



June Monthly Public Meeting

Remote Via Teams

Packet 6 of 17

From: Hoffman, Steven J (CNB) steven.j.hoffman@state.ma.us
Subject: RE: IL expands med canna program
Date: December 2, 2018 at 12:17 PM
To: Alexander Coleman acoleman@shthera.com

SH

Thanks, Alex.

A pleasure seeing you as well. Thanks for sending this along and I look forward to getting a draft of your agreement to look at over the weekend.

Steve

Steven J. Hoffman
Chairman
Cannabis Control Commission
101 Federal Street, 13th Floor
Boston, Massachusetts 02110
Direct Dial: 617-701-8401
steven.j.hoffman@state.ma.us
Visit our Website: <https://mass-cannabis-control.com/>

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From: Alexander Coleman <acoleman@shthera.com>
Sent: Wednesday, August 29, 2018 12:09 PM
To: Hoffman, Steven J. (CNB) <steven.j.hoffman@mass.gov>
Subject: Fwd: IL expands med canna program

Great to see you yesterday as always. Below is the outline for the Illinois proposal providing access to Cannabis for opiate patients. Will have the supply & services agreement to you before the weekend

Alex

Begin forwarded message:

From: "Berlin, Eric P." <epberlin@JonesDay.com>
Date: August 29, 2018 at 10:51:43 EDT
To: "Berlin, Eric P." <epberlin@JonesDay.com>
Subject: IL expands med canna program

CONFIDENTIAL & PRIVILEGED

Yesterday, Illinois Gov. Rauner (R) signed the Alternatives to Opioids Act (SB 336), which will significantly expand the patient population in the Illinois Medical Cannabis Pilot Program. The new law adds to the list of “debilitating medical conditions” any condition for which opioids have been or could be prescribed by a doctor. It also eliminates the requirement for patient finger printing and background checks. The opioid patients will be able to bring directly to a dispensary a certification, from the physician in a bona fide physician-patient relationship with the patient, that the patient is taking or could have been prescribed an opioid. Those patients can purchase cannabis from the dispensary while the Department of Public Health processes their applications. Remarkably, Rauner, who has always vigorously opposed any cannabis legalization but is now under pressure from JB Pritzker’s promise to legalize for adult use, said, “It’s clear that medical cannabis treats pain effectively, and it is less addictive and less disruptive than opioids. Creating that option is an important step forward to improve health quality, and that’s why I signed the bill.”

<https://chicago.suntimes.com/cannabis/illinois-medical-marijuana-alternative-opioids-bruce-rauner/>

Eric P. Berlin ([bio](#))
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This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege. If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.

From: Hoffman, Steven J (CNB) steven.j.hoffman@state.ma.us
Subject: Re: MA
Date: April 30, 2019 at 6:55 PM
To: Alex Coleman acoleman@tiltholdings.com

SH

How about the Bristol Lounge at the Four Seasons?

Sent from my iPhone

On Apr 30, 2019, at 9:27 AM, Alex Coleman <acoleman@tiltholdings.com> wrote:

Perfect

On Apr 30, 2019, at 08:51, Hoffman, Steven J (CNB) <steven.j.hoffman@state.ma.us> wrote:

Drinks it is. I'll get back to you with a location. Is 5 PM OK?

Sent from my iPhone

On Apr 29, 2019, at 8:14 PM, Alex Coleman <acoleman@tiltholdings.com> wrote:

That works - first choice would be a drink otherwise can organize schedule for a late morning coffee - just let me know which works best and your preference for a venue. Look forward to catching up then

Alex

On Apr 29, 2019, at 18:58, Hoffman, Steven J (CNB) <steven.j.hoffman@state.ma.us> wrote:

Alex,

I'm not around tomorrow. Can we do a late morning coffee or drinks after work on Wednesday? I already have a breakfast and lunch that day.

Steve

Sent from my iPhone

On Apr 29, 2019, at 5:50 PM, Alex Coleman <acoleman@tiltholdings.com> wrote:

Steve

I am in Boston last minute. Would be great to catch up over a meal Tue or Wed if you are available

Alex

--

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From: Hoffman, Steven J (CNB) steven.j.hoffman@state.ma.us
Subject: RE: MA Badging
Date: December 1, 2018 at 2:57 AM
To: Alex Coleman acoleman@shthera.com

SH

Alex,

Thanks for passing this along. Give me a call at your convenience, tomorrow if possible, and I can provide you with some insights around the issues that you raised.

Steve

Steven J. Hoffman
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From: Alex Coleman <acoleman@shthera.com>
Sent: Friday, August 31, 2018 1:32 PM
To: Hoffman, Steven J. (CNB) <steven.j.hoffman@mass.gov>
Subject: Fwd: MA Badging

Steve-

I am not sure if you are focused on how employees within the state are badged, but I thought the email below from Carlyssa was interesting. We can obviously continue the way with it works now, as that is what the law dictates, but it seems there could be room for improvement, essentially allowing employees of a license to go between sites as well as between licenses

All the best

Alex

From: Carlyssa Scanlon <cscanlon@shthera.com>
Subject: MA Badging
Date: August 30, 2018 at 2:00:21 PM EDT
To: Alex Coleman <acoleman@shthera.com>

TO: Alex Coleman <acoleman@shinerd.com>

Hi Alex,

Per our conversation the other day, it would be beneficial to the market if Massachusetts considered changing the way they badge dispensary agents. As it currently stands, employees can't go from one license to another with the same badge, or within the same license, from one store to another. Therefore, an agent card is only good for one single location even if a licensee owns three stores. Further, to get an agent card, the process can take up to a month for just the background check to come back and then another potential month for the actual agent card. It also costs \$200 for a background check and \$500 for an RMD agent card.

This is not just an issue for every market participant moving employees from one location to another, which they currently cannot do, but will also inhibit our ability to assist other licenses in the market through a services agreement. In fact, the DPH has gone as far to advise against double badging employees in leadership roles. This is counter-intuitive, as it ultimately prevents us from having trained employees assist with new store openings, rather than hire new staff for each location and train them simultaneously. Right now, the only way for employees of the same license to visit owned stores is to have them sign in as visitors with an assigned escort.


In other markets like Colorado, an employee goes to the Marijuana Enforcement Division on their own, pays \$75 for a support badge and that includes a federal background check done by the state right then and there. A new badge takes around a week to come in and that badge is the property of the employee and can be used at any licensed facility in Colorado. This not only provides flexibility for the companies which employ them, but also flexibility for badged people to be hired seamlessly by new companies.

Best,
Carlyssa

--

SEA HUNTER THERAPEUTICS

Carlyssa Scanlon
(908) 670-6573

From: Hoffman, Steven J (CNB) steven.j.hoffman@state.ma.us 
Subject: RE: MA
Date: December 12, 2018 at 10:52 AM
To: Alex Coleman acoleman@tiltholdings.com

SH

Alex,

Sorry. I have another breakfast meeting already scheduled for Monday, so let's do Tuesday if that works. Can you suggest a time and a place? I'd be happy to meet you close to where you're staying.

Steve



Steven J. Hoffman
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From: Alex Coleman <acoleman@tiltholdings.com>
Sent: Tuesday, December 4, 2018 9:03 PM
To: Hoffman, Steven J. (CNB) <steven.j.hoffman@mass.gov>
Cc: Martina Barry <admin@shthera.com>
Subject: Re: MA

It must have been Rep Cusack - very receptive but still gathering information

Breakfast would be great - Monday better than Tuesday if possible but I can make the latter work

Will look forward to catching up

Alex

On Dec 3, 2018, at 17:27, Hoffman, Steven J (CNB) <steven.j.hoffman@state.ma.us> wrote:

Good to hear from you, Alex, and thanks for the feedback.

Ryan Sterling is the Chief of Staff for Rep. Mark Cusack, the Chairman of the Marijuana Policy Committee. Is that whom you met with?

I am around on the 10th and 11th. Monday is much better for me for lunch as I am scheduled to testify at a hearing at the Boston City Council on Tuesday and I'm not sure what the timing will be. If that doesn't work, how about breakfast on Tuesday? I'm an early morning person so any time or place would work.

Let me know what's best.

Good luck tomorrow.

Steve

<image005.png> Steven J. Hoffman
<image002.png> Chairman
Cannabis Control Commission
101 Federal Street, 13th Floor
Boston, MA 02110

O: (617) 701-8400 | C: (617) 366-7468
www.MassCannabisControl.com

From: Alex Coleman <acoleman@tilthholdings.com>
Sent: Monday, December 3, 2018 4:15 PM
To: Hoffman, Steven J. (CNB) <steven.j.hoffman@mass.gov>
Subject: MA

Steve-

Trust everything is going well with the roll-out. It seems the methodical evolution of the market in MA was a very astute move, as it is far more involved to transition to recreational as an operator, so I assume the same is true from a regulatory side. I just wanted to connect the loop on our meetings with representatives, as a few weeks ago I was invited to the State House to discuss permissible grow techniques. While I cannot recall the name of the individual, one of his colleagues was Ryan Sterling. The meeting was productive but preliminary, but at least it was a start


I am back in Boston on the 10th and 11th, so if you have time for lunch possibly on the 11th please let me know. Otherwise I seem to be there with increasing frequency so will send you a note the next time

Alex

NB - I am headed to Toronto as we commence trading tomorrow. A very long
- and inefficient - process

<image001.png>

Alexander P Coleman
Chairman and CEO
TILT Holdings, Inc.
Mobile (917) 969-4834
Office (561) 282-6377
acoleman@tiltholdings.com

From: Alex Coleman alex@tiltholdings.com 
Subject: Mark Scatterday
Date: May 23, 2019 at 11:24 AM
To: Steven J Hoffman (CNB) steven.j.hoffman@state.ma.us
Cc: Taylor Allison tallison@tiltholdings.com, Mark Scatterday mscatterday@tiltholdings.com

AC

Steve

As you might have read, Mark Scatterday has assumed the role of CEO of TILT. As such, it would be great if we could find time to meet and introduce him. We are in Boston next week both Wednesday and Thursday, so please let me know if there is a time which could work, possibly over breakfast

Trust all is well

Alex

Alexander P Coleman
Chairman

acoleman@tiltholdings.com
tiltholdings.com
o 561.623.3021
c 917.969.4834

TILT

ASSIGNMENT AGREEMENT

BY AND BETWEEN

ZOLLY, LLC,
As Assignor

and

CULTIVO, LLC,
As Assignee

With the Consent of
ERMONT, INC.

Dated as of May 31, 2018

ASSIGNMENT AGREEMENT, dated as of May 31, 2018 (this "Agreement"), by and between Cultivo, LLC, a Delaware limited liability company (the "Assignee") and Zolly, LLC, a Massachusetts limited liability company ("Zolly") and Ermont, Inc. ("Ermont") for the limited purpose of consenting to the assignment of the Services Agreement (as defined below) contemplated hereby.

WHEREAS, Zolly is party to a certain Consulting And Cultivation Services Agreement with Adam Gendreau and G&G Box Builders LLC ("Consultant"), dated October 13, 2015 as amended by agreement dated April 19, 2018 (the "Consulting Agreement", a copy of which is attached hereto as Exhibit A), pursuant to which Zolly retained the Consultant to perform certain Services for and provide Intellectual Property of Consultant to Zolly;

WHEREAS, Zolly is party to a Services Agreement with Ermont dated as of December 20, 2015 (the "Services Agreement");

WHEREAS, Zolly wishes to assign, and Assignee wishes to assume, all of Zolly's rights and obligations under the Services Agreement and the intellectual property to which Zolly has rights under the Consultant Agreement to use in connection with Services Agreement (the "Intellectual Property Rights").

NOW, THEREFORE, in consideration of the foregoing and of the representations, warranties, covenants and agreements hereinafter set forth, and intending to be legally bound hereby, the parties hereto agree as follows:

I. ASSIGNMENT AND ASSUMPTION.

1.1 Assignment and Assumption. Upon the terms and subject to the conditions of this Agreement, at the Closing provided for in Section 1.2 hereof (the "Closing"), Zolly shall (i) assign to Assignee, and Assignee shall assume, all of Zolly's rights, title, interest, in and obligations under the Services Agreement arising from and after the Closing (for clarity, excluding the current accounts receivable due to Zolly thereunder from Ermont) and (ii) sub-license or transfer to Assignee on a royalty-free, transferable, perpetual basis all of the Intellectual Property Rights, in exchange for a payment from Assignee to Zolly of \$2,750,000 (the "Purchase Price").

1.2 Closing. The Closing of the transactions contemplated by this Agreement shall take place remotely, on the date hereof or such other date as mutually agreed to by the parties (the "Closing Date"), which is intended to be simultaneous with the acquisition by SH Finance Company, LLC's acquisition of certain debt issued by Ermont, pursuant to that Debt Purchase and Sale Agreement dated the date hereof (the "Ermont Debt Purchase Agreement"). At the Closing, Assignee shall pay to Zolly the Purchase Price by wire transfer of immediately available funds to an account or accounts designated in writing by Zolly to the Assignee at least two business days prior to the Closing, and Zolly shall deliver the following to Assignee, all of which shall be in form and substance reasonably satisfactory to Assignee:

(i) assignment agreements or other instruments of transfer or conveyance of the Services Agreement, duly executed in the form attached hereto as Exhibit B, and an assignment or other instruments of transfer or conveyance to evidence the transfer of the Intellectual Property Rights to Buyer;

(ii) a certificate of non-foreign status certifying that the Contemplated Transactions are exempt from withholding under Section 1445 of the Code and Treas. Reg. Section 1.445-2(b);

(iii) a certificate of the Manager of Zolly, dated as of the Closing Date, certifying (A) the resolutions duly adopted by the Board of Managers and/or its members (as required by law and its Operating Agreement, authorizing and approving the execution, delivery and performance of this Agreement and (B) that such resolutions have not been rescinded or modified and remain in full force and effect as of the Closing; and

(iv) a certificate of good standing for Zolly from the Secretary of State of the Commonwealth of Massachusetts as of a date no more than 30 days prior to the Closing Date.

II. REPRESENTATIONS AND WARRANTIES OF ZOLLY.

Zolly represents and warrants to the Assignee as follows:

2.1 Organization; Authority. Zolly is duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts. Zolly has all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by Zolly of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of Zolly including, without limitation, consent of its members. This Agreement has been duly executed and delivered by Zolly and constitutes valid and binding obligations of Zolly, enforceable against Zolly in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, or as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

2.2 No Violation; Consents and Approvals. The execution and delivery by Zolly of this Agreement does not, and the consummation of the transactions contemplated hereby and compliance with the terms hereof will not (a) conflict with, or result in any violation of or default (or an event which, with notice or lapse of time or both, would constitute a default) under, the organizational documents, if any, of Zolly or any subsidiary thereof, (b) violate any judgment, order, injunction or decree (an "Order"), or statute, law, ordinance, rule or regulation ("Applicable Law"), applicable to Zolly, or (c) give rise to any right of termination, cancellation or acceleration under, or result in the creation of any Lien upon any of the interests under, any note, bond, mortgage, indenture, license, agreement, capital lease or other instrument or obligation ("Contracts") to which Zolly is a party or by which its assets may be bound. No consent, approval, order or authorization of, or registration, declaration or filing with ("Governmental Approval"), any court, administrative agency or commission or other governmental entity, authority or instrumentality, domestic or foreign ("Governmental Authority"), nor any consent, approval, order or authorization of any other third party is required to be obtained or made by or with respect to either Zolly in connection with the execution and delivery of this Agreement or the consummation by Zolly of the transactions contemplated hereby.

2.3 Services Agreement. The Services Agreement is in full force and effect and has not been modified or terminated in any respect. The amount set forth in Section 6.1 below as the amount to be paid to Zolly at the Closing is the total of all amounts earned, accrued, due or payable or paid to Zolly under the Services Agreement through the date of the Closing. Ermont is not indebted to Zolly for any other amounts. Zolly owns the Services Agreement free and clear of any claim, lien or encumbrance. Zolly has not entered into any commitment (whether or not in writing) which may, in any material respect, prevent the transactions contemplated by this Agreement.

2.4 Consulting Agreement. The Consulting Agreement is in full force and effect and has not been otherwise modified or terminated in any way. Zolly is not indebted to the Consultant for any amounts and neither Assignee nor Ermont shall be indebted to Consultant at or after the Closing. Zolly owns the Consulting Agreement free and clear of any claim, lien or encumbrance.

