assign thereof; and/or

(d) the knowledge of any director, officer, employee or agent (including the Transfer Agent) of the Company.

(3) Where the directors are required to determine the number of any class or classes of Equity Shares of the Company held by or on behalf of Persons who are U.S. Persons or Non-U.S. Person, as applicable, the directors may rely upon (i) the share register of the Company or (ii) any other register held, or any declaration collected by, the transfer agent of the Company or any depositary, such as CDS Clearing and Depositary Services Inc. (or any affiliate, successor or assign thereof), or by Broadridge Investor Communications Corporation (or any affiliate, successor or assign thereof), in each case, as of any date.

(4) Wherever in these Articles it is necessary to determine the opinion of the board of directors, such opinion shall be expressed and conclusively evidenced by a resolution of the board of directors duly adopted, including a resolution in writing executed pursuant these Articles and the Business Corporations Act.

(5) No shareholder of the Company nor any other Person claiming an interest in shares of the Company shall have any claim or action against the Company or against any director or officer of the Company, and the Company shall have no claim or action against any director or officer of the Company, arising out of any act (including any omission to act) taken by any such director or officer pursuant to, or in intended pursuance of, the provisions of these articles or any breach or alleged breach of such provisions.

ARTICLE 26
ADVANCE NOTICE OF MEETINGS OF SHAREHOLDERS

Section 26.1 Nomination Procedures.

(1) Subject only to the Business Corporations Act, regulations, Applicable Securities Law and the articles of the Company, only Persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of Persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if the election of directors is a matter specified in the notice of meeting,

(a) by or at the direction of the board, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Business Corporations Act, or a requisition of the shareholders made in accordance with the provisions of the Business Corporations Act; or

(c) by any Person (a "**Nominating Shareholder**") who (A) at the close of business on the date of the giving of the notice provided for in this Article 26 and on the record date for notice of such meeting, is entered in the central securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Company, and (B) complies with the notice procedures set forth below in this Article.

Section 26.2 Timely Notice.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the corporate secretary of the Company in accordance with this Article 26.

Section 26.3 Manner of Timely Notice.

(1) To be timely, a Nominating Shareholder's notice under this Article 26 must be given:

(a) in the case of an annual meeting (including an annual and special meeting) of shareholders, not less than 30 days prior to the date of the meeting; provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the meeting was made.

Section 26.4 Proper Form of Notice.

(1) To be in proper written form, a Nominating Shareholder's notice under this Article 26 must set forth:

(a) as to each Person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, province or state, and country of residence of the Person, (B) the principal occupation, business or employment of the Person, both present and within the five years preceding the notice, (C) the number of securities of each class of voting securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by such Person, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (D) any other information relating to the Person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act or any Applicable Securities Laws; and

(b) as to the Nominating Shareholder: (A) the number of securities of each class of voting securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by such Person or any joint actors, as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (B) full particulars regarding any proxy, contract, arrangement, agreement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or to direct or to control the voting of any shares of the Company, and (C) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act or any Applicable Securities Laws.

(c) References to "Nominating Shareholder" in this Article 26 shall be deemed to refer to each shareholder that nominates a Person for election as director in the case of a nomination proposal where more than one shareholder is involved in making such nomination proposal.

Section 26.5 Notice to be Updated.

In addition, to be considered timely and in proper written form, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required under this Article 26 to be provided in such notice shall be true and correct as of the record date for the meeting.

Section 26.6 Power of the Chair.

The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Section 26.7 Delivery of Notice.

Notwithstanding any other provision of these articles, notice given to the corporate secretary of the Company pursuant to this Article 26 may only be given by personal delivery, facsimile transmission or by email (provided that the corporate secretary of the Company has stipulated an email address for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of the confirmation of such transmission has been received) to the corporate secretary of the Company at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

Section 26.8 Waiver.

Notwithstanding the foregoing, the board may, in its sole discretion, waive any or all requirements in this Article 26.

Section 26.9 Definitions.