2.5 Intellectual Property.

(i) Schedule 2.5 identifies all Intellectual Property Rights used by Zolly in performance of the Services Agreement. Such Schedule specifies which of such Intellectual Property Rights are owned by Zolly and which are licensed.

(ii) Except as disclosed in Schedule 2.5:

(A) No Intellectual Property Rights are owned outright by Zolly on an exclusive, irrevocable basis, free and clear of any Liens;

(B) Zolly has not granted any Person other than Ermont the right to use any of the Intellectual Property Rights;

(C) all of Zolly's rights in and to the Intellectual Property Rights are transferable to Assignee as set forth in the Consulting Agreement, and immediately subsequent to the Closing, the Intellectual Property Rights will be owned by or available for use by Assignee on a perpetual royalty-free, transferable basis in accordance with the terms and conditions set forth in the Consulting Agreement;

(E) no Legal Proceeding is pending or, to Zolly's Knowledge, threatened against Zolly which involves any Intellectual Property Right and no claim by any third party contesting the validity, enforceability, use or ownership of any of the Intellectual Property Rights has been made, is currently outstanding or, to Zolly's Knowledge, is threatened, and there are no grounds for same;

(F) to Zolly's Knowledge, Zolly is not subject to any judgment, order, writ, injunction, judgment, or decree (collectively "Orders") of any Governmental Entity, and it has not entered into any Contract which restricts, limits or impairs its use of any Intellectual Property Rights; and

(G) to Zolly's Knowledge, Zolly's performance of the Services Agreement does not infringe, misappropriate or otherwise conflict with, the Intellectual Property

Rights of any third party. Zolly is not aware of any facts that indicate a likelihood of any of the foregoing and Zolly has not received any notices regarding any of the foregoing (including, without limitation, any demands or offers to license any Intellectual Property Rights from any third party).

(H) for the purposes hereof, "Intellectual Property" shall mean marks, brand names, certification marks, trade dress, assumed names, trade names, logos and other indications of origin, sponsorship or affiliation, together with the goodwill associated therewith (whether the foregoing are registered or unregistered); registrations thereof in any jurisdiction and applications to register (a) any and all inventions, developments, improvements, discoveries, know how, concepts and ideas, whether patentable or not; (b) any and all patents, patent applications (including reissues, continuations, divisions, continuations-in-part and extensions) and patent disclosures; (c) any and all non-public information, trade secrets and proprietary or confidential information and rights in any jurisdiction to limit the use of disclosure thereof by any person; (d) any and all writings and other works, whether copyrighted, copyrightable or not in any jurisdiction, such works including computer programs and software (including source code, object code, data and data bases); (e) any and all agreements, licenses, immunities, covenants not to sue and the like relating to any of the foregoing; and (f) any and all claims or causes of action arising out of or relating to any infringement or misappropriation of any of the following.

2.6 Brokers. No broker, finder or financial advisor or other person is entitled to any brokerage fees, commissions, finders' fees or financial advisory fees in connection with the transactions contemplated hereby by reason of any action taken by Zolly or any of its partners, officers, employees, representatives or agents.

III. REPRESENTATIONS AND WARRANTIES OF ASSIGNEE.

The Assignee hereby represents and warrants to Zolly as follows:

3.1 Organization; Authority. The Assignee is Massachusetts limited liability company, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by the Assignee of this Agreement and the consummation of the transactions contemplated hereby has been duly authorized by all necessary action on the part of the Assignee. This Agreement has been duly executed and delivered by the Assignee and constitutes valid and binding obligations of the Assignee, enforceable against the Assignee in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, or as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

3.2 No Violation; Consents and Approvals. The execution and delivery by the Assignee of this Agreement do not, and the consummation of the transactions contemplated hereby and compliance with the terms hereof will not (a) conflict with, or result in any violation of or default under, any provision of the organizational documents of the Assignee, (b) violate any Order or Applicable Laws applicable to the Assignee or the property or assets of the Assignee or (c) give rise to any right of termination, cancellation or acceleration under, or conflict with, or result in any

violation of or default under any Contracts to which the Assignee is a party or by which the Assignee or its assets may be bound, which conflict, violation or default would prevent the Assignee from consummating the transaction. No Governmental Approval from a Governmental Authority or any consent, approval, order or authorization of any other third party is required to be obtained or made by or with respect to the Assignee or its affiliates in connection with the execution and delivery of this Agreement by the Assignee, or the consummation by the Assignee of the transactions contemplated hereby.

IV. POST-CLOSING COVENANTS.

4.1 Non-Competition. Zolly acknowledges and agrees that Assignee would be irreparably damaged if Zolly were to provide services to any other persons or entities selling or providing consulting services to other persons or entities that sell cannabis in Massachusetts (the "Business"), and that any such competition by Zolly would result in a significant loss of the benefit of the Transaction to Assignee. Zolly further acknowledges and agrees that the covenants and agreements set forth in this Article are a material inducement to Assignee to enter into this Agreement and to perform its obligations hereunder. Therefore, Zolly agrees that from the date hereof until the sixth month anniversary of the Closing Date (the "Restricted Period"), Zolly shall not directly or indirectly engage in, or have any interest or participation in any joint venture partner, beneficiary under a trust, investor, consultants, independent contractor or otherwise) that engages in, any business activities competitive with the Business within a 20 mile radius of Quincy, Massachusetts.

4.2 Non-Solicitation. Zolly agrees that it shall not directly or indirectly, induce or attempt to induce any employee or consultant of Zolly or Ermont to discontinue providing services to Ermont for a period of six months from Closing.

4.3 Severability. If, at the time of enforcement of the covenants contained in this Article, a court shall hold that the duration, scope or area restrictions stated herein are unreasonable under circumstances then existing, the Parties agree that the maximum duration, scope or area reasonable under such circumstances shall be substituted for the stated duration, scope or area and that the court shall be allowed and directed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by Law.

4.4 Taxes. Zolly will be responsible for the preparation and filing of all Tax Returns of Zolly for all Tax periods prior to the Closing and will be responsible for and shall promptly pay when due all Taxes due or levied with respect to Zolly's use or ownership of the Intellectual Property or performance of the Services Agreement on or prior to the Closing Date.

4.4 Confidential Information. Zolly shall not, directly or indirectly, disclose to any Person (other than authorized officers, managers, directors and employees of Buyer) or use or otherwise exploit for its or his own benefit or for the benefit of any other Person (other than Buyer), any Confidential Information. For purposes of this Section, "Confidential Information" means all information concerning Ermont or the services provided to Ermont under the Services Agreement, provided that Confidential Information shall not include: (i) such information that is known to the public, (ii) such information that hereafter becomes generally known to the public through no fault of Zolly or its Representatives or (iii) information as to which counsel advises that disclosure is

compelled under applicable Law but only to the extent counsel advises disclosure is required. For the avoidance of doubt, this Agreement and the Debt Purchase Agreement and their respective terms (including the pendency of the potential Transaction) shall constitute Confidential Information.

V. INDEMNIFICATION.

5.1 Indemnification by Zolly. Zolly shall indemnify and hold harmless Assignee and its directors, officers, managers, owners, employees, agents and other representatives (collectively, the "Assignee Indemnified Parties"), from and against any and all loss, liability, damages, claim or expenses (including, without limitation, legal fees) paid, sustained or incurred by any of the Assignee Indemnified Parties that are based on or arise or result from (a) any breach of, or inaccuracy in, any of the representations or warranties of Zolly set forth in this Agreement if such damages or loss exceed, in the aggregate, \$20,000; or (b) any breach of, or failure to perform or comply with, any covenant or other agreement of Zolly set forth in this Agreement.

5.2 Indemnification by Assignee. Assignee shall indemnify and hold harmless Zolly and its managers, members, officers, employees, agents and other representatives (collectively, the "Zolly Indemnified Parties"), from and against any and all loss, liability, damages, claims or expenses (including, without limitation, legal fees) paid, sustained or incurred by any of the Zolly Indemnified Parties that are based on or arise or result from:

(a) any breach of, or inaccuracy in, any of the representations or warranties of Assignee set forth in this Agreement; or

(b) any breach of, or failure to perform or comply with, any covenant or other agreement of Assignee set forth in this Agreement.

5.3 Notices; Right of Parties to Defend. Promptly after the assertion of any claim by a third party that may give rise to a claim for indemnification from an indemnifying party ("Indemnifying Party") under this Article X, an indemnified party ("Indemnified Party") shall notify the Indemnifying Party in writing of such claim. Any failure to provide such notice shall not be a bar to a claim for indemnification hereunder unless the Indemnifying Party's defense of any such claim to indemnification is materially prejudiced thereby. The Indemnifying Party shall have the right in the case of a third party claim only to assume in a timely manner the control and defense of any such claim; provided that the Indemnified Party may participate in the defense of such third party claim subject to the Indemnifying Party's reasonable direction and at the Indemnified Party's sole cost and expense, unless the use of counsel selected by the Indemnifying Party presents a conflict of interest, or the Indemnifying Party fails or refuses to assume the defense of any such third party claim in a timely manner, in which case the Indemnified Party may upon notice to the Indemnified Party engage its own separate counsel to assume such defense, and the fees, disbursements and related charges of such counsel shall be the sole cost and expense of the Indemnifying Party. The party contesting any such claim shall be furnished all reasonable assistance in connection therewith by the other party and be given full access to all information relevant thereto. In no event shall any such claim be settled without the Indemnifying Party's consent, which consent shall not be unreasonably withheld or delayed.

5.4 Direct Claims.

(a) An Indemnified Party shall notify the Indemnifying Party in writing of any direct claim for indemnification hereunder within 30 days of becoming aware, and having substantiated to its satisfaction, of such a claim or claims. Any failure to provide such notice shall not be a bar to a claim for indemnification hereunder unless the Indemnifying Party's defense of any such claim to indemnification is materially prejudiced thereby. The Indemnifying Party shall have 60 days from receipt of notice of the direct claim within which to make such investigation of the direct claim as the Indemnifying Party considers necessary or desirable. For the purpose of such investigation, 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 all such other information as the Indemnifying Party may reasonably request. If both parties agree at or before the expiration of such 60 day period (or any mutually agreed upon extension thereof) to the validity and amount of such direct claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the direct claim.

(b) For purposes of this Section 5.4, Assignee shall be deemed to have "Become Aware" of such a claim when a senior officer of Assignee actually knows both (i) the facts of such a claim, and (ii) the availability of a remedy hereunder.

5.5 Affect on Purchase Price. Any indemnification payments under this Article V shall constitute a reduction or increase to the Purchase Price, as the case may be; provided that for the avoidance of doubt, any such reduction shall not reduce Zolly's indemnification obligations under this Article X.

5.6 Additional Limitations. Neither Zolly nor any of its Affiliates shall have any liability for any inaccuracy in or breach of any representation or warranty contained herein if the Assignee or any of its officers, employees, attorneys or other representatives or advisors had actual knowledge on or before the Closing Date of that such representation or warranty was inaccurate or breached. Except for remedies that cannot be waived as a matter of Law and injunctive and provisional relief, if the Closing occurs, this Article V shall be the sole and exclusive remedy for breach of, or inaccuracy in, any representation, warranty, or covenant contained herein, or otherwise in respect of the transactions contemplated hereby.

VI. MISCELLANEOUS.

6.1 Mutual Releases.

(a) Effective as at the Closing, Zolly does hereby and forever and irrevocably and unconditionally waive, release and discharge Ermont, Assignee and the officers, directors, employees, agents, and representatives of each (the "Ermont Parties") from and against any and all claims, demands, disputes, proceedings, rights, actions and causes of action, orders, obligations, debts and liabilities, arbitration or suit of any kind, whether direct, derivative, individual, representative, or in any other capacity, both in law and at equity (a "Claim"), that Zolly has ever had or may have that was made or could have been made or raised pursuant to or in connection with any event that occurred prior to the Closing except for a sum of \$2,047,500 which is to be paid by Ermont simultaneously with the Closing hereof.

(b) Effective as at the Closing, each of Ermont and the Assignee does hereby and forever and irrevocably and unconditionally waive, release and discharge Zolly and its managers, members, officers, directors, employees, agents, and representatives (the "Zolly Parties") from and against any and all Claims that it has, ever had or may have that were made or could have been made or raised pursuant to or in connection with any event that occurred prior to the date hereof other than those arising under this Agreement.

6.2 Other Agreements. Zolly and Ermont hereby agree that any arrangements or agreements (whether written or oral) that are between Zolly, on the one hand, and Ermont on the other hand, other than the Services Agreement, are terminated, effective as of the consummation of the Closing.

6.3 Further Assurances. From time to time after the Closing Date, at the request of the other party hereto and at the expense of the party so requesting, the parties hereto shall execute and deliver to such requesting party such documents and take such other action as such requesting party may reasonably request in order to consummate the transactions contemplated hereby.

6.4 Notices. All notices, requests, demands, waivers and communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered (i) by hand (including by reputable overnight courier), (ii) by mail (certified or registered mail, return receipt requested) or (iii) by email followed by overnight courier:

(a) If to Zolly, to:

Zolly, LLC
Attn: Zachary Harvey
11 Jefferson Street, Unit 3
Boston, MA 02116

with a copy to:

Prince Lobel Tye LLP
One International Place
Boston MA 02110
Attn.: John F Bradley, Esq.
Email: JBradley@PrinceLobel.com

(b) If to Assignee, to:

c/o Sea Hunter Holdings, LLC
Attn: Alexander Coleman
515 No. Flagler Drive, Suite 1700
West Palm Beach, FL 33401
561-779-3260
acoleman@shthera.com

with a copy to:
Forman & Shapiro LLP
1345 Avenue of the Americas, 11th Floor
New York, NY 10105
Email: forman@formanshapiro.com
Attention: Robert W. Forman, Esq.

or to such other person or address as any party shall specify by notice in writing to the other party. All such notices, requests, demands, waivers and communications shall be deemed to have been given (i) on the date on which so hand-delivered, (ii) on the third business day following the date on which so mailed and (iii) on the date on which emailed and confirmed, except for a notice of change of address, which shall be effective only upon receipt thereof.

6.6 Amendment, Modification and Waiver. This Agreement may be amended, modified or supplemented at any time by written agreement of the parties hereto. Any failure of Zolly to comply with any term or provision of this Agreement may be waived by the Assignee, and any failure of the Assignee to comply with any term or provision of this Agreement may be waived by Zolly, at any time by an instrument in writing signed by or on behalf of such other parties, but such waiver shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure to comply.

6.7 Entire Agreement. This Agreement and the exhibits, schedules and other documents referred to herein which form a part hereof contain the entire understanding of the parties hereto with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, oral and written, with respect to its subject matter.

6.8 Publicity. The parties hereto shall not issue any report, statement or press release or otherwise make any public statement with respect to this Agreement and the transactions contemplated hereby without prior consultation with and approval of the other parties, except as may be required by law.

6.9 Severability. Should any provision of this Agreement for any reason be declared invalid or unenforceable, such decision shall not affect the validity or enforceability of any of the other provisions of this Agreement, which other provisions shall remain in full force and effect and the application of such invalid or unenforceable provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall be valid and be enforced to the fullest extent permitted by law.

6.10 Binding Effect; Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, successors and permitted assigns, but except as contemplated herein, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, directly or indirectly, by any party without the prior written consent of the other parties hereto.

6.11 No Third-Party Beneficiaries. This Agreement is not intended and shall not be deemed to confer upon or give any person except the parties hereto and their respective

successors and permitted assigns any remedy, claim, liability, reimbursement, cause of action or other right under or by reason of this Agreement, except that the Ermont Parties and the Zolly Parties shall be third party beneficiaries of the releases in section 6.1.

6.12 Fees and Expenses. Whether or not the transactions contemplated hereby are consummated pursuant hereto, each party hereto shall pay all fees and expenses incurred by it or on its behalf in connection with this Agreement, and the consummation of the transactions contemplated hereby.

6.13 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.14 Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

6.15 Forum; Service of Process; Legal Fees. Any legal suit, action or proceeding brought by any party arising out of or based upon this Agreement shall only be instituted in a court of competent jurisdiction in the Commonwealth of Massachusetts, and each party hereby expressly and irrevocably submits to the exclusive jurisdiction such court(s), and further waives any objection which it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the jurisdiction of such courts in any such suit, action or proceeding. In any such proceeding, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs incurred in such proceeding.

6.16 Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts, excluding choice of law principles that would require the application of the laws of a jurisdiction other than the Commonwealth of Massachusetts.

6.17 WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES HERETO HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THE PARTIES HERETO ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE PARTIES HERETO FURTHER WARRANT AND REPRESENT THAT EACH HAS REVIEWED THIS WAIVER WITH ITS OR HIS, AS THE CASE MAY BE, LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION

WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

6.18 Survival of Representations and Warranties. The parties hereby agree that the representations and warranties contained herein shall survive for 120 days after the Closing.

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

CULTIVO LLC

By: 
Name: _____
Title: _____

ZOLLY, LLC

By: _____
Name: _____
Title: _____

CONSENT

The Undersigned hereby confirms that the Services Agreement is in full force and effect and consents to the Assignment of the Services Agreement from Zolly to Assignee, and joins in and accepts Sections 6.1(b) and 6.2 of the foregoing.

ERMONT, INC.

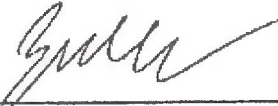
By: _____, duly authorized

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

CULTIVO LLC

By: _____
Name: _____
Title: _____

ZOLLY, LLC

By:  _____
Name: ZACHARY J HARVEY
Title: MANAGING MEMBER

CONSENT

The Undersigned hereby confirms that the Services Agreement is in full force and effect and consents to the Assignment of the Services Agreement from Zolly to Assignee, and joins in and accepts Sections 6.1(b) and 6.2 of the foregoing.

ERMONT, INC.

By: _____
John Hudson, Chief Executive Officer

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

CULTIVO LLC

By: _____
Name:
Title:

ZOLLY, LLC

By: _____
Name:
Title:

CONSENT

The Undersigned hereby confirms that the Services Agreement is in full force and effect and consents to the Assignment of the Services Agreement from Zolly to Assignee, and joins in and accepts Sections 6.1(b) and 6.2 of the foregoing.

ERMONT, INC.

authorized

By: Frederman, duly

CONSULTING AGREEMENT

THIS CONSULTING AND CULTIVATION SERVICES AGREEMENT ("Agreement"), effective as of this 13th day of September, 2015 ("Effective Date") by and between Adam Gendreau of G&G Box Builders LLC, with an address of 192 Hyde Park Ave, Boston, MA 02130, ("Consultant"), and Zolly, LLC, a Massachusetts Limited Liability Company with an address of 11 Jefferson St., Unit 3, Boston, MA 02116 ("Owner"), (each being referred to individually as a "Party" and collectively as the "Parties").

WHEREAS, Owner is a Limited Liability Company that provides consulting and intellectual property to one or more Registered Marijuana Dispensaries ("RMDs") registered by the Massachusetts Department of Public Health ("DPH") in the Commonwealth of Massachusetts (hereinafter, the "Business").

WHEREAS, Consultant has expertise in creating extractions and infused products and seeks to engaged in the business of providing management and consulting services relative to (i) supercritical CO₂ extraction; (ii) strain selection; (iii) operations, including on-site cultivation consulting to produce extracts with consistent dosages, operations, administration, harvesting, oversight, and other related services to registered marijuana facilities; and (iv) has created good-will among patients in the Commonwealth with a product known as Wizard Tears (hereinafter, the "Consulting Services").

WHEREAS, Owner wishes to retain certain Services of Consultant, and Consultant wishes to provide such Services to Owner pursuant to the terms of this Agreement; and

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

1. Engagement and Services.

1.1. Engagement of Consultant. Owner hereby retains Consultant, subject to the terms of this Agreement, to supervise, direct and assist in the management and operation of the Business relevant to producing infused products (the "Services"), and the Consultant hereby undertakes and agrees to perform such services and to comply with all of the provisions of this Agreement, upon all of the terms and conditions hereinafter set forth. In the performance of this Agreement, Consultant shall act solely as an independent contractor. This Agreement shall not be interpreted or construed as making Consultant a partner of, joint venturer with, or agent of Owner. Notwithstanding anything to the contrary in this Agreement, Owner shall maintain executive and exclusive control and possession of, and shall be solely responsible for the management of its business, including contracts with any RMDs.

1.2. General Duties, Scope of Work. Consultant shall provide training and intellectual property to Owner for the Operation of the Business based on the detailed scope of work (the "Scope of Work") attached hereto as Exhibit A and incorporated by this reference.

1.3. The Consultant shall provide the Services to at 216 Ricciuti Dr., Quincy, MA 02169, the facility for Ermont, Inc. a RMD that has contracted with Owner for various management and consulting services (and any other location agreed upon by the parties in writing), which currently consists, or is anticipated to consist, of approximately 13,500 sq. feet of cultivation floor space, approximately 1,500 sq. feet of retail and educational floor space, and approximately 2,000 sq. feet of manufacturing floor space (the "Owner's Facility"). This Agreement shall apply only to facilities operated by RMDs that have contracted with Owner, and Owner wishes to utilize

Consultant's services to satisfy those contract. Unless otherwise provided for hereunder, the provision of services by Consultant for any new facility or additional space shall be subject to negotiation and modification of the agreement between the Parties.

1.4. **Best Efforts.** The Consultant covenants and agrees that during the Term of this Agreement, it shall faithfully perform its duties and responsibilities, use its best efforts to supervise and direct the management and operation of the Business in an efficient manner and in accordance with the standards set forth by Owner, and consult with Owner to keep Owner advised as to all matters concerning the Business.

2. **Compensation and Expenses.** Consulting Fee. In consideration of the Services to be provided by Consultant throughout the Term of this Agreement, Consultant shall be paid as follows:
- Initial Training Payment: \$5,000.00 payable at the time of execution of this Agreement.
 - Second Training Payment: \$10,000.00 payable on November 15, 2015.
 - Year 1: \$120,000.00 paid in equal monthly installments commencing on February 1, 2016.
 - Year 2: \$150,000.00 paid in equal monthly installments commencing on February 1, 2017.
 - Year 3: \$180,000.00 paid in equal monthly installments commencing on February 1, 2018.

3. **Obligations of Owner.**

3.1. Owner in conjunction with Owner's clients shall comply with all Regulations regarding marijuana cultivation, manufacturing, distribution and sales, including, but not limited to maintaining the validity of all requisite licenses.

3.2. Owner shall enter into all contracts with its clients and shall be responsible for decisions made on behalf of Owner's clients. Notwithstanding the foregoing, Consultant shall advise owner of ideal strains and crop rotations for the production of marijuana infused products ("MIPs") and Owner shall endeavor to select or recommend strains and crop rotations that comport with Consultant's recommendations and that will optimize the cultivation conditions and harvest yields. Owner will provide prompt written notice to Consultant of any desired changes in marijuana plant strains or harvest orders.

3.3. Owner shall ensure Consultant's access to facilities of RMDs that Owner has contracted with at all times necessary for Consultant to perform the Services as permitted by the Regulations.

3.4. Owner and Owner's RMD client shall be solely responsible for all reporting to, and communications with, all government agencies and representatives.

3.5. Owner shall work with Consultant and Owner's client to provide Consultant with a DPH issued Dispensary Agent registration card.

4. **Obligations of Consultant.**

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

4.2. Consultant shall comply with the Chapter 369 of the Commonwealth of Massachusetts Acts of 2012 ("the Act") and 105 CMR 725.000 *et seq.* ("the Regs") and any other applicable regulations regarding marijuana businesses in Massachusetts and shall maintain the validity of all licenses as may be required by law. Consultant shall at all times be required to furnish Owner with verification of all relevant licenses or approvals.

- 4.3. Consultant shall only allow its employees and subcontractors that are properly licensed pursuant to the Massachusetts Marijuana Code to perform Services in Owner's client's facilities.
- 4.4. Consultant shall maintain workers compensation and unemployment insurance for Consultant employees in such amounts as required by law. Consultant shall be required to furnish Owner with verification of workers compensation and unemployment insurance upon request.
- 4.5. Consultant shall maintain control over and supervise its employees and subcontractors in the performance of the Services.
- 4.6. Consultant shall ensure that any third-party access that may be granted to Owner's Facility by Consultant shall be in strict compliance with the Act and the Regs and that Owner shall be responsible for the third party at all times while in Owner's client's facilities.
- 4.7. The Consultant shall provide immediate notice and copy to Owner of any material communications with governmental agencies and representatives.

5. Intellectual Property

- 5.1. Intellectual Property. Consultant shall provide all training necessary to carry out the Business to Owner's client's employees, and shall provide all Intellectual Property to Owner to carry out the Business. While Consultant retains exclusive rights to and ownership of all common law and statutory legal and equitable rights, including, but not limited to, all intellectual property rights, in all Incorporated Property, including all of Consultant's work product, know-how, trade secrets, statutory and common law copyrights, and other Consultant materials provided to Owner, disclosed to Owner, or otherwise used in connection with or furtherance of the Services and/or this Agreement. (hereinafter, the "Consultant IP"), so long as Owner is not in material breach of this Agreement, Consultant hereby grants an irrevocable license to Owner to use said Consultant IP to carry out the Business with respect to Owner's Client Ermont, Inc. so that Ermont, Inc. through its contract with Owner may provide MIPs to patients and caregivers in the Commonwealth of Massachusetts following the termination of this Agreement.
- 5.2. Inventions. Owner acknowledges that nothing created by Consultant is on a "work for hire" basis, and; therefore, Consultant and its successors retain Consultant's entire right, title and interest, in Consultant IP and any invention, creation, work or idea, whether or not patentable or copyrightable, made of conceived wholly or in part by Consultant since the commencement of Consultant's engagement by the Owner and during the course of this Agreement (collectively, an "Invention"). Notwithstanding the foregoing, Consultant hereby grants an irrevocable license to Owner to use said Invention to carry out the Business with respect to Owner's Client Ermont, Inc. so that Ermont, Inc. through its contract with Owner may provide MIPs to patients and caregivers in the Commonwealth of Massachusetts following the termination of this Agreement. Such rights retained by the Consultant include but are not limited to, any trademarks, copyrights and rights to all derivative works created therefrom, moral rights, patent rights and trade secrets.
- 5.3. Limitation. This section 5 does not apply to the actual marijuana products created by Ermont, Inc. in which Ermont, Inc. shall have an unlimited and irrevocable licensed to sell and market those specific products.

5.4. Confidentiality.

5.4.1. "Confidential Information" shall mean and include any and all information of the following types: a) information relating to production methods, recipes, inventions, patent, trademark and copyright applications, improvements, know-how, specifications, processes, transactions, and transaction procedures; b) business or financial information; financial statements, projections, business plans, or strategic or marketing plans, market studies, or analyses cost and pricing data; c) bills, customer and vendor lists, ideas, terms, conditions, provisions, or obligations of any contracts or agreements to which Owner is a party or to which any of its assets are subject, or the identity of any Person who is a party to any contract or agreement with Owner; d) procedural or operational manuals, employee manuals, training manuals, or programs; e) site selections or review reports, site selection criteria, demographic analyses of or regarding any locations of Owner's facilities, the terms of any lease for any such facility, or any summary thereof; f) the identity of any employee of Owner, and the compensation, benefits, or terms of employment of any such employee; and g) such other information of or regarding Owner that Owner actually maintains as confidential or proprietary; provided, however, that such information shall be deemed confidential only to the extent that it (a) has not been previously disclosed to the public, or (b) is not ascertainable from public or published information or trade sources, or (c) is not subsequently publicly disclosed (other than by a violation of this Agreement). Any Information that is marked or otherwise identified as "Confidential Information" at the time of Disclosure shall be presumed to be Confidential Information for the purposes of this Agreement.

5.4.2. "Disclose" or "Disclosure" shall mean and include any delivery, transmittal, presentation, or representation of Information, by any Person to any other Person.

5.4.3. "Person" shall mean and include any individual or natural person, corporation, trust, proprietorship, partnership, limited partnership, joint venture, limited liability company, limited liability partnership, or any other entity.

5.4.4. Consultant agrees to retain and maintain in strict confidence, and to require its agents, employees, independent contractors, and advisors to retain in confidence, any and all Confidential Information of Owner and owners clients. Consultant agrees that, without the prior express written consent of Owner, Consultant shall not, either directly or indirectly, individually or in concert with others: (1) Disclose any such Confidential Information to any other Person; (2) use any such Confidential Information for the benefit of any Person other than Owner and Owner's clients; or (3) permit any Confidential Information to be Disclosed to or used by any Person other than Owner and Owner's clients. Consultant expressly agrees and acknowledges that the obligations of Consultant pursuant to this section 5.3 shall continue, notwithstanding the expiration of this Agreement, the completion of the Consulting Services, and/or any termination of this Agreement by either Consultant or Owner, so long as Consultant, or any agent, employee, independent contractor, or advisor of Consultant, has any knowledge, possession, or control of, or access to, any Confidential Information of Owner. Upon the completion of the Consulting Services, or any other termination or expiration of this Agreement, for any reason, Consultant shall, if required to do so by Owner, promptly return to Owner (without retaining copies, in any medium) any and all Confidential Information of Owner in the possession or control of Consultant.

5.4.5. Notwithstanding anything contained herein to the contrary, a receiving party may disclose Confidential Information or Consultant IP pursuant to a statutory and/or governmental

regulation or requirement, subpoena or other legal or administrative process ("Legal Disclosure"). In the event of Legal Disclosure, the receiving party shall: (i) use reasonable efforts to provide the disclosing party with prior written notice, to the extent permitted by applicable law; and (ii) reasonably and legally cooperate with the disclosing party in its attempts to seek a protective order or to otherwise limit or restrict disclosure of its Proprietary Information. In the event the disclosing Party is unable to obtain a protective order or to otherwise limit or restrict disclosure of its Proprietary Information, the receiving party may disclose Proprietary Information, but only to the extent legally required.

6. Representations and Warranties.

6.1. By Owner. Owner represents and warrants that: (i) its clients have and will continue to maintain at all times all licenses required to cultivate, manufacture, sell and distribute marijuana pursuant to state laws and regulations; (ii) its clients have and will continue to conform to all applicable local, state and federal laws and regulations (excepting federal laws that conflict with state marijuana laws).

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

7. Indemnification.

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

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

7.3. Procedures. In the event that a third-party claim is made or third-party suit is filed for which either Party intends to seek indemnification from the other Party pursuant to this section, the Party seeking indemnification (the "Indemnitee") shall promptly notify the other Party (the "Indemnitor") of said claim or suit. The Indemnitor shall have the right to control, through counsel of its choosing, the defense of such third-party claim or suit, but may compromise or

settle the same only with the consent of the Indemnatee, which consent shall not be unreasonably withheld. The Indemnatee shall cooperate fully with the Indemnitor and its counsel in the defense of any such claim or suit and shall make available to the Indemnitor any books, records or other documents necessary or appropriate for such defense. The Indemnatee shall have the right to participate, at the Indemnatee's expense, in the defense of any such claim or suit through counsel chosen by the Indemnatee. If the Indemnitor fails or refuses to conduct such defense, or the Indemnatee has been advised by counsel that it may have defenses available to it which are different from or in addition to those available to the Indemnitor, or that the Indemnatee's interests are adverse to the Indemnitor's interests, then the Indemnatee may defend against the action(s) at the Indemnitor's expense.

8. **Exclusivity.** Consultant is prohibited from consulting with, obtaining employment with, providing services to, providing intellectual property to, or in any way assisting any other provider of marijuana who cultivates or distributes marijuana within a twenty-five (25) mile radius of 216 Ricciuti Dr., Quincy, MA. Consultant shall pay to Owner, \$500,000.00 as Liquidated Damages for a breach of this exclusivity section. Consultant acknowledges that the actual damages likely to result from breach of this Section 8 are difficult to estimate on the date of this agreement and would be difficult for Owner to prove. The parties intend that Consultant's payment of the Liquidated Damages Amount would serve to compensate Owner for any breach by Consultant of its obligations under this Section 8, and they do not intend for it to serve as punishment for any such breach by Consultant. Notwithstanding the foregoing, this Paragraph does not prohibit Consultant from providing services to Natural Healthcare Incorporated within a twenty-five (25) mile radius of 216 Ricciuti Dr., Quincy, MA, as long as Robert W. Lally Jr. is a member of the Board of Directors for Natural Healthcare Incorporated.

9. **Term and Termination.**

9.1. Unless earlier terminated as provided for in this section, the term of this Agreement shall commence upon the Effective Date and continue for three (3) years (the "Initial Term") and may renew upon agreement of the Parties for two (2) additional three (3) year terms (the "Renewal Term"). The Initial Term together with any and all Renewal Term is referred herein collectively as the "Term."