(1) For purposes of this Article 26,

(a) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the written rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each province and territory of Canada;

(b) "**beneficially owns**" or "**beneficially owned**" means, in connection with the ownership of shares in the capital of the Company by a Person, (i) any such shares as to which such Person or any of such Person's affiliates (as defined in the Business Corporations Act) owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (ii) such shares as to which such Person or any of such Person's affiliates (as defined in the Business Corporations Act) has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; and (iii) any such shares which are owned beneficially within the meaning of this definition by any other Person with whom such Person is acting jointly or in concert with respect to the Company or any of its securities; and

(c) "**close of business**" means 5:00 p.m. (Vancouver time) on a business day in British Columbia, Canada; and

(d) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

ARTICLE 27
FORUM SELECTION

Section 27.1 Forum Selection

(1) Unless the Company consents in writing to the selection of an alternative forum, the Supreme Court of the Province of British Columbia, Canada and the appellate courts therefrom (collectively, the "**courts**") shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of the Company to the Company; (iii) any action asserting a claim arising pursuant to any provision of the Business Corporations Act or the notice of articles or articles of the Company (as either may be amended from time to time); or (iv) any action asserting a claim otherwise related to the relationships among the Company, its affiliates and their respective shareholders, directors and/or officers, but this paragraph (v) does not include claims related to the business carried on by the Company or such affiliates.

(2) If any action or proceeding the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the province of British Columbia (a "**Foreign Action**") in the name of any registered or beneficial shareholder, such registered or beneficial shareholder shall be deemed to have consented to: (i) the personal jurisdiction of the courts in connection with any action brought in any such court to enforce the foregoing exclusive forum provision (an "**enforcement action**"); and (ii) having service of process made upon such registered or beneficial shareholder in such enforcement action by service upon such registered or beneficial shareholder's counsel in the Foreign Action as agent for such shareholder.

ARTICLE 28
CORPORATE OPPORTUNITIES

Section 28.1 Excluded Opportunities

The Company renounces, to the maximum extent permitted by law, any interest or expectancy of the Company in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, any director or officer of the Company (or any of its subsidiaries) who is also a director or officer of another company or corporation (or of any subsidiaries thereof) (collectively, "**Covered Persons**"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director or officer of the Company or a subsidiary thereof.

Section 28.2 Allocation of Opportunities

The Company may enter into agreements with other parties regarding the allocation of corporate opportunities. To the maximum extent permissible under applicable law, no director or officer shall have any liability for complying or attempting to comply in good faith with the provisions thereof (which may involve, among other things, not bringing potential transactions to the attention of the Company).

Ayr Wellness Reports First Quarter 2021 Results

- *Q1 Revenue up 74% Y/Y to $58.4 Million*
- *Q1 Adjusted EBITDA of $20.0 million on an IFRS basis; $18.4 million on a US GAAP basis, up 136% Y/Y*
- *US GAAP Operating Loss of $8.4 Million Included Non-Cash and One-Time Expenses of $26.5 Million*
- *Closed on Acquisition of Liberty Health Sciences, Adding 42 Sited Retail Dispensaries, the Fourth Largest Footprint in Florida*
- *Closed on Arizona and Ohio Acquisitions, Bringing Total Footprint to Six States; Seventh State (New Jersey) Expected to Close this Summer*
- *Company Provides 2Q21 Guidance for an estimated $90 Million in Revenue, up Over 218% Y/Y and Over 54% Q/Q, with Adjusted EBITDA Margins in the 30% Range*

Toronto, Ontario, May 26, 2021 – Ayr Wellness Inc. (CSE: AYR.A, OTCQX: AYRWF) ("Ayr" or the "Company"), a vertically-integrated cannabis multi-state operator (MSO), is reporting financial results for the three months ended March 31, 2021. Unless otherwise noted, all results are presented in U.S. dollars. As of first quarter 2021, the Company is now reporting in US GAAP.

"Q1 2021 represents the early innings of our 2021 strategic transformation, as we successfully closed on our announced acquisitions as scheduled, starting with the February 25th closing of our acquisition of Liberty Health Sciences, adding the fourth largest retail footprint in Florida," said Jonathan Sandelman, CEO of Ayr Wellness. "We then closed on our Arizona acquisition at the end of March, adding three dispensaries and a large cultivation expansion in the latest adult-use market to ramp-up in the West. Then we quickly followed that by closing our acquisitions in Ohio, and harvesting our first flower in Pennsylvania, which hit the shelves in our stores earlier this month. We also opened our sixth store in Nevada, the closest dispensary to the Las Vegas airport, just in time for the return of tourism to the state."

"The results of our successful execution thus far can be seen in our April monthly revenues, which have nearly doubled since January. We expect step function growth across Q2, Q3 and especially Q4 2021, with further milestones reached when additional cultivation projects come on-line and we close our New Jersey acquisition later this summer," Mr. Sandelman continued.

"We have always invested in building strong foundations for our business. As we expand in seven states, that means 2021 will be a year of investment in our brands. Especially in adult-use markets where merchandising, quality and selection drive consumer behavior, we are putting important resources into elevating and evolving the Ayr Wellness brand. We have partnered with a premier branding company to build the foundations for our national branding strategy – to be cultivators of wellness and creators of wonder with the highest quality flower and a reimagined dispensary design and consumer experience. These investments are expected to drive additional revenue growth in the second half of 2021 and into 2022 and beyond," Mr. Sandelman concluded.

First Quarter Financial Highlights *($ in millions, excl. margin items; in US GAAP)*

	Q1 2020[1]	Q4 2020[1]	Q1 2021	% Change Y/Y	% Change Q/Q
Revenue	**$ 33.6**	**$ 47.8**	**$ 58.4**	74.0%	22.7%
Adjusted Gross Profit	**$ 16.7**	**$ 27.5**	**$ 31.4**	88.4%	14.2%
Operating Income/(Loss)	**$ (8.6)**	**$ 6.7**	**$ (8.4)**	NM	NM
Adj. EBITDA	**$ 7.8**	**$ 18.6**	**$ 18.4**	136.0%	(1.1%)
AEBITDA Margin	**23.2%**	**38.9%**	**31.5%**	829 bps	-740 bps

[1]For comparison purposes, Q1 2020 and Q4 2020 have been restated to be consistent with US GAAP. Adjusted EBITDA and Adjusted Gross Profit are non-GAAP measures. See Definition and Reconciliation of Non-GAAP Measures below. For a reconciliation of Operating Loss to Adjusted EBITDA, see reconciliation table appended to this release.

Outlook:

Based on the results to date, management is expecting 2Q21 revenue of approximately $90 million, which reflects growth of over 54% quarter-over-quarter and 218% year-over-year. The Adjusted EBITDA margin on a US GAAP basis is expected to remain in the 30% range in Q2, reflecting the investment in new markets and growth projects that are expected to generate more meaningful revenue in the second half of 2021 and in 2022.

The Company is reiterating its target for 2022 revenue of at least $725 million. On a US GAAP-adjusted basis, it is also reiterating its guidance for 2022 Adjusted EBITDA of $300 million, which is comparable to $325 million on an IFRS basis[i].

The Company's expectations for 2Q21 and 2022 are based on US GAAP reporting and the assumptions detailed in the press release dated March 12, 2021 and attached here for reference.

[i] Under US GAAP, the majority of leases are considered operating leases and expensed as rent through G&A or capitalized as part of COGS. Under IFRS, all capitalized leases were considered financing leases and expensed as Depreciation and Interest. In 2022, the Company estimates this lease adjustment will be approximately $25 million.

Ayr Wellness Footprint (Pro-forma)

	MA	NJ	PA	OH	FL	AZ	NV	TOTAL
Population	6.9 M	9.2 M	12.7 M	11.7 M	21.5 M	7.4 M	3.1 M	72.5 M
Adult Use or Medical	AU	AU	Med	Med	Med	AU	AU	4 AU/ 3 Med
Est. 2021 Market Size[4]	$1 B	$1 B	$1 B	$400 M	$1.5 B	$1 B	$800 M	$6.7 B
Dispensaries:	2 → 4 [1]	3	2 → 6	-	35 → 42[2]	3	6	51 → 64
Current → YE 2021								
Key Retail Markets	Greater Boston	Central NJ	Pittsburgh Philadelphia	-	Miami Tampa Orlando	Phoenix	Las Vegas Reno	
Cultivation-Production:								
Current → YE 2022 Sq Ft	50K → 140K	30K → 105K	83K → 253K	9K → 67K	300K	10K → 96K	72K	554K → 1,033K
Employees	260	110	150	10	400	160	490	~1,580
Planned 2021-2022 Cap Exp	$38 M	$15 M	$24 M	$25 M	$24 M	$10 M	<$1M	$136 M