9.2. Either Party may terminate this Agreement (i) in the event of a material breach by the other Party that remains uncured for a period of fifteen (15) days, or (ii) at any time upon mutual written consent.

9.3. Either Party may terminate this Agreement if the other party violates any provision of law that would prohibit that Party from performing its obligations under this Agreement.

10. **Relationship of Parties.**

10.1. **No Partnership.** It is not the intention of the parties to create, nor shall this Agreement be construed as creating a partnership, joint venture, agency relationship, employee-employer relationship or association, or render the parties liable as partners, co-venturers, agents, principals, employers or employees.

10.2. **Consultant Status.** This Agreement establishes between Consultant and Owner an independent contractor relationship and all the terms and conditions of this Agreement shall be interpreted in light of that relationship. Consultant may engage the services of such employees, subcontractors, partners or agents, as Consultant deems necessary to perform the Services (collectively, the "Personnel"). The Personnel are not and shall not be employees of Owner, and Consultant shall

be wholly responsible for the professional performance of the Services by the Personnel such that the results are satisfactory to Owner. Any such Personnel must become Registered Agents Ermont, Inc. and be authorized by the DPH to perform said services. Except where expressly agreed upon in writing by an authorized representative of Owner, Consultant shall not have, nor shall Consultant represent to any person or entity that Consultant has, authority to enter into any agreement or obligation on behalf of or in the name of Owner.

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

If to Consultant:

Adam Gendreau
G&G Box Builders LLC
192 Hyde Park Ave
Boston, MA 02130

If to Owner:

Zachary Harvey
Zolly, LLC
11 Jefferson St., Unit 3
Boston, MA 02116

With a copy to:

Valerio Romano, Esq.
VGR Law Firm, PC
109 State St., Suite 404
Boston, MA 02109

12. Miscellaneous.

12.1. No Assignment. Other than as explicitly provided for in this Agreement, this Agreement may not be assigned by either Party without the other's prior written consent, and any such attempted assignment shall be void and of no effect. Owner shall not be required to seek or obtain the consent of Consultant in connection with any assignment by Owner: (i) to a parent, subsidiary, or affiliate; or (ii) in connection with a merger, acquisition, reorganization, sale or consolidation.

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

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

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

12.5. Dispute Resolution. The Parties agree that any dispute as may arise hereunder shall be attempted to be resolved by conduct in the following order: (i) the parties shall attempt to resolve the dispute through good faith attempts at communication between the parties; (ii) non-binding mediation by a mediator mutually acceptable to the parties; and then (iii) binding arbitration before the American Arbitration Association. The matter shall be heard by a single judge selected by the American Arbitration Association (the "Arbitrator"), and there shall be no discovery unless otherwise expressly agreed to by the Parties. Said arbitration shall be conducted in Norfolk County, Massachusetts under the rules of the American Arbitration Association. The award of the Arbitrator shall be final and binding upon the Parties, subject only to such rights of appeal as are provided by the said Act. The costs of the arbitration proceeding, including the fees of the Arbitrator, shall be borne equally by the disputants; notwithstanding, the prevailing Party shall be entitled to reimbursement of all legal costs and fees from the non-prevailing Party, provided that the Arbitrator shall determine allocations for such purposes in the event of a split determination.

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

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

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

12.9. Conformance of Agreement to Regulatory Conditions and Approval. The Parties acknowledge and agree that the terms of this Agreement are subject to the approval of the applicable state or local licensing authority ("Authorities") and shall negotiate in good faith to conform with any guidance provided by the Authorities relating to this Agreement.

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

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

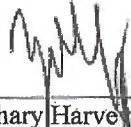
12.12. Advice of Counsel. Each Party acknowledges that, in executing this Agreement, it has had the opportunity to seek the advice of independent legal counsel and has read and understood all of the terms and provisions of this Agreement. This Agreement shall not be construed against any Party by reason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

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

12.14. Marijuana Disclosure. The Parties acknowledge and agree that Owners' activities and the Services are strictly limited to the confines of the laws of the Commonwealth of Massachusetts and understand that all activities related to medical and/or retail marijuana are currently illegal under the laws of the United States of America.

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

FOR OWNER ZOLLY, LLC:



Zachary Harvey
Managing Member

FOR CONSULTANT:



Adam Gendreau
G&G Box Builders LLC

EXHIBIT A
STATEMENT OF WORK

Preliminary Consulting Services

- Consultant will work cooperatively with Owner to support its business purpose to provide management and consulting services to RMDs in the Commonwealth of Massachusetts:
 - o Develop infused product options for sale at Owner's client's RMDs;
 - o Propose strains for cultivation operations of Owner's clients.

Consulting & Cultivation Services

- Consulting services shall include the development and implementation of protocols related to:
 - o Provide intellectual property for the operations of supercritical CO2 extraction equipment;
 - o Train Owner's client's RMD employees/dispensary agents to create MIPs for sale at those RMDs;
 - o Consultant will continually monitor industry best practices to identify and develop new innovations and best practices. It will assist Owner in implementing these innovations and best practices in order to keep Owner's clients at the cutting edge of the cannabis industry.
 - o Work directly with Master Grower to evaluate and determine MIP specific strains and growing procedures for these strains, if any.
 - o Training and oversight of all extraction personnel.
 - o Perform internal testing to ensure proper dosing protocols.
 - o Perform data analysis on experimental extraction runs.
 - o Ongoing compliance, training and quality assurance.

Description of MIPs that will be Created and Owner's/RMD's Employees will be Trained to Produce

- Concentrate and MIPs shall be produced at the following standards:
 - o Cannabinoids up to 98.6% purity to avoid patient consumption of any non-beneficial plant waxes, lipids or potentially harmful residual solvents that remain in other concentrates; Concentrate to test at 0.00ppm of any solvent or co-solvent;
 - o Pharmaceutical grade precision in dosing;
 - o Concentrate products and MIPs will cater to the needs of patients with specific ailments: i.e. THC-only products for pain relief, CBD-only products for inflammation and anxiety relief, CBN-only products for insomnia relief, etc.

Description of Services Zolly will Provide to Ermont, Inc – Consultant will Assist in Provision of these Services

- ZOLLY shall provide to ERMONT the benefit of its members', employees' and contractors' experience and expertise. Any member, employee or contractor of ZOLLY that will work at the ERMONT facility must first register with the DPH as Registered Agents of ERMONT. Thereafter,

ZOLLY shall assist in processing, manufacturing and preparing Alternative Products from the variety of marijuana strains that will be grown at ERMONT's cultivation facility located 216 Ricciuti Dr., Quincy, MA 02169 ("Cultivation Facility"). A description of the Services to be provided is as follows:

- Strain Selection: ZOLLY shall make suggestions as to which strains shall be produced. The strains will include indicas, sativas and hybrids and will be grown for the purpose of alleviating multiple medical systems pursuant to the Regs. It is currently anticipated that these strains will include, but will not be limited to: Afgooey (Indica 70%/ Sativa 30% used for pain/stress/insomnia), Arjan's Haze (Indica 20%/Sativa 80% used for chronic Pain), Cannatonic (High CBD strain used for stress, depression, inflammation, muscle spasms), Harlequin (High CBD used for strain pain, anxiety), Sour Tsunami (High CBD strain used for pain and inflammation), Fire OG (Indica 60%/Sativa 40% used for depression/stress/insomnia), Grand Daddy Purple Indica Dominant used for pain/stress/insomnia/appetite loss/muscle spasms), Blue Dream (Sativa Dominant used for pain/depression/nausea), White Widow (Indica 50%/Sativa 50% used for pain/depression/stress), Jack Herrer (Sativa Dominant used for stress/depression/pain/fatigue), Super Lemon Haze (Sativa Dominant used for stress/depression/pain), Headband (Indica Dominant used for stress/depression/pain/insomnia/anxiety/migraines) and Strawberry Cough (Sativa dominant used for anxiety/stress).
- Provision of Intellectual Property. While the processing, manufacturing and preparation will take place at ERMONT's 625 sq. ft. lab space located at 216 Ricciuti Dr., Quincy, MA 02169 ("MIPS Facility"), pursuant to Section 2 below, ZOLLY will provide ERMONT employees with the intellectual property to process, manufacture and prepare Alternative Products using ERMONT lab equipment.
- Training. ZOLLY members will conduct initial and ongoing training to ERMONT employees so that ERMONT employees have the know-how to produce high quality products for patients. As part of these Services, ZOLLY will provide skilled scientists to train agents of ERMONT to operate an oils extraction system, and trained chefs who will train ERMONT to incorporate organically grown medical grade cannabis into ERMONT's products.
- Alternative Product Selection. ZOLLY will assist ERMONT in the selection of products containing marijuana to be produced as an alternative to smoking or vaporizing the flowers. ZOLLY's members, employees and contractors have the knowledge to select alternative/infused products that will appeal to medical use of marijuana patients, and relieve the symptoms suffered by patients who have a variety of debilitating conditions. The Alternative Products will include a variety of edibles including, but not limited to, gluten free indica, sativa or hybrid infused fudge taffy, gluten free and vegan sour gummy candies in a variety of flavors, gluten free chocolate cocoa, gluten free and vegan cinnamon, peppermint and wintergreen flavored mints, chocolate-pretzel-coconut-caramel candy bars, gluten free caramels, gluten free and vegan candy drops in a variety of flavors, gluten free brownies, gluten free peanut butter crisps, and mint filled chocolate wafers, provided such products are permitted by the Regs. It is currently anticipated that the Alternative Products will also include powdered drink mixes in a variety of flavors, provided such products are permitted by the Regs. Alternative Products shall also include waxes, oils, topicals (e.g., sun screen, body lotions and ointments) and vaporizer pen cartridges.

- Creation of Products with Consistent Doses. ERMONT believes that consistent dosing with quality medicine is the key to having a successful infused products line and to helping patients with non-flower alternatives. ERMONT's agents will learn from ZOLLY's members, employees or contractors have the knowhow to produce extracts with Cannabinoids up to 98.6% purity to avoid patient consumption of any non-beneficial plant waxes, lipids or potentially harmful residual solvents that remain in other concentrates. ZOLLY has the knowhow to produce concentrates that test at 0.00ppm of any solvent or co-solvent; and provide pharmaceutical grade precision in dosing. Concentrate products and MIPs will cater to the needs of patients with specific ailments: i.e. THC-only products for pain relief, CBD-only products for inflammation and anxiety relief, CBN-only products for insomnia relief, etc.
- Lab Testing. ZOLLY will train agents of ERMONT to provide analytical testing on cannabinoid profiling and terpene profiling, and conduct microbiological screenings for mold, pesticides and fungi in accordance with the Regs. Lab testing and training described in this Agreement will be in addition to independent laboratory testing as required by 105 CMR 725.105(C)(2).
- Equipment and Facility Selection and Design. ZOLLY will review equipment specifications to be certain that the equipment selected by ERMONT is adequate to create the infused/alternative products that ZOLLY will suggest for patients of the Commonwealth. ZOLLY will assist in procurement of equipment so that ERMONT will obtain the best equipment at the lowest price. ZOLLY will assist with delivery and installation of equipment. ZOLLY will optimize the equipment. ZOLLY will consult with ERMONT on decisions made by ERMONT's team for the selection of the extraction and cultivation equipment so that ERMONT benefits from ZOLLY's industry experience in the selection, acquiring, installation and operation of the equipment.
- Equipment Maintenance. ZOLLY will maintain ERMONT's equipment and train ERMONT's employees to maintain the extraction equipment so that it runs at optimal levels.
- Consulting. ZOLLY shall provide ERMONT the benefit of its successful and experienced business professionals in managing and operating its Alternative Products business, bakery and laboratory through ongoing consulting services. ZOLLY will consult on sales, general operations, growth strategies, industry monitoring for innovations and best practices, quality control and marketing in connection with Alternative Products.
- Compliance. All Services and Intellectual Property to be provided by ZOLLY will comply with the Regs and all other applicable laws of the Commonwealth of Massachusetts.
- Performance Standard. ZOLLY agrees to meet or exceed the customary standards of care and professionalism expected in the industry and in its areas of expertise in performing all Services under this Agreement.

AMENDMENT TO CONSULTING AGREEMENT

19th THIS AMENDMENT TO CONSULTING AGREEMENT ("Amendment"), is effective as of this day of April, 2018 ("Effective Date") by and between both Adam Gendreau and G&G Box Builders LLC, with an address of 192 Hyde Park Ave, Boston, MA 02130, (collectively, "Consultant") and Zolly, LLC, a Massachusetts Limited Liability Company with an address of 11 Jefferson St., Unit 3, Boston, MA 02116 ("Owner"), (each being referred to individually as a "Party" and collectively as the "Parties").

WHEREAS, Owner is a Limited Liability Company that provides consulting, intellectual property and management services to one or more Registered Marijuana Dispensaries ("RMDs") registered by the Massachusetts Department of Public Health ("DPH") in the Commonwealth of Massachusetts (hereinafter, the "Business") including to Ermont, Inc. ("Ermont").

WHEREAS, the Parties executed and delivered to each other a certain Consulting And Cultivation Services Agreement dated October 13, 2015 (the "Consulting Agreement"), pursuant to which Owner retained the Consultant to perform certain Services for and provide Intellectual Property of Consultant to Owner, and Consultant agreed to provide such Services for and intellectual property to Owner. Terms capitalized herein but not otherwise defined shall have the meaning given those terms in the Consulting Agreement.

WHEREAS, the Parties have now agreed to amend the terms of the Consulting Agreement as provided below;

NOW, THEREFORE, for good and valuable consideration, and the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree that the terms of the Consulting Agreement shall be amended as follows:

1. Engagement and Services. The Parties agree that effective immediately consultant is relieved of and shall no longer provide any Services to Owner.

2. Compensation. In consideration of \$60,000 in hand paid this day, the receipt and sufficiency of which are hereby acknowledged by Consultant, Consultant agrees that Owner is released and has satisfied all obligations under the Consulting Agreement, including, without limitation, those described in Section 3 of the Consulting Agreement and the obligation for payment of compensation and any other amounts payable to Consultant, except for the payments described in Section 5.2 of this Amendment.

3. Compliance with Law. Consultant confirms that it and its employees and subcontractors have at all times complied with the Chapter 369 of the Commonwealth of Massachusetts Acts of 2012 and 105 CMR 725.000 *et seq.* and any other applicable regulations regarding marijuana businesses in Massachusetts and has maintained all licenses as may be required by law.

5. Intellectual Property. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH BELOW, NOTHING IN THIS AGREEMENT GRANTS OR SHALL BE INTERPRETED AS GRANTING OWNER OR ERMONT, INC. ("ERMONT") WITH ANY RIGHTS TO PRODUCTS DESIGNATED AS OR MARKETING UNDER THE NAME "VYB".

5.1. Intellectual Property. The Parties agree that effective immediately Consultant is relieved of all obligations to provide any training Owner's client's employees. Consultant hereby grants Owner, its successors and assigns a nonexclusive, perpetual, irrevocable, royalty-free, transferable license to use and sublicense for any purpose all Consultant IP provided or delivered to Owner in any form during the term of the Consulting Agreement and all derivatives thereof. For the avoidance of doubt, Consultant IP includes, without limitation, all intellectual property provided by Consultant pursuant to the Consulting Agreement (specifically excluding any products

marketed as "VYB") and used by Owner in connection with the performance by Owner of services for Ermont. Consultant acknowledges that Owner intends to transfer such rights to Ermont Management Company, LLC or an affiliate thereof.

5.2 Inventions. The Parties acknowledge and agree that, except for the license of the Consultant IP recited in Section 5.1, Consultant and its successors retain Consultant's entire right, title and interest in any invention, creation, or, whether or not patentable copyrightable, made or conceived wholly or in part by Consultant (specifically excluding any products marketed as "VYB") since the commencement of Consultant's engagement by the Owner and during the course of the Consulting Agreement (collectively "Inventions"). Consultant hereby grants an irrevocable license to Owner to use the Inventions (specifically excluding any products marketed as "VYB") to carry out the business with respect to Owner's clients including Ermont and to sublicense them to any assignee of Owner or Ermont so that Ermont may produce and provide products to its customers. Such rights retained by the Consultant include but are not limited to, any trademarks, copyrights and rights to all derivative works created therefrom, moral rights, patent rights and trade secrets.