[1] Includes two co-located AU/Med dispensaries (Somerville and Watertown), one AU-only dispensary in Boston and one Med-only dispensary in Needham
[2] 35 currently open, three complete and pending OMMU approval; four are currently under construction
[3] Source: Arcview, MJBiz Daily, Company estimates

First Quarter Operational Highlights

Nevada Results[ii]

- Average daily retail revenues were over $306,000 in the first quarter; daily transaction volumes of 4,944, with an average ticket of $62 per transaction
- Retail sales increased 24% year-over-year, driven by a ~26% increase in transaction volumes and ~2% decrease in average ticket
- Opened sixth dispensary in Nevada, the closest dispensary to the Las Vegas airport
- Noticeable increase in volume in Nevada market as tourism has begun to return to the state
- Near completion on 20,000 ft² processing facility expansion outside of Las Vegas, increasing capacity for manufactured products such as edibles, concentrates and vapes

[ii] Ayr provides operational services to licensed Nevada establishments under Services and Operations Agreements

Massachusetts Results

- Average daily retail revenues (medical only) increased to nearly $64,000 in the first quarter; daily transaction volumes of ~405, with an average ticket of $157 per transaction
- Retail sales increased 77% year-over-year, driven by a ~65% increase in transactions and ~7% increase in average ticket
- Selling to 93 of the state's 128 adult-use dispensaries, and Ayr remains a leading wholesaler in the state with a #2 share at retail under its Sira Naturals brand according to BDSA
- Wholesale revenues ramped to $13.8 million in the quarter, growth of 88% year-over-year reflecting the increase in capacity brought on in May 2020
- Construction underway on 100,000 ft² new cultivation and production facility in Milford, MA that will add 75,000 ft² of new canopy to bring Ayr to the maximum capacity allowed under its state license

Pennsylvania Update

- Ayr successfully completed its first harvest in Pennsylvania and in May began selling *Revel* branded flower
- Volume at the two recently opened Ayr Wellness dispensaries continues to ramp, reaching over $700,000 in monthly sales in April; average ticket is $135
- Three additional dispensaries are scheduled to open later this summer, with a fourth additional dispensary slated to open by year end bringing the total to six

Arizona Update

- Ayr closed on the acquisition of its Arizona assets on March 23, 2021
- Construction on the new 80,000 ft² indoor cultivation facility continues to progress toward year-end completion

Florida Update

- Ayr closed on the acquisition of Liberty Health Sciences on February 25, 2021
- Since closing, the Company has opened three additional retail locations, bringing total store count to 35, the fourth largest retail footprint in Florida
- An additional seven stores are expected to open by the end of the year, bringing total to at least 42
- Modifications and improvements to the 300,000 ft² greenhouse facility are underway; cultivation yield has improved 60% in the flower rooms already converted
- The Company has begun construction of 10 acres of outdoor cultivation, expected to be completed in the third quarter 2021

Conference Call

Ayr CEO Jonathan Sandelman, Co-COO Jennifer Drake and CFO Brad Asher will host the conference call, followed by a question and answer period.

Conference Call Date: Wednesday, May 26, 2021
Time: 5:00 p.m. Eastern time
Toll-free dial-in number: (800) 319-4610
International dial-in number: (604) 638-5340

Please call the conference telephone number 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact MATTIO Investor Relations at IR@mattio.com.

The conference call will be broadcast live and available for replayhere.

A telephonic replay of the conference call will also be available after 8:00 p.m. Eastern time on the same day through June 26, 2021.

Toll-free replay number: (855) 669-9658
International replay number: (412) 317-0088
Replay ID: 6971

Financial Statements

Certain financial information reported in this news release is extracted from Ayr's Consolidated Financial Statements for the quarter ended March 31, 2021 and 2020. Ayr files its annual financial statements on SEDAR and with the SEC. All such financial information contained in this news release is qualified in its entirety by reference to such financial statements.

Definition and Reconciliation of Non-GAAP Measures

The Company reports certain non-GAAP measures that are used to evaluate the performance of its businesses and the performance of their respective segments, as well as to manage their capital structures. As non-GAAP measures generally do not have a standardized meaning, they may not be comparable to similar measures presented by other issuers. Securities regulators require such measures to be clearly defined and reconciled with their most comparable GAAP measure.

Rather, these are provided as additional information to complement those GAAP measures by providing further understanding of the results of the operations of the Company from management's perspective. Accordingly, these measures should not be considered in isolation, nor as a substitute for analysis of the Company's financial information reported under GAAP. Non-GAAP measures used to analyze the performance of the Company's businesses include "Adjusted EBITDA" and "Adjusted Gross Profit."

The Company believes that these non-GAAP financial measures provide meaningful supplemental information regarding the Company's performances and may be useful to investors because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making. These financial measures are intended to provide investors with supplemental measures of the Company's operating performances and thus highlight trends in the Company's core businesses that may not otherwise be apparent when solely relying on the GAAP measures.

Adjusted EBITDA

"Adjusted EBITDA" represents loss from operations, as reported, before interest and tax, adjusted to exclude non-recurring items, other non-cash items, including depreciation

and amortization, and further adjusted to remove non-cash stock-based compensation, the accounting for the incremental costs to acquire cannabis inventory in a business combination, acquisition related costs, and start-up costs.

Adjusted Gross Profit

"Adjusted Gross Profit" represents gross profit, as reported, adjusted to exclude the accounting for the incremental costs to acquire cannabis inventory in a business combination and start-up costs.

A reconciliation of how Ayr calculates Adjusted EBITDA and Adjusted Gross Profit is provided in the tables appended below. Additional reconciliations of Adjusted EBITDA, Adjust Gross Profit and other disclosures concerning non-GAAP measures will be provided in our MD&A for the three months ended March 31, 2021.

Forward-Looking Statements

Certain information contained in this news release may be forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "target", "expect", "anticipate", "believe", "foresee", "could", "would", "estimate", "goal", "outlook", "intend", "plan", "seek", "will", "may", "tracking", "pacing" and "should" and similar expressions or words suggesting future outcomes. This news release includes forward-looking information and statements pertaining to, among other things, Ayr's future growth plans. Numerous risks and uncertainties could cause the actual events and results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: anticipated strategic, operational and competitive benefits may not be realized; events or series of events, including in connection with COVID-19, may cause business interruptions; required regulatory approvals may not be obtained; acquisitions may not be able to be completed on satisfactory terms or at all; and Ayr may not be able to raise additional debt or equity capital. Among other things, Ayr has assumed that its businesses will operate as anticipated, that it will be able to complete acquisitions on reasonable terms, and that all required regulatory approvals will be obtained on satisfactory terms and within expected time frames. In particular, there can be no assurance that we will complete the pending acquisitions in or enter into agreements with respect to other acquisitions.

Forward-looking estimates and assumptions involve known and unknown risks and uncertainties that may cause actual results to differ materially. While Ayr believes there is a reasonable basis for these assumptions, such estimates may not be met. These estimates represent forward-looking information. Actual results may vary and differ materially from the estimates.

Assumptions

Forward-looking information in this subject to the assumptions and risks as described in our MD&A for March 31, 2021.

Additional Information

For more information about the Company's 1Q2021 operations and outlook, please view Ayr's corporate presentation posted in the Investors section of the Company's website at www.ayrwellness.com.

About Ayr Wellness Inc.

Ayr is an expanding vertically integrated, U.S. multi-state cannabis operator, focused on delivering the highest quality cannabis products and customer experience throughout its footprint. Based on the belief that everything starts with the quality of the plant, the Company is focused on superior cultivation to grow superior branded cannabis products. Ayr strives to enrich consumers' experience every day through the wellness and wonder of cannabis.

Ayr's leadership team brings proven expertise in growing successful businesses through disciplined operational and financial management, and is committed to driving positive impact for customers, employees and the communities they touch. For more information, please visit www.ayrwellness.com.

Company Contact:

Megan Kulick
Head of Investor Relations
T: (646) 977-7914
Email: IR@ayrwellness.com

Media Contact :
Robert Vanisko
VP, Corporate Communications
Email: robert.vanisko@ayrwellness.com

Investor Relations Contact:

Brian Pinkston
MATTIO Communications
T: (703) 926-9159
Email: ir@mattio.com
Email: IR@ayrwellness.com

Ayr Wellness Inc. (formerly, Ayr Strategies Inc.)
Unaudited Condensed Interim Consolidated Statements of Financial Position
(Expressed in United States Dollars)