5.3 Ermont Products. Consultant hereby disclaims any rights to marijuana products created or sold by Owner or Ermont (specifically excluding any products marketed as "VYB"), whether now existing or hereafter created.

5.4. Confidentiality. Consultant acknowledges and agrees that the terms of Section 5.4 of the Consulting Agreement relating to the Confidential Information of Owner are incorporated herein by reference and remain in full force and effect unaffected by this Amendment.

6. Representations and Warranties. The representations and warranties contained in Section 6 of the Consulting Agreement are deleted and have no further force or effect as of the Effective Date.

7. Indemnification. Owner and Consultant acknowledge and agree that the terms of Section 7 of the Consulting Agreement relating to the Indemnification of each by the other are incorporated herein by reference and remain in full force and effect unaffected by this Amendment.

8. Exclusivity. Owner and Consultant acknowledge and agree that the terms of Section 8 of the Consulting Agreement regarding limitations and exclusivity of Consultant's services are deleted and have no further force or effect as of the Effective Date.

9. Term and Termination. Except as explicitly set forth herein, the Consulting Agreement is terminated as of the Effective Date.

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

If to Consultant:

Adam Gendreau and G&G Box Builders LLC
192 Hyde Park Ave
Boston, MA 02130

If to Owner:

Zolly, LLC
11 Jefferson St., Unit 3
Boston, MA 02116

11. Miscellaneous.

11.1. Assignment. Either Party may transfer or assign this Amendment without the other's consent. For Clarification but not in limitation of the foregoing, Owner shall not be required to seek or obtain

the consent of Consultant in connection with any assignment by Owner: (i) to a parent, subsidiary, or affiliate; or (ii) in connection with a merger, acquisition, reorganization, sale or consolidation of Owner or its assets.

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

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

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

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

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

11.7 Further Assurance. The Parties hereto hereby agree to cooperate with each other and to take such other action and execute such additional documents as may be necessary or desirable in order to confirm, consummate and implement the rights and obligations of the Parties contemplated by this Amendment.

11.8 Counterparts. This Amendment may be executed in multiple counterparts which may be delivered electronically and together shall be considered one instrument.

12. Release. Each of the Parties, for himself, itself and their respective affiliates, managers, members, heirs, officers, directors, employees, successors, assigns, advisors and personal representatives (collectively, "Associates") hereby remises, releases, absolves, acquits and forever discharges the other and its Associates, from any and all actions, causes of actions, suits, accounts, debts, claims, demands, controversies, and liabilities of every nature, both at law and in equity, whether known or unknown, apparent or not apparent, past or present, which the undersigned now has, has had, or could have had against one or more of the other or its Associates up to the date of this Amendment; PROVIDED HOWEVER THAT no such release shall apply to any undertaking or agreement contained in this Amendment to be performed on or after the date hereof. For purposes of the Release given by Consultant, Ermont shall be considered an Associate of Owner.

13. NDAs.

(a) Consultant represents and agrees with Zolly that it has not executed any non-disclosure agreement or any other agreement restricting the activity or communications of Zolly, any manager, member or employee of Zolly or of Ermont or any employee of Ermont.

(b) VYB Holdings, LLC ("VYB"), joining in this Agreement solely for the purpose of this Section 13(b), for good and valuable consideration represents and agrees with Zolly that VYB has not executed any non-disclosure agreement or any other agreement restricting the activity or communications of Zolly or any manager, member or employee of Zolly.

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

FOR OWNER: ZOLLY, LLC:

BY: _____

Zachary Harvey, its Manager

FOR CONSULTANT:

G&G Box Builders LLC

BY: _____

Adam Gendreau, its Manager

And

VYB Holdings, LLC (as to Section 13(b) only):

By: _____

Adam Gendreau, Manager/ Managing Member

Adam Gendreau, individually

LOAN AND SECURITY AGREEMENT

by and between

ERMONT, INC.

as Borrower

and

SH FINANCE COMPANY, LLC

as Secured Lender

Dated: June ___, 2018

LOAN AND SECURITY AGREEMENT

This Loan and Security Agreement dated June __, 2018 is entered into by and among SH Finance Company, LLC ("Lender") and Ermont, Inc. a Massachusetts corporation ("Borrower" or "Ermont").

W I T N E S S E T H:

WHEREAS, Borrower was indebted to the Debtholders listed on Exhibit A-1 in the amounts set forth on such Exhibit (the "Old Notes");

WHEREAS, Lender acquired the Old Notes pursuant to a Debt Purchase and Sale Agreement of even date herewith;

WHEREAS, contemporaneously with the acquisition of the Old Notes, Lender advanced the sum of \$3,147,321 ("New Loan") to the Company for its payment to creditors listed on Exhibit A-2 ("Payables Amount");

WHEREAS, Lender and Borrower wish to consolidate the Old Notes, the New Loan and future advances to Borrower into one loan evidenced by this Agreement;

WHEREAS, Borrower has requested that Lender enter into financing arrangements with Borrower pursuant to which Lender shall make further secured loans available to Borrower; and

WHEREAS, Lender is willing to agree to make further loans on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

For purposes of this Agreement, the following terms shall have the respective meanings given to them below:

1.1 "Accounts" shall mean, as to Borrower, all present and future rights of Borrower to payment of a monetary obligation, whether or not earned by performance, which is not evidenced by chattel paper or an instrument, (a) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (b) for services rendered or to be rendered, (c) for a secondary obligation incurred or to be incurred, or (d) arising out of the use of a credit or charge card or information contained on or for use with the card.

1.2 "Affiliate" shall mean, with respect to a specified Person, any other Person which directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with such Person, and without limiting the generality of the foregoing, includes (a) any Person which beneficially owns or holds ten (10%) percent or more of any class of Voting Stock of such Person or other Capital Stock in such Person, (b) any Person of which such

Person beneficially owns or holds ten (10%) percent or more of any class of Voting Stock or Capital Stock and (c) any director or executive officer of such Person. For the purposes of this definition, the term “control” (including with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by agreement or otherwise.

1.3 “Business” means any business which may include the growing, cultivating, dispensing, selling, marketing, transporting, storing, packaging or in any way handling the hemp plants cannabis sativa and cannabis indica, or any item or product, whether liquid, vapor, infusion, confection, or any solid or other tangible item containing either tetrahydrocannabinol (THC) or cannabidiol (CBD) within the Commonwealth of Massachusetts.

1.4 “Capital Expenditures” shall mean with respect to Borrower for any period the aggregate of all expenditures made during such period that in accordance with GAAP are or should be included in “property, plant and equipment” or in a similar fixed asset account on its balance sheet, which were made pursuant to a Budget approved by Lender.

1.5 “Capital Leases” shall mean, as applied to any Person, any lease of (or any agreement conveying the right to use) any property (whether real, personal or mixed) by such Person as lessee which in accordance with GAAP, is required to be reflected as a liability on the balance sheet of such Person.

1.6 “Capital Stock” shall mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of such Person’s capital stock or partnership, limited liability company or other equity interests at any time outstanding, and any and all rights, warrants or options exchangeable for or convertible into such capital stock or other interests (but excluding any debt security that is exchangeable for or convertible into such capital stock).

1.7 “Code” shall mean the Internal Revenue Code of 1986, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all rules, regulations and interpretations thereunder or related thereto.

1.8 “Collateral” shall have the meaning set forth in Section 5 hereof.

1.9 “Collateral Access Agreement” shall mean an agreement in writing, in form and substance reasonably satisfactory to Lender, from any lessor of premises to Borrower or any other person to whom any Collateral is consigned or who has custody, control or possession of any such Collateral or is otherwise the owner or operator of any premises on which any of such Collateral is located, in favor of Lender with respect to the Collateral at such premises or otherwise in the custody, control or possession of such lessor, consignee or other person.

1.10 “Currently Outstanding Balance,” which is the sum of the Old Notes and New Loan shall mean \$12,275,000.

1.11 “Default” shall mean an act, condition or event which with notice or passage of time or both would constitute an Event of Default.

1.12 “Deposit Account Control Agreement” or “DACA” shall mean such agreements between the Borrower, each of their Depositories and Lender giving Lender access to and control of such Loan Parties’ deposit accounts in form and substance acceptable to Lender.

1.13 “Equipment” shall mean all of Borrower’s now owned and hereafter acquired equipment, wherever located, including machinery, data processing and computer equipment (whether owned or licensed and including embedded software), vehicles, tools, furniture, fixtures, all attachments, accessions and property now or hereafter affixed thereto or used in connection therewith, and substitutions and replacements thereof, wherever located.

1.14 “Financing Agreements” shall mean, collectively, this Agreement and all notes, guarantees, security agreements, deposit account control agreements, investment property control agreements, Annex and all other agreements, documents and instruments now or at any time hereafter executed and/or delivered by Borrower in connection with this Agreement.

1.15 “Free Cash Flow” shall mean, with respect to any period, an amount equal to (a) Borrower’s net income after provision for income taxes for such period determined in accordance with GAAP, plus (b) to the extent deducted in the calculation of such Net Income for such period: depreciation and amortization for such period, all in accordance with GAAP, less (c) Capital Expenditures approved in writing by Lender.

1.16 “Governmental Authority” shall mean any nation or government, any state, province, or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

1.17 “Indebtedness” shall mean, with respect to any Person, any liability, whether or not contingent, (a) in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof) or evidenced by bonds, notes, debentures or similar instruments; (b) representing the balance deferred and unpaid of the purchase price of any property or services (other than an account payable to a trade creditor (whether or not an Affiliate) incurred in the ordinary course of business of such Person and payable in accordance with customary trade practices), (c) all obligations as lessee under leases which have been, or should be, in accordance with GAAP recorded as Capital Leases; (d) any contractual obligation, contingent or otherwise, of such Person to pay or be liable for the payment of any indebtedness described in this definition of another Person, including, without limitation, any such indebtedness, directly or indirectly guaranteed, or any agreement to purchase, repurchase, or otherwise acquire such indebtedness, obligation or liability or any security therefor, or to provide funds for the payment or discharge thereof, or to maintain solvency, assets, level of income, or other financial condition; (e) all obligations with respect to redeemable stock and redemption or repurchase obligations under any Capital Stock or other equity securities issued by such Person; (f) all reimbursement obligations and other liabilities of such Person with respect to surety bonds (whether bid, performance or otherwise), letters of credit, banker’s acceptances, drafts or similar documents or instruments issued for such Person’s

account; (g) all indebtedness of such Person in respect of indebtedness of another Person for borrowed money or indebtedness of another Person otherwise described in this definition which is secured by any consensual lien, security interest, collateral assignment, conditional sale, mortgage, deed of trust, or other encumbrance on any asset of such Person, whether or not such obligations, liabilities or indebtedness are assumed by or are a personal liability of such Person, all as of such time; (h) all obligations, liabilities and indebtedness of such Person (marked to market) arising under swap agreements, cap agreements and collar agreements and other agreements or arrangements designed to protect such person against fluctuations in interest rates or currency or commodity values; (i) all obligations owed by such Person under License Agreements with respect to non-refundable, advance or minimum guarantee royalty payments; (j) indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer to the extent such Person is liable therefor as a result of such Person's ownership interest in such entity, except to the extent that the terms of such indebtedness expressly provide that such Person is not liable therefor or such Person has no liability therefor as a matter of law and (k) the principal and interest portions of all rental obligations of such Person under any synthetic lease or similar off-balance sheet financing where such transaction is considered to be borrowed money for tax purposes but is classified as an operating lease in accordance with GAAP.

1.18 "Intellectual Property" shall mean Borrower's now owned and hereafter arising or acquired: patents, patent rights, patent applications, copyrights, works which are the subject matter of copyrights, copyright applications, copyright registrations, trademarks, servicemarks, trade names, trade styles, trademark and service mark applications, and licenses and rights to use any of the foregoing and all applications, registrations and recordings relating to any of the foregoing as may be filed in the United States Copyright Office, the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other country or jurisdiction, together with all rights and privileges arising under applicable law with respect to Borrower's use of any of the foregoing; all extensions, renewals, reissues, divisions, continuations, and continuations-in-part of any of the foregoing; all rights to sue for past, present and future infringement of any of the foregoing; inventions, trade secrets, formulae, processes, compounds, drawings, designs, blueprints, surveys, reports, manuals, and operating standards; goodwill (including any goodwill associated with any trademark or servicemark, or the license of any trademark or servicemark); customer and other lists in whatever form maintained; delivery routes; trade secret rights, copyright rights, rights in works of authorship, domain names and domain name registration; software and contract rights relating to computer software programs, in whatever form created or maintained.

1.19 "Interest Expense" shall mean, for any period, as to any Person, as determined in accordance with GAAP, the amount equal to total interest expense of such Person and its Subsidiaries on a consolidated basis for such period, whether paid or accrued (including the interest component of any Capital Lease for such period), and in any event, including, without limitation, (a) discounts in connection with the sale of any Accounts, (b) bank fees, commissions, discounts and other fees and charges owed with respect to letters of credit, banker's acceptances or similar instruments or any factoring, securitization or similar arrangements, (c) interest payable by addition to principal or in the form of property other than cash and any other interest expense not payable in cash, and (d) the costs or fees for such period associated with Hedging Agreements to the extent not otherwise included in such total interest

expense (but excluding (i) such amounts included in the cost of goods sold and (ii) breakage costs incurred in connection with the termination of Hedging Agreements on or about the date hereof, if any), provided, that, Interest Expense shall not include, to the extent treated as interest in accordance with GAAP, all non-cash amounts in connection with borrowed money (including paid-in-kind interest).

1.20 “Interest Rate” shall mean, 18% per annum compounded annually.

1.21 “Inventory” shall mean all of such Borrower’s now owned and hereafter existing or acquired goods, wherever located or raw materials, work in process, finished goods or materials used or consumed in its business; provided however that “Inventory” shall not include any marijuana, marijuana plant, marijuana flower, edible marijuana-infused product, marijuana extract or any other marijuana product or by-product if granting a security interest therein is prohibited by applicable law.

1.22 “Lender” shall mean SH Finance Company, LLC and its successors and assigns.

1.23 “Licenses” shall mean the licenses described in Section 8.5(c) hereof and any other licenses or permits acquired by Borrower with respect to the Business.

1.24 “Material Adverse Effect” shall mean a material adverse effect on (a) the financial condition, business, performance or operations of Borrower; (b) the legality, validity or enforceability of this Agreement or any of the other Financing Agreements; (c) the legality, validity, enforceability, perfection or priority of the security interests and liens of Lender upon the Collateral; (d) the Collateral or its value; (e) the ability of Borrower to repay the Obligations or of Borrower to perform its obligations under this Agreement or any of the other Financing Agreements as and when to be performed; or (f) the ability of Lender to enforce the Obligations or realize upon the Collateral or otherwise with respect to the rights and remedies of Lender under this Agreement or any of the other Financing Agreements.

1.25 “Material Contract” shall mean any contract or other agreement (other than the Financing Agreements), whether written or oral, to which Borrower is a party as to which the breach, nonperformance, cancellation or failure to renew by any party thereto would have a Material Adverse Effect.

1.26 “Management Agreement” shall mean the Management Agreement between Borrower and Cultivo, LLC.

1.27 “Maturity Date” shall mean the Fifth Anniversary of the Date hereof.

1.28 “Maximum Credit” shall mean the amount of \$20,000,000.

1.29 “Net Cash Proceeds” shall mean the aggregate cash proceeds payable to Borrower in respect of any sale, lease, transfer or other disposition of any assets or properties, or interest in assets and properties, net of (a) the reasonable and customary direct costs relating to such sale, lease, transfer or other disposition (including, without limitation, legal, accounting and investment banking fees, and sales commissions), and (b) amounts applied to the repayment of Indebtedness secured by a valid and enforceable lien that is senior in priority to the security

interest of Lender on the asset or assets that are the subject of such sale or other disposition required to be repaid in connection with such transaction. Net Cash Proceeds shall exclude any non-cash proceeds received from any sale or other disposition or other transaction, but shall include such proceeds when and as converted by Borrower to cash or other immediately available funds.

1.30 “Net Recovery Percentage” shall mean the fraction, expressed as a percentage, (a) the numerator of which is the amount equal to the amount of the recovery in respect of the Inventory at such time on a “net orderly liquidation value” basis as set forth in the most recent reasonably acceptable appraisal of Inventory received by Lender in accordance with Section 7.3, net of operating expenses, liquidation expenses and commissions, and (b) the denominator of which is the applicable original cost of the aggregate amount of the Inventory subject to such appraisal.