	As of	
	March 31, 2021	December 31, 2020
ASSETS		
Current		
Cash	**$ 195,649,339**	$ 127,238,165
Accounts receivable	**5,022,795**	3,464,401
Due from related parties	**139,759**	135,000
Inventory	**89,326,546**	22,919,605
Prepaid expenses, deposits, and other current assets	**7,527,975**	5,270,381
	297,666,414	159,027,552
Non-current		
Property, plant, and equipment	**157,254,186**	69,104,080
Intangible assets	**749,486,771**	252,357,677
Right-of-use assets - operating	**63,621,011**	22,546,256
Right-of-use assets - finance, net	**2,677,372**	877,310
Goodwill	**192,938,602**	57,963,360
Equity investments	**514,048**	503,509
Deposits and other assets	**1,680,316**	2,540,674
Total assets	**1,465,838,720**	564,920,418
LIABILITIES		
Current		
Trade payables	**17,426,643**	8,899,786
Accrued liabilities	**12,631,570**	8,706,813
Lease liabilities - operating - current portion	**4,335,403**	740,864
Lease liabilities - finance - current portion	**539,870**	125,440
Purchase consideration payable	**5,262,163**	9,053,057
Income tax payable	**10,249,957**	21,379,351
Debts payable - current portion	**7,931,362**	8,644,633
Accrued interest payable - current portion	**4,301,747**	-
	62,678,715	57,549,944
Non-current		
Deferred tax liabilities	**83,132,721**	14,677,991
Lease liabilities - operating - non-current portion	**61,052,556**	23,474,726
Lease liabilities - finance - non-current portion	**1,920,234**	446,585
Contingent consideration	**141,122,422**	22,961,411
Debts payable - non-current portion	**82,779,133**	53,587,948
Senior secured notes - non-current portion	**104,014,955**	103,652,963
Accrued interest payable - non-current portion	**2,794,964**	3,301,155
Total liabilities	**539,495,700**	279,652,723
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Multiple Voting Shares: no par value, unlimited authorized. Issued and outstanding - 3,696,486 & 3,696,486 shares, respectively	**-**	-
Subordinate, Restricted, and Limited Voting Shares: no par value, unlimited authorized. Issued and outstanding - 47,460,492 & 28,873,641 shares, respectively	**-**	-
Exchangeable Shares: no par value, unlimited authorized. Issued and outstanding - 6,347,565 & 2,127,543 shares, respectively	**-**	-
Additional paid-in capital	**1,182,554,596**	524,292,741
Treasury stock	**(556,899)**	(556,899)
Warrant reserve	**5,950,859**	6,515,753
Accumulated other comprehensive income	**3,265,610**	3,265,610
Deficit	**(264,871,146)**	(248,249,510)
Total shareholders' equity	**926,343,020**	285,267,695
Total liabilities and shareholders' equity	**1,465,838,720**	564,920,418

Ayr Wellness Inc. (formerly, Ayr Strategies Inc.)
Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in United States Dollars)

	Three Months Ended	
	March 31, 2021	March 31, 2020
Revenues, net of discounts	**$ 58,398,323**	$ 33,552,681

Cost of goods sold excluding fair value items	**28,140,614**	16,867,757
Incremental costs to acquire cannabis inventory in a business combination	**5,792,389**	-
Cost of goods sold	**33,933,003**	16,867,757
Gross profit	**24,465,320**	16,684,924
Expenses		
General and administrative	**15,812,526**	9,296,604
Sales and marketing	**743,558**	534,598
Depreciation	**284,940**	159,418
Amortization	**4,631,942**	2,998,667
Stock-based compensation	**8,223,545**	12,145,302
Acquisition expense	**3,136,976**	128,379
Total expenses	**32,833,487**	25,262,968
Loss from operations	**(8,368,167)**	(8,578,044)
Other (expense) income		
Share of loss on equity investments	**(13,071)**	(15,126)
Foreign exchange	**(19,136)**	(2,810)
Fair value loss on financial liabilities	**(546,010)**	(1,156,071)
Interest expense	**(2,752,497)**	(541,355)
Interest income	**59,400**	-
Other	**(555)**	116,265
Total other expense	**(3,271,869)**	(1,599,097)
Loss before income tax	**(11,640,036)**	(10,177,141)
Current tax	**(7,052,052)**	(4,045,374)
Deferred tax	**2,070,452**	(89,560)
Net loss	**(16,621,636)**	(14,312,075)
Foreign currency translation adjustment	**-**	-
Net loss and comprehensive loss	**(16,621,636)**	(14,312,075)
Basic and diluted loss per share	**(0.38)**	(0.53)
Weighted average number of shares outstanding (basic and diluted)	**43,989,461**	26,889,923