1.31 “Obligations” shall mean any and all Loans and all other obligations, liabilities and indebtedness of every kind, nature and description owing by the Borrower to Lender and/or any of its Affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under this Agreement or any of the other Financing Agreements, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of this Agreement or after the commencement of any case with respect to such Borrower under the United States Bankruptcy Code or any similar statute (including the payment of interest and other amounts which would accrue and become due but for the commencement of such case, whether or not such amounts are allowed or allowable in whole or in part in such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, or secured or unsecured.

1.32 “Person” or “person” shall mean any individual, sole proprietorship, partnership, corporation (including any corporation which elects subchapter S status under the Code), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock corporation, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

1.33 “Real Property” shall mean all now owned and hereafter acquired real property of Borrower, including leasehold interests, together with all buildings, structures, and other improvements located thereon and all licenses, easements and appurtenances relating thereto, wherever located, including the real property and related assets more particularly described in the Mortgages.

1.34 “Records” shall mean all of Borrower’s present and future books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data relating to the Collateral or any account debtor, together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of Borrower with respect to the foregoing maintained with or by any other person).

1.35 “UCC” shall mean the Uniform Commercial Code as in effect in the State of Illinois, and any successor statute, as in effect from time to time (except that terms used herein which are defined in the Uniform Commercial Code as in effect in the State of Massachusetts on the date hereof shall continue to have the same meaning notwithstanding any replacement or amendment of such statute except as Lender may otherwise determine).

1.36 “Value” shall mean, as determined by Lender in good faith, with respect to Inventory, the lower of (a) cost computed on a first-in first-out basis in accordance with GAAP or (b) market value, provided, that, for purposes of the calculation of the Borrowing Base, the Value of the Inventory shall not include the portion of the value of Inventory equal to the profit earned by any Affiliate on the sale thereof to Borrower.

1.37 “Voting Stock” shall mean with respect to any Person, (a) one (1) or more classes of Capital Stock or Membership Interest of such Person having general voting powers to elect at least a majority of the board of directors, managers or trustees of such Person, irrespective of whether at the time Capital Stock or Membership Interest of any other class or classes have or might have voting power by reason of the happening of any contingency, and (b) any Capital Stock or Membership Interest of such Person convertible or exchangeable without restriction at the option of the holder thereof into Capital Stock or Membership Interest of such Person described in clause (a) of this definition.

SECTION 2. CREDIT FACILITIES

2.1 Loan. Subject to and upon the terms and conditions contained herein, Lender agrees to make a Secured Loan available to Borrower in the amount of up to the Maximum Amount inclusive of the Currently Outstanding Balance, which Borrower acknowledges and agrees is due and payable in accordance with this Agreement. Advances shall be requested in writing by Borrower setting forth the amount requested and the uses therefor. Lender may make such requested Advances in its sole discretion.

SECTION 3. INTEREST AND FEES

3.1 Interest. Interest shall accrue at a rate of 18% per annum, payable quarterly, on the Currently Outstanding Balance from the date hereof and on future advances from the date the advance is made.

3.2 Principal Amortization. Commencing on the 45th day following the quarter ended September 30, 2018 and continuing on the 45th day of the following 19 calendar quarters, Borrower shall pay Lender an amount equal to 100% of its Free Cash Flow for the preceding calendar quarter until such time as all Obligations are satisfied in full. Notwithstanding the foregoing, all unpaid principal and any accrued interest shall be due and payable on the Maturity Date.

3.3 Prepayment. Upon at least five (5) Business Days prior written notice to the Lender, Borrower may prepay without premium or penalty, in whole or in part, the Principal Amount due under this Note plus all accrued interest to date of payment; provided, however, that the minimum amount of any such prepayment shall be Two Hundred Thousand Dollars (\$200,000). All prepayments shall be applied to payment of interest before application to

principal. Payment and acceptance of any sum on account of this Loan which is less than the full amount due hereunder shall not be considered a waiver of any demand or Event of Default.

SECTION 4. CONDITIONS PRECEDENT

4.1 Conditions Precedent to Loans. The obligation of Lender to make further advances hereunder is subject to the satisfaction of, or waiver of, immediately prior to or concurrently with the making of such Loan of each of the following conditions precedent:

(a) all requisite corporate action and proceedings in connection with this Agreement and the other Financing Agreements shall be reasonably satisfactory in form and substance to Lender, and Lender shall have received all information and copies of all documents, including records of requisite corporate action and proceedings which Lender may have requested in connection therewith, such documents where requested by Lender or its counsel to be certified by appropriate corporate officers or Governmental Authority (and including a copy of the certificate of incorporation of Borrower certified by the Secretary of State (or equivalent Governmental Authority) which shall set forth the same complete corporate name of such Borrower as is set forth herein and such document as shall set forth the organizational identification number of Borrower, if one is issued in its jurisdiction of incorporation);

(b) no material adverse change shall have occurred in the assets, business or prospects of Borrower since the date hereof and no change or event shall have occurred which would impair the ability of Borrower to perform its obligations hereunder or under any of the other Financing Agreements to which it is a party or of Lender to enforce the Obligations or realize upon the Collateral;

(c) Lender shall have received, in form and substance reasonably satisfactory to Lender, all consents, waivers, acknowledgments and other agreements from third persons which Lender may, in good faith, deem necessary or desirable in order to permit, protect and perfect its security interests in and liens upon the Collateral or to effectuate the provisions or purposes of this Agreement, the and other Financing Agreements, including, without limitation, Collateral Access Agreements;

(d) Lender shall have received evidence, in form and substance reasonably satisfactory to Lender, that Lender has a valid perfected first priority security interest in all of the Collateral;

(e) Lender shall have received evidence of insurance and loss payee endorsements required hereunder and under the other Financing Agreements, in form and substance reasonably satisfactory to Lender, and certificates of insurance policies and/or endorsements naming Lender as loss payee.

(f) Borrower and the Depositaries of all of their deposit accounts shall have executed and delivered to lender a Deposit Account Control Agreement (the "DACA") in form and substance acceptable to lender.

(g) The representations and warranties of Borrower set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement.

(h) Borrower shall have, in all respects, performed all obligations and complied with all covenants required by this Agreement to be performed or complied with by them.

(i) Borrower shall have delivered to Lender a certificate signed by its existing Members certifying that the conditions set forth in Sections 4.1(a)-(i) have been satisfied.

(j) The Management Agreement shall have been duly executed by the Parties thereto and are in full force and effect and no breach by the Borrower or its stockholders shall have occurred under either Agreement.

SECTION 5. GRANT AND PERFECTION OF SECURITY INTEREST

5.1 Grant of Security Interest. To secure payment and performance of all Obligations, Borrower hereby grants to Lender, a continuing first priority security interest in, a lien upon, and a right of set off against, and hereby assigns to Lender, as security, all personal and real property and fixtures, and interests in property and fixtures, of Borrower, whether now owned or hereafter acquired or existing, and wherever located (together with all other collateral security for the Obligations at any time granted to or held or acquired by Lender, collectively, the “Collateral”), including:

- (a) all Accounts;
- (b) all general intangibles, including, without limitation, all Intellectual Property and all Licenses;
- (c) all goods, including, without limitation, Inventory and Equipment;
- (d) all Real Property and fixtures;
- (e) all chattel paper, including, without limitation, all tangible and electronic chattel paper;
- (f) all documents; and
- (g) all deposit accounts;
- (h) all supporting obligations and all present and future liens, security interests, rights, remedies, title and interest in, to and in respect of Receivables and other Collateral, including (i) rights and remedies under or relating to guaranties, contracts of suretyship, letters of credit and credit and other insurance related to the Collateral, (ii) rights of stoppage in transit, replevin, repossession, reclamation and other rights and remedies of an unpaid vendor, lienor or secured party, (iii) goods described in invoices, documents, contracts or instruments with respect to, or otherwise representing or evidencing, Receivables or other

Collateral, including returned, repossessed and reclaimed goods, and (iv) deposits by and property of account debtors or other persons securing the obligations of account debtors;

(i) all (i) investment property (including securities, whether certificated or uncertificated, securities accounts, security entitlements, commodity contracts or commodity accounts) and (ii) monies, credit balances, deposits and other property of Borrower now or hereafter held or received by or in transit to Lender or its Affiliates or at any other depository or other institution from or for the account of Borrower, whether for safekeeping, pledge, custody, transmission, collection or otherwise;

(j) to the extent not otherwise described above, all Receivables;

(k) all Records;

(l) all Inventory (but only to the extent lawful to grant a security interest in Borrower's Inventory); and

(m) all products and proceeds of the foregoing, in any form, including insurance proceeds and all claims against third parties for loss or damage to or destruction of or other involuntary conversion of any kind or nature of any or all of the other Collateral.

5.2 Perfection of Security Interests.

(a) Borrower irrevocably and unconditionally authorize Lender (or its agent) to file at any time and from time to time such financing statements with respect to the Collateral naming Lender or its designee as the secured party and Borrower as debtor, as Lender may reasonably require, and including any other information with respect to Borrower or otherwise required by part 5 of Article 9 of the Uniform Commercial Code of such jurisdiction as Lender may determine in good faith, together with any amendment and continuations with respect thereto, which authorization shall apply to all financing statements filed on, prior to or after the date hereof.

(b) Borrower does not own or hold, directly or indirectly, beneficially or as record owner or both, any investment property, as of the date hereof, or have any investment account, securities account, commodity account or other similar account with any bank or other financial institution or other securities intermediary or commodity intermediary as of the date hereof.

(c) Borrower shall take any other actions reasonably requested by Lender from time to time to cause the attachment, perfection and first priority of, and the ability of Lender to enforce, the security interest of Lender in any and all of the Collateral, including, without limitation, (i) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto under the UCC or other applicable law, to the extent, if any, that Borrower's signature thereon is required therefor, (ii) causing Lender's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of Lender to enforce, the security interest of Lender in such Collateral, (iii) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to

attachment, perfection or priority of, or ability of Lender to enforce, the security interest of Lender in such Collateral, (iv) obtaining the consents and approvals of any Governmental Authority or third party, including, without limitation, any consent of any licensor, lessor or other person obligated on Collateral, and taking all actions required by any earlier versions of the UCC or by other law, as applicable in any relevant jurisdiction.

5.3 Limitation on Security Interest in Marijuana. Notwithstanding any provision of this Section 5 to the contrary, Lender shall have no lien upon or right of possession or sale, either set forth expressly in this Agreement or arising as a matter of law, with respect to any marijuana, marijuana plant, marijuana flower, edible marijuana-infused product, marijuana extract or any other marijuana product or by-product. Lender hereby agrees and acknowledges that any such marijuana located on or within any facility owned or operated by Borrower shall be controlled in accordance with 105 CMR 725.000 et seq., 935 CMR 500.000 et seq, and if provided by law, under the supervision of the Massachusetts Department of Public Health or Cannabis Control Commission.

SECTION 6. USE OF PROCEEDS

6.1 Use of Proceeds. Borrower shall use the proceeds of the further advances only for the purpose of (i) cultivating, harvesting and, where applicable, converting marijuana plants in accordance with the Company's licenses, for improvements for dispensaries, to pay for capital equipment and permissible operating expenses; and (ii) general operating, working capital and other proper corporate purposes of Borrower not otherwise prohibited by the terms hereof all as may be approved by Lender.

SECTION 7. COLLATERAL COVENANTS

7.1 Power of Attorney. Borrower hereby irrevocably designates and appoints Lender (and all persons designated by Lender) as Borrower's true and lawful attorney-in-fact, and authorizes Lender, in Borrower's or Lender's name, to: (a) at any time an Event of Default exists or has occurred and is continuing (i) demand payment on Receivables or other Collateral, (ii) enforce payment of Receivables by legal proceedings or otherwise, (iii) exercise all of Borrower's rights and remedies to collect any Receivable or other Collateral, (iv) sell or assign any Receivable upon such terms, for such amount and at such time or times as the Lender deems advisable, (v) settle, adjust, compromise, extend or renew an Account, (vi) discharge and release any Receivable, (vii) prepare, file and sign Borrower's name on any proof of claim in bankruptcy or other similar document against an account debtor or other obligor in respect of any Receivables or other Collateral, (viii) notify the post office authorities to change the address for delivery of remittances from account debtors or other obligors in respect of Receivables or other proceeds of Collateral to an address designated by Lender, and open and dispose of all mail addressed to such Borrower and handle and store all mail relating to the Collateral; (ix) sign Borrower's name on any verification of Receivables and notices thereof to account debtors or any secondary obligors or other obligors in respect thereof and (x) do all acts and things which are necessary, in Lender's determination, to fulfill Borrower's obligations under this Agreement and the other Financing Agreements and (b) at any time to (i) take control in any manner of any item of payment in respect of Receivables or Borrower's Deposit Account constituting Collateral, (ii) have access to any lockbox or postal box into which remittances from account

debtors or other obligors in respect of Receivables or other proceeds of Collateral are sent or received, (iii) endorse Borrower's name upon any items of payment in respect of Receivables or constituting Collateral or otherwise received by Lender and deposit the same in Lender's account for application to the Obligations, (iv) endorse Borrower's name upon any chattel paper, document, instrument, invoice, or similar document or agreement relating to any Receivable or any goods pertaining thereto or any other Collateral, including any warehouse or other receipts, or bills of lading and other negotiable or non-negotiable documents. Borrower hereby releases Lender and its officers, employees and designees from any liabilities arising from any act or acts under this power of attorney and in furtherance thereof, whether of omission or commission, except as a result of Lender's own gross negligence or willful misconduct as determined pursuant to a final non-appealable order of a court of competent jurisdiction.

7.2 Right to Cure. Lender may, at its option, upon prior written notice to Borrower (and so long as Borrower has not taken action within five (5) Business Days after such notice, unless Lender determines in good faith that under the circumstances it must act sooner), (a) cure any default by Borrower under any material agreement with a third party that affects the Collateral, its value or the ability of Lender to collect, sell or otherwise dispose of the Collateral or the rights and remedies of Lender therein or the ability of Borrower to perform its obligations hereunder or under any of the other Financing Agreements, (b) pay or bond on appeal any judgment entered against Borrower, (c) discharge taxes, liens, security interests or other encumbrances at any time levied on or existing with respect to the Collateral and (d) pay any amount, incur any expense or perform any act which, in Lender's good faith judgment, is necessary or appropriate to preserve, protect, insure or maintain the Collateral and the rights of Lender with respect thereto. Lender may add any amounts so expended to the Obligations and charge Borrower's account therefor, such amounts to be repayable by Borrower on demand. Lender shall be under no obligation to effect such cure, payment or bonding and shall not, by doing so, be deemed to have assumed any obligation or liability of Borrower. Any payment made or other action taken by Lender under this Section shall be without prejudice to any right to assert an Event of Default hereunder and to proceed accordingly.

7.3 Access to Premises. From time to time as reasonably requested by Lender, at the cost and expense of Borrower, (a) Lender or its designee shall have complete access to all of Borrower's premises during normal business hours and reasonable prior notice to Borrower, or at any time and without notice to Borrower if an Event of Default exists or has occurred and is continuing, for the purposes of inspecting, verifying and auditing the Collateral and Borrower's books and records, including the Records, and (b) Borrower shall promptly furnish to Lender such copies of such books and records or extracts therefrom as Lender may request, and (c) Lender or Lender's designee may use during normal business hours such of Borrower's personnel, equipment, supplies and premises as may be reasonably necessary for the foregoing and if an Event of Default exists or has occurred and is continuing for the collection of Receivables and realization of other Collateral. Lender may conduct up to three (3) field examinations with respect to the Collateral in each consecutive twelve (12) month period after the date of this Agreement at the expense of Borrower and such other field examinations as Lender may reasonably require at its expense and at any time upon the occurrence and during the continuance of an any Event of Default at the expense of Borrower. Notwithstanding any provision of this Section 7 to the contrary, any such Lender access or entry of any facility operated or controlled by Borrower, including cultivation, storage, processing, dispensing and

other facilities, will occur on an “escorted access only” basis, as set forth in 105 CMR 725.110(C)(4) and 935 CMR 500.000 et seq.

SECTION 8. INTENTIONALLY OMITTED

8.1

SECTION 9. AFFIRMATIVE AND NEGATIVE COVENANTS

9.1 Maintenance of Existence. Borrower shall at all times preserve, renew and keep in full force and effect its corporate existence and rights and franchises with respect thereto and maintain in full force and effect all licenses, trademarks, tradenames, approvals, authorizations, leases, contracts and Permits necessary to carry on the business as presently or proposed to be conducted.

(a) Borrower shall not change its name unless each of the following conditions is satisfied: (i) Lender shall have received not less than fifteen (15) days prior written notice from Borrower of such proposed change in its corporate name, which notice shall accurately set forth the new name; and (ii) Lender shall have received a copy of the amendment to the Certificate of Incorporation of Borrower providing for the name change certified by the Secretary of State of the jurisdiction of incorporation or organization of Borrower as soon as it is available.

(b) Borrower shall not change its chief executive office or its mailing address or organizational identification number (or if it does not have one, shall not acquire one) unless Lender shall have received not less than fifteen (15) days’ prior written notice from Borrower of such proposed change, which notice shall set forth such information with respect thereto as Lender may require and Lender shall have received such agreements as Lender may reasonably require in connection therewith.

9.2 New Collateral Locations. Borrower may only open a new location or bank account within Massachusetts provided such party (a) gives Lender ten (10) days prior written notice of the intended opening of any such new location or account and (b) executes and delivers, or causes to be executed and delivered, to Lender such agreements, documents, and instruments as Lender may deem reasonably necessary or desirable to protect its interests in the Collateral at such location.

9.3 Compliance with Laws, Regulations, Etc.

(a) Borrower shall, at all times, comply in all material respects with all laws, rules, regulations, licenses, approvals, orders and other Permits applicable to it and duly observe all requirements of any foreign, Federal, State or local Governmental Authority, with the exception of any federal law pertaining to the possession, manufacture or sale of marijuana, including but not limited to the Controlled Substances Act of 1970, as amended (Title 21 U.S.C., Chapter 13 § 801 et. seq.).

(b) Borrower shall indemnify and hold harmless Lender and its directors, officers, employees, agents, invitees, representatives, successors and assigns, from and against any and all losses, claims, damages, liabilities, costs, and expenses (including reasonable attorneys' fees and expenses) directly or indirectly arising out of or attributable to the use, generation, manufacture, reproduction, storage, release, threatened release, spill, discharge, disposal or presence of a Hazardous Material, including the costs of any required or necessary repair, cleanup or other remedial work with respect to any property of Borrower and the preparation and implementation of any closure, remedial or other required plans. All representations, warranties, covenants and indemnifications in this Section 9.3 shall survive the payment of the Obligations and the termination of this Agreement.

9.4 Payment of Taxes and Claims. Borrower shall duly pay and discharge all taxes, assessments, contributions and governmental charges upon or against it or its properties or assets, except for taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to Borrower. Borrower shall be liable for any tax or penalties imposed on Lender as a result of the financing arrangements provided for herein and Borrower agrees to indemnify and hold Lender harmless with respect to the foregoing, and to repay to Lender on demand the amount thereof, and until paid by Borrower such amount shall be added and deemed part of the Loans, provided, that, nothing contained herein shall be construed to require Borrower to pay any income or franchise taxes attributable to the income of Lender from any amounts charged or paid hereunder to Lender. The foregoing indemnity shall survive the payment of the Obligations and the termination of this Agreement.

9.5 Insurance. Borrower shall at all times maintain with financially sound and reputable insurers insurance with respect to the Collateral against loss or damage and all other insurance of the kinds and in the amounts customarily insured against or carried by corporations of established reputation engaged in the same or similar businesses and similarly situated. Said policies of insurance shall be reasonably satisfactory to Lender as to form, amount and insurer. Borrower shall furnish certificates, policies or endorsements to Lender as Lender shall reasonably require as proof of such insurance, and, if Borrower fails to do so, Lender is authorized, but not required, to obtain such insurance at the expense of Borrower. All policies shall provide for at least thirty (30) days prior written notice to Lender of any cancellation or reduction of coverage and that Lender may act as attorney for Borrower in obtaining, and at any time an Event of Default exists or has occurred and is continuing, adjusting, settling, amending and canceling such insurance. Borrower shall cause Lender to be named as a loss payee and an additional insured (but without any liability for any premiums) under such insurance policies and Borrower shall obtain non-contributory lender's loss payable endorsements to all insurance policies in form and substance reasonably satisfactory to Lender. Such lender's loss payable endorsements shall specify that the proceeds of such insurance shall be payable to Lender as its interests may appear and further specify that Lender shall be paid regardless of any act or omission by Borrower.

9.6 Financial Statements and Other Information. Borrower shall keep proper books and records in which true and complete entries shall be made of all dealings or transactions of or in relation to the Collateral and the business of such Borrower in accordance with GAAP. Borrower shall promptly furnish to Lender all such financial and other information as Lender shall reasonably request relating to the Collateral and the assets, business and operations of

Borrower, and to notify the auditors and accountants of such Borrower that Lender is authorized to obtain such information directly from them. Without limiting the foregoing, Borrower shall furnish or cause to be furnished to Lender, within 40 days after the end of each calendar quarter, financial statements of Borrower (including in each case balance sheets, statements of income and loss, statements of cash flow, and statements of shareholders' equity), and the accompanying notes thereto, all in reasonable detail, fairly presenting in all material respects the financial position and the results of the operations of Borrower as of the end of and for such calendar quarter, prepared in accordance with GAAP, and present fairly in all material respects the results of operations and financial condition of Borrower as of the end of and for the quarter then ended.

9.7 Sale of Assets, Consolidation, Merger, Dissolution, Other Prohibited Activities.
Borrower shall not, directly or indirectly, without Lender's consent:

- (a) merge into or with or consolidate with any other Person or permit any other Person to merge into or with or consolidate with it;
- (b) sell, issue, assign, lease, license, transfer, abandon or otherwise dispose of any Capital Stock to any other Person or any of its assets to any other Person, except for sales of Inventory in the ordinary course of business. For the avoidance of doubt, Borrower may not transfer any License;
- (c) issue, deliver, sell, pledge or otherwise encumber or subject to any Lien (i) any shares of its capital stock, (ii) any other voting securities, (iii) any securities convertible into, or any rights, warrants or options to acquire, any such shares, voting securities or convertible securities or (iv) any "phantom" stock or stock rights, SARs or stock-based performance units;
- (d) amend its certificate of incorporation, bylaws or other comparable organizational documents;
- (e) make any loans, advances or capital contributions to, or investments in, any other Person, other than the Borrower;
- (f) make or agree to make any new capital expenditures other than those approved by Lender;
- (g) except with respect to directors and officers whose compensation may not be increased, (i) other than increases made in the ordinary course of business consistent with past practices, increase the compensation, bonus or other benefits of any current or former consultant, independent contractor or employee, (ii) grant any Person any increase in severance or termination pay, or (iii) pay any benefit or amount not required by an agreement, plan, or arrangement as in effect on the date of this Agreement to any such person;
- (h) sell, lease, license, encumber or dispose of any Real Estate;
- (i) enter into any line of business other than the Business; or
- (j) terminate or breach the Management Agreement.

9.8 Encumbrances. Borrower shall not create, incur, assume or suffer to exist any security interest, mortgage, pledge, lien, charge or other encumbrance of any nature whatsoever on any of its assets or properties, including the Collateral, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any security interest or lien with respect to any such assets or properties, except:

- (a) the security interests and liens of Lender;
- (b) any interest in real property assigned by Borrower for dispensary, cultivation or processing use, and as contemplated by "Section B. Proposed Location(s)" of any Siting Profile, so called, submitted by Borrower to the Massachusetts Department of Public Health;
- (c) liens securing the payment of taxes, assessments or other governmental charges or levies either not yet overdue or the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to Borrower may be and with respect to which adequate reserves have been set aside on its books;
- (d) non-consensual statutory liens (other than liens securing the payment of taxes) arising in the ordinary course of Borrower's business to the extent: (i) such liens secure Indebtedness which is not overdue or (ii) such liens secure Indebtedness relating to claims or liabilities which are fully insured and being defended at the sole cost and expense and at the sole risk of the insurer or being contested in good faith by appropriate proceedings diligently pursued and available to Borrower prior to the commencement of foreclosure or other similar proceedings and with respect to which adequate reserves have been set aside on its books;
- (e) zoning restrictions, easements, licenses, covenants and other restrictions affecting the use of Real Property which do not interfere in any material respect with the use of such Real Property or ordinary conduct of the business of Borrower's as presently conducted thereon or materially impair the value of the Real Property which may be subject thereto; or
- (f) judgments and other similar liens arising in connection with court proceedings that do not constitute an Event of Default, provided, that, (i) such liens are being contested in good faith and by appropriate proceedings diligently pursued, (ii) a stay of enforcement of any such liens is in effect.

9.9 Indebtedness. Borrower shall not incur, create, assume, become or be liable in any manner with respect to, or permit to exist, any Indebtedness, or guarantee, assume, endorse, or otherwise become responsible for (directly or indirectly), the Indebtedness, performance or obligations of any other Person.

9.10 Costs and Expenses. Borrower shall pay to Lender on demand all reasonable costs, expenses, filing fees and taxes paid or payable in connection with the preparation, negotiation, execution, delivery, recording, syndication, administration, collection, liquidation, enforcement and defense of the Obligations, Lender's rights in the Collateral, this Agreement, the other Financing Agreements and all other documents related hereto or thereto, including any amendments, supplements or consents which may hereafter be contemplated (whether or not executed) or entered into in respect hereof and thereof, including: (a) all costs and expenses of

filing or recording (including Uniform Commercial Code financing statement filing taxes and fees, documentary taxes, intangibles taxes and mortgage recording taxes and fees, if applicable); (b) costs and expenses of preserving and protecting the Collateral; (c) costs and expenses paid or incurred in connection with obtaining payment of the Obligations, enforcing the security interests and liens of Lender, selling or otherwise realizing upon the Collateral, and otherwise enforcing the provisions of this Agreement and the other Financing Agreements or defending any claims made or threatened against Lender arising out of the transactions contemplated hereby and thereby (including preparations for and consultations concerning any such matters); (d) all out-of-pocket expenses and costs heretofore and from time to time hereafter incurred by Lender during the course of periodic field examinations of the Collateral and Borrower's operations; and (e) the reasonable fees and disbursements of counsel (including legal assistants) to Lender in connection with any of the foregoing.

9.11 Limitations on Restricted Payments. Borrower will not directly or indirectly make, or set apart any sum for or to make (i) any dividend or other distribution, direct or indirect, on account of any Equity Interests of Borrower now or hereafter outstanding, (ii) any repurchase, redemption, retirement or similar payment, purchase or other acquisition for value, direct or indirect, of any Equity Interests of Borrower now or hereafter outstanding, (iii) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights for the purchase or acquisition of any Equity Interest of Borrower now or hereafter outstanding, or (iv) any return of capital to any holders of Equity Interests in Borrower, or any other distribution of property, assets, shares of Equity Interests as such (collectively, "Restricted Payments"), except for payments on the Loan. In addition, Borrower shall not pay compensation to Borrower's chief executive officer or members of his family aggregate annual compensation in excess of \$200,000 plus health benefits available to Borrower's employees generally.

9.12 Board of Directors. Borrower shall add one Person designated by Lender to Borrower's Board of Directors who shall serve for so long as any amount is outstanding hereunder or until the Term expires. Subject to approval by the Massachusetts Department of Public Health or the Cannabis Control Commission, as applicable, the Company's by-laws shall provide that certain major decisions cannot be made with the approval of such director.

9.13 Further Assurances. At the request of Lender at any time and from time to time, Borrower shall, at their expense, duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, and do or cause to be done such further acts as may be reasonably necessary or proper to evidence, perfect, maintain and enforce the security interests and the priority thereof in the Collateral and to otherwise effectuate the provisions or purposes of this Agreement or any of the other Financing Agreements. Lender may at any time and from time to time request a certificate from an officer of Borrower representing all conditions precedent to the making of Loans.

SECTION 10. EVENTS OF DEFAULT AND REMEDIES

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

(a) (i) Borrower fails to pay any of the Obligations when due or (ii) Borrower fails to perform any of the covenants contained in and such failure shall continue for ten (10) Business Days provide Lender shall have given Borrower written notice and a ten-day opportunity to cure such Event of Default;

(b) any representation, warranty or statement of fact made by Borrower in this Agreement is, or becomes, untrue in any material respect;

(c) any judgment (or arbitration award) for the payment of money is rendered against Borrower in excess of \$50,000 in any one case or in excess of \$100,000 in the aggregate (to the extent not covered by insurance where the insurer has assumed responsibility in writing for such judgment) and shall remain undischarged or unvacated for a period in excess of thirty (30) days or execution shall at any time not be effectively stayed, or any judgment other than for the payment of money, or injunction, attachment, garnishment or execution is rendered against Borrower or any of the Collateral having a value in excess of \$150,000;

(d) Borrower makes an assignment for the benefit of creditors, makes or sends notice of a bulk transfer or calls a meeting of its creditors or principal creditors in connection with a moratorium or adjustment of the Indebtedness due to them;

(e) a case or proceeding under the bankruptcy laws of the United States of America now or hereafter in effect or under any insolvency, reorganization, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at law or in equity) is filed against Borrower or all or any part of its properties and such petition or application is not dismissed within sixty (60) days after the date of its filing or Borrower shall file any answer admitting or not contesting such petition or application or indicates its consent to, acquiescence in or approval of, any such action or proceeding or the relief requested is granted sooner;

(f) a case or proceeding under the bankruptcy laws of the United States of America now or hereafter in effect or under any insolvency, reorganization, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at a law or equity) is filed by Borrower; or

(g) any License is terminated and a substitute License is not obtained within 30 days of such termination.

10.2 Remedies.

(a) At any time an Event of Default exists or has occurred and is continuing, Lender shall have all rights and remedies provided in this Agreement, the UCC and other applicable law, all of which rights and remedies may be exercised without notice to or consent by Borrower, except as such notice or consent is expressly provided for hereunder or required by applicable law. All rights, remedies and powers granted to Lender hereunder, the UCC or other applicable law, are cumulative, not exclusive and enforceable, in Lender's discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by Borrower of this Agreement or any of the other Financing Agreements.

Lender may, at any time or times, proceed directly against Borrower to collect the Obligations without prior recourse to the Collateral.

(b) Without limiting the foregoing, at any time an Event of Default exists or has occurred and is continuing, Lender may, in its discretion, (i) accelerate the payment of all Obligations and demand immediate payment thereof to Lender, (provided, that, upon the occurrence of any Event of Default described in Sections 10.1(g) and 10.1(h), all Obligations shall automatically become immediately due and payable), (ii) with or without judicial process or the aid or assistance of others, enter upon any premises on or in which any of the Collateral may be located and take possession of the Collateral or complete processing, manufacturing and repair of all or any portion of the Collateral, (iii) require Borrower, at Borrower's expense, to assemble and make available to Lender any part or all of the Collateral at any place and time designated by Lender, (iv) collect, foreclose, receive, appropriate, setoff and realize upon any and all Collateral, (v) remove any or all of the Collateral from any premises on or in which the same may be located for the purpose of effecting the sale, foreclosure or other disposition thereof or for any other purpose, (vi) sell, lease, transfer, assign, deliver or otherwise dispose of any and all Collateral (including entering into contracts with respect thereto, public or private sales at any exchange, broker's board, at any office of Lender or elsewhere) at such prices or terms as Lender may deem reasonable, for cash, upon credit or for future delivery, with the Lender having the right to purchase the whole or any part of the Collateral at any such public sale, all of the foregoing being free from any right or equity of redemption of Borrower, which right or equity of redemption is hereby expressly waived and released by Borrower and/or (vii) terminate this Agreement. If any of the Collateral is sold or leased by Lender upon credit terms or for future delivery, the Obligations shall not be reduced as a result thereof until payment therefor is finally collected by Lender. If notice of disposition of Collateral is required by law, ten (10) days prior notice by Lender to Borrower designating the time and place of any public sale or the time after which any private sale or other intended disposition of Collateral is to be made, shall be deemed to be reasonable notice thereof and Borrower waive any other notice. In the event Lender institutes an action to recover any Collateral or seeks recovery of any Collateral by way of prejudgment remedy, Borrower waive the posting of any bond which might otherwise be required.

(c) At any time or times that an Event of Default exists or has occurred and is continuing, Lender may, in its discretion, enforce the rights of Borrower against any account debtor, secondary obligor or other obligor in respect of any of the Accounts or other Receivables. Without limiting the generality of the foregoing, Lender may, in its discretion, at such time or times (i) notify any or all account debtors, secondary obligors or other obligors in respect thereof that the Receivables have been assigned to Lender and that Lender has a security interest therein and Lender may direct any or all account debtors, secondary obligors and other obligors to make payment of Receivables directly to Lender, (ii) extend the time of payment of, compromise, settle or adjust for cash, credit, return of merchandise or otherwise, and upon any terms or conditions, any and all Receivables or other obligations included in the Collateral and thereby discharge or release the account debtor or any secondary obligors or other obligors in respect thereof without affecting any of the Obligations, (iii) demand, collect or enforce payment of any Receivables or such other obligations, but without any duty to do so, and Lender shall not be liable for any failure to collect or enforce the payment thereof nor for the negligence of its agents or attorneys with respect thereto and (iv) take whatever other action Lender may deem

reasonably necessary or desirable for the protection of its interests. At any time that an Event of Default exists or has occurred and is continuing, at Lender's request, all invoices and statements sent to any account debtor shall state that the Accounts and such other obligations have been assigned to Lender and are payable directly and only to Lender and Borrower shall deliver to Lender such originals of documents evidencing the sale and delivery of goods or the performance of services giving rise to any Accounts as Lender may require. In the event any account debtor returns Inventory when an Event of Default exists or has occurred and is continuing, Borrower shall, upon Lender's request, hold the returned Inventory in trust for Lender, segregate all returned Inventory from all of its other property, dispose of the returned Inventory solely according to Lender's instructions, and not issue any credits, discounts or allowances with respect thereto without Lender's prior written consent.

(d) For the purpose of enabling Lender to exercise the rights and remedies hereunder, Borrower each hereby grant to Lender, to the extent assignable, an irrevocable, non-exclusive license (exercisable at any time an Event of Default shall exist or have occurred and for so long as the same is continuing) without payment of royalty or other compensation to Borrower, to use, assign, license or sublicense any of the trademarks, service-marks, trade names, business names, trade styles, designs, logos and other source of business identifiers and other Intellectual Property and general intangibles now owned or hereafter acquired by Borrower, wherever the same maybe located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

(e) At any time an Event of Default exists or has occurred and is continuing, Lender may apply the cash proceeds of Collateral actually received by Lender from any sale, lease, foreclosure or other disposition of the Collateral to payment of the Obligations, in whole or in part and in accordance with the terms hereof, whether or not then due or may hold such proceeds as cash collateral for the Obligations. Borrower shall remain liable to Lender for the payment of any deficiency with interest at the highest rate provided for herein and all reasonable costs and expenses of collection or enforcement, including reasonable attorneys' fees and expenses.

(f) Notwithstanding any provision of this Section 10 to the contrary, Lender shall have no lien upon or right of entry, possession or sale, either set forth expressly in this Agreement or arising as a matter of law, with respect to any marijuana, marijuana plant, marijuana flower, edible marijuana-infused product, marijuana extract or any other marijuana product or by-product. Lender hereby agrees and acknowledges that any such marijuana located on or within any facility owned or operated by Borrower shall be controlled in accordance with 105 CMR 725.000 et seq., and if provided by law, under the supervision of the Massachusetts Department of Public Health.

SECTION 11. JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW

11.1 Governing Law; Choice of Forum; Service of Process; Jury Trial Waiver.

(a) The validity, interpretation and enforcement of this Agreement and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the Commonwealth of Massachusetts but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the Commonwealth of Massachusetts.

(b) Borrower and Lender irrevocably consent and submit to the exclusive venue and jurisdiction of the courts of the Commonwealth of Massachusetts with respect to any action instituted therein arising under this Agreement or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Agreement or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Lender shall have the right to bring any action or proceeding against Borrower or its or their property in the courts of any other jurisdiction which Lender deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Borrower or its or their property).

(c) Borrower hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Lender's option, by service upon Borrower in any other manner provided under the rules of any such courts.

(d) BORROWER AND LENDER EACH HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. BORROWER AND LENDER HEREBY AGREE AND CONSENT THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT BORROWER OR LENDER MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Lender shall not have any liability to Borrower (whether in tort, contract, equity or otherwise) for losses suffered by Borrower in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Lender, that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. Borrower: (i) certifies that neither Lender nor any representative, agent or attorney acting for or on behalf of Lender has represented, expressly or otherwise, that Lender would not, in the event of litigation, seek to

enforce any of the waivers provided for in this Agreement and (ii) acknowledges that in entering into this Agreement, Lender is relying upon, among other things, the waivers and certifications set forth in this Section 11.1 and elsewhere herein and therein.

11.2 Waiver of Notices. Borrower hereby expressly waived demand, presentment, protest and notice of protest and notice of dishonor with respect to any and all instruments and chattel paper, included in or evidencing any of the Obligations or the Collateral, and any and all other demands and notices of any kind or nature whatsoever with respect to the Obligations, the Collateral and this Agreement, except such as are expressly provided for herein. No notice to or demand on Borrower which Lender may elect to give shall entitle Borrower to any other or further notice or demand in the same, similar or other circumstances.

11.3 Amendments and Waivers. Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Lender, and as to amendments, as also signed by an authorized officer of Borrower. Lender shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

11.4 Waiver of Counterclaims. Borrower waives all rights to interpose any claims, deductions, setoffs or counterclaims of any nature (other than compulsory counterclaims) in any action or proceeding with respect to this Agreement, the Obligations, the Collateral or any matter arising therefrom or relating hereto or thereto. Any claims which are not compulsory counterclaims may be asserted, if at all, only in an independent and separate action and subject in each case to the provisions of Section 11.1 hereof in all respects.

11.5 Indemnification. Borrower shall indemnify and hold Lender, and its officers, directors, agents, employees, advisors and counsel and their respective Affiliates (each such person being an "Indemnitee"), harmless from and against any and all losses, claims, damages, liabilities, costs or expenses (including attorneys' fees and expenses) imposed on, incurred by or asserted against any of them in connection with any litigation, investigation, claim or proceeding commenced or threatened related to the negotiation, preparation, execution, delivery, enforcement, performance or administration of this Agreement, any other Financing Agreements, or any undertaking or proceeding related to any of the transactions contemplated hereby or any act, omission, event or transaction related or attendant thereto, including amounts paid in settlement, court costs, and the fees and expenses of counsel except that Borrower shall not have any obligation under this Section 11.5 to indemnify an Indemnitee with respect to a matter covered hereby resulting from the gross negligence or willful misconduct of such Indemnitee as determined pursuant to a final, non-appealable order of a court of competent jurisdiction (but without limiting the obligations of Borrower as to any other Indemnitee). To the extent that the undertaking to indemnify, pay and hold harmless set forth in this Section may be unenforceable because it violates any law or public policy, Borrower shall pay the maximum portion which it is permitted to pay under applicable law to Lender in satisfaction of indemnified matters under this

Section. To the extent permitted by applicable law, Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any of the other Financing Agreements or any undertaking or transaction contemplated hereby. No Indemnitee referred to above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or any of the other Financing Agreements or the transaction contemplated hereby or thereby. All amounts due under this Section shall be payable upon demand. The foregoing indemnity shall survive the payment of the Obligations and the termination or non-renewal of this Agreement. Notwithstanding the foregoing, the indemnity described in this Section 11.5 shall not apply to losses, claims, damages, liabilities, costs or expenses arising from the federal enforcement of federal law pertaining to the possession, manufacture or sale of marijuana, including but not limited to the Controlled Substances Act of 1970, as amended (Title 21 U.S.C., Chapter 13 § 801 et. seq.), except with respect to such enforcement relating to acts that are in violation of the laws of the Commonwealth of Massachusetts.

SECTION 12. TERM OF AGREEMENT; MISCELLANEOUS

12.1 Term.

(a) This Agreement shall become effective as of the date set forth on the first page hereof and shall continue in full force and effect for a term ending on the Fifth Anniversary thereof (the “Maturity Date”), unless sooner terminated pursuant to the terms hereof. Borrower may terminate this Agreement at any time upon ten (10) days prior written notice to Lender (which notice shall be irrevocable) and Lender may, at its option, terminate this Agreement at any time upon the occurrence and during the continuance of an Event of Default. Upon the Maturity Date, Borrower shall pay to Lender all outstanding and unpaid Obligations.

(b) No termination of this Agreement shall relieve or discharge Borrower of its respective duties, obligations and covenants under this Agreement until all Obligations have been fully and finally discharged and paid, and Lender’s continuing security interest in the Collateral and the rights and remedies of Lender hereunder and applicable law, shall remain in effect until all such Obligations have been fully and finally discharged and paid. Accordingly, Borrower waives any rights it may have under the UCC to demand the filing of termination statements with respect to the Collateral and Lender shall not be required to send such termination statements to Borrower, or to file them with any filing office, unless and until this Agreement shall have been terminated in accordance with its terms and all Obligations paid and satisfied in full in immediately available funds.

12.2 Interpretative Provisions.

(a) All terms used herein which are defined in Article 1, Article 8 or Article 9 of the UCC shall have the meanings given therein unless otherwise defined in this Agreement.

(b) All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires.

(c) All references to Borrower and Lender pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns.

(d) The words “hereof”, “herein”, “hereunder”, “this Agreement” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(e) The word “including” when used in this Agreement shall mean “including, without limitation” and the word “will” when used in this Agreement shall be construed to have the same meaning and effect as the word “shall”.

(f) An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 11.3 or is cured in a manner reasonably satisfactory to Lender, if such Event of Default is capable of being cured as determined by Lender.

(g) All references to the term “good faith” used herein when applicable to Lender shall mean, notwithstanding anything to the contrary contained herein or in the UCC, honesty in fact in the conduct or transaction concerned. All references to the term “reasonable” or “reasonably” as applied to any conduct or determination by Lender shall be based on how an asset based lender with similar rights providing a credit facility of the type set forth herein would act in similar circumstances at the time with the information available to it.

(h) Any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given in accordance with GAAP, and all financial computations hereunder shall be computed unless otherwise specifically provided herein, in accordance with GAAP as consistently applied and using the same method for inventory valuation as used in the preparation of the financial statements of Parent most recently received by Lender prior to the date hereof. Notwithstanding anything to the contrary contained in GAAP or any interpretations or other pronouncements by the Financial Accounting Standards Board or otherwise, the term “unqualified opinion” as used herein to refer to opinions or reports provided by accountants shall mean an opinion or report that is unqualified and also does not include any explanation, supplemental comment or other comment concerning the ability of the applicable person to continue as a going concern or the scope of the audit.

(i) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”, the words “to” and “until” each mean “to but excluding” and the word “through” means “to and including”.

(j) Unless otherwise expressly provided herein, (i) references herein to any agreement, document or instrument shall be deemed to include all subsequent amendments, modifications, supplements, extensions, renewals, restatements or replacements with respect thereto, but only to the extent the same are not prohibited by the terms hereof or of any other

Financing Agreement, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, recodifying, supplementing or interpreting the statute or regulation.

(k) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(l) This Agreement may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

(m) This Agreement and the other Financing Agreements are the result of negotiations among and have been reviewed by counsel to Lender and the other parties, and are the products of all parties. Accordingly, this Agreement and the other Financing Agreements shall not be construed against Lender merely because of Lender's involvement in their preparation.

12.3 Notices.

(a) All notices, requests and demands hereunder shall be in writing and deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next Business Day, one (1) Business Day after sending; and if by certified mail, return receipt requested, five (5) days after mailing. Notices delivered through electronic communications shall be effective to the extent set forth in Section 12.3(b) below. All notices, requests and demands upon the parties are to be given to the following addresses (or to such other address as any party may designate by notice in accordance with this Section):

If to Borrower: Ermont, Inc.
216 Ricciuti Drive
Quincy, MA 02169
Attn: John Gates

With a copy to: R.J. Lyman
P.O. Box 960292
Boston, MA 02196
617-688-1987
rjlyman@icloud.com

If to Lender: SH Finance Company, LLC
Attn: Robert P. Leidy
515 N. Flagler Drive, Suite 1700
West Palm Beach, FL 33401
561-779-3260
rleidy@shthera.com

with a copy to: Robert W. Forman
Forman & Shapiro LLP
1345 Avenue of the Americas, 11th Floor
New York, NY 10105
(212) 515-8040
forman@formanshapiro.com

(b) Notices and other communications to Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by Lender or as otherwise determined by Lender. Lender or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided, that, approval of such procedures may be limited to particular notices or communications. Unless Lender otherwise requires, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided, that, if such notice or other communication is not given during the normal business hours of the recipient, such notice shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communications is available and identifying the website address therefor.

12.4 Partial Invalidity. If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

12.5 Successors. This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon and inure to the benefit of and be enforceable by Lender and Borrower and their respective successors and assigns, except that Borrower may not assign their rights under this Agreement, the other Financing Agreements and any other document referred to herein or therein without the prior written consent of Lender. Any such purported assignment without such express prior written consent shall be void. Lender may, after notice to Borrower, assign its rights and delegate its obligations under this Agreement and the other Financing Agreements and further may assign, or sell participations in, all or any part of the Loan on terms and conditions reasonably acceptable to Lender.

12.6 Entire Agreement. This Agreement, the other Financing Agreements, any supplements hereto or thereto, and any instruments or documents delivered or to be delivered in connection herewith or therewith represents the entire agreement and understanding concerning the subject matter hereof and thereof between the parties hereto, and supersede all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written. In the event of any inconsistency between the terms of this Agreement and any schedule or exhibit hereto, the terms of this Agreement shall govern.

12.7 Counterparts, Etc. This Agreement or any of the other Financing Agreements may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement or any of the other Financing Agreements by electronic method of transmission shall have the same force and effect as the delivery of an original executed counterpart of this Agreement or any of such other Financing Agreements. Any party delivering an executed counterpart of any such agreement by electronic method of transmission shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of such agreement.

12.8 Regulatory Compliance. The Parties agree and acknowledge that this Agreement and all agreements contemplated herein may be subject to regulatory review and approval by the Massachusetts Department of Public Health and the Cannabis Control Commission. Notwithstanding anything contained herein, the Parties agree that neither this Agreement nor any of the agreements contemplated herein are intended to (a) provide Lender, its officers, managers, or members with direct or indirect control of Borrower as construed by the Massachusetts Department of Public Health, (b) to establish Lender, its officers, managers, or members as a “controlling person” of Borrower as that term is defined in 935 CMR 500.000 *et seq*, (c) establish Lender, its officers, managers, or members as an entity to be in a position to control the decision-making of Borrower as defined in 935 CMR 500.000 *et seq*, or (d) otherwise contravene the provisions of 105 CMR 725.000 *et seq* or 935 CMR 500.00 *et seq*. The Parties agree that in the event that the Massachusetts Department of Public Health or the Cannabis Control Commission determine that this Agreement or the Financing Agreements establish any of the unintended conditions described in the preceding sentence, or in the event that the Massachusetts Department of Public Health or the Cannabis Control Commission issue guidance reasonably indicating that such determination would be likely, the Parties shall amend such agreements accordingly, provided that the Parties shall work in good faith to maintain the original intent of the Parties.

IN WITNESS WHEREOF, Lender and Borrower have caused these presents to be duly executed as of the day and year first above written.

LENDER

SH FINANCE COMPANY, LLC

By: _____
Name: Alexander Coleman
Title: Manager

BORROWER

ERMONT, INC.

By: _____
Name: John Gates
Title: President

November 9, 2020

Eduardo Guardiola
Investigations Manager – Financial Investigations Team
Cannabis Control Commission
2 Washington Square
Worcester, MA 01604

RE: Commonwealth Alternative Care, Inc. – Request for Information

Dear Mr. Guardiola:

Please accept this correspondence on behalf of Commonwealth Alternative Care, Inc. relative to the Request for Information issued by the Cannabis Control Commission on November 6, 2020.

The Commission's notice requested, in relevant part, "any and all communications between TILT Holdings, Inc., its subsidiary, Commonwealth Alternative Care, and any other TILT Holdings, Inc. subsidiaries and the Executive Director of the Cannabis Control Commission [...] from the time period of 2017 – Current". No responsive records were identified.

Please be advised there may have been additional correspondence transmitted via past employees' personal devices, to which we do not have access. We reserve the right to supplement this request should additional responsive records be identified.

Should you seek additional information, please do not hesitate to contact me directly via email at adam@vicentesederberg.com.

Very truly yours,


Adam