Ayr Wellness Inc. (formerly, Ayr Strategies Inc.)
Unaudited Condensed Interim Consolidated Statements of Cash Flows
(Expressed in United States Dollars)

	Three Months Ended	
	March 31, 2021	March 31, 2020
Operating activities		
Net loss	**$ (16,621,636)**	$ (14,312,075)
Adjustments for:		
Net fair value loss on financial liabilities	**546,010**	1,156,071
Stock-based compensation	**8,223,545**	12,145,302
Depreciation	**1,338,462**	431,581
Amortization on intangible assets	**6,137,644**	3,378,667
Share of loss on equity investments	**13,071**	15,126
Incremental costs to acquire cannabis inventory in a business combination	**5,792,389**	-
Deferred tax (benefit) expense	**(2,070,452)**	89,560
Amortization on financing costs	**405,059**	-
Interest accrued	**3,778,173**	371,550
Changes in non-cash operations, net of business acquisition:		
Accounts receivable	**(1,525,907)**	2,127,509
Inventory	**(8,281,309)**	(3,686,298)
Prepaid expenses and other assets	**2,759,690**	(221,876)
Trade payables	**(673,733)**	2,279,780
Accrued liabilities	**(4,946,187)**	(771,113)
Lease liabilities - operating	**23,405**	31,017
Income tax payable	**(14,842,706)**	4,045,374
Cash (used in) provided by operating activities	**(19,944,482)**	7,080,175

Investing activities		
Purchase of property, plant, and equipment	**(12,994,107)**	(4,434,196)
Cash paid for business combinations and asset acquisitions, net of cash acquired	**(12,684,196)**	-
Cash paid for business combinations and asset acquisitions, working capital	**(3,790,894)**	-
Payments for interests in equity accounted investments	**(109,700)**	-
Advances to related corporation	**(4,759)**	-
Deposits for business combinations	**(1,450,000)**	-
Cash used in investing activities	**(31,033,656)**	(4,434,196)
Financing activities		
Proceeds from exercise of Warrants	**4,291,891**	-
Proceeds from equity offering, net of expenses	**118,052,400**	-
Payments of financing costs	**(43,067)**	-
Repayments of debts payable	**(2,536,003)**	(806,488)
Repayments of lease liabilities - finance (principal portion)	**(375,909)**	-
Repurchase of Subordinate Voting Shares	**-**	(307,442)
Cash provided by (used in) financing activities	**119,389,312**	(1,113,930)
Net increase in cash	**68,411,174**	1,532,049
Effect of foreign currency translation	**-**	-
Cash, beginning of the period	**127,238,165**	8,403,196
Cash, end of the period	**195,649,339**	9,935,245

Ayr Wellness Inc. (formerly, Ayr Strategies Inc.)
Unaudited Condensed Interim Consolidated Adjusted EBITDA Reconciliation
(Expressed in United States Dollars)

	Three Months ended March 31,	
	2021	**2020**
Loss from operations	(8,368,167)	(8,578,044)
Non-cash items accounting for inventory		
Incremental costs to acquire cannabis inventory in business combination	5,792,389	-
Interest	244,286	116,646
Depreciation and amortization (from statement of cash flows)	7,476,106	3,810,248
Acquisition costs	3,136,976	128,379
Stock-based compensation expense, non-cash	8,223,545	12,145,302
Start-up costs[1]	1,622,959	-
Other non-operating[2]	285,955	181,112
	26,782,216	16,381,687
Adjusted EBITDA (non-GAAP)	**18,414,049**	**7,803,643**

[2] Other non-operating adjustments made to exclude the impact of non-recurring items

	Three Months ended March 31,	
	2021	**2020**
Gross Profit	24,465,320	16,684,924
Incremental costs to acquire cannabis inventory in business combination	5,792,389	
Start-up costs (within COGS)	1,180,166	
	6,972,555	-
Adjusted Gross Margin (non-GAAP)	**31,437,875**	**16,684,924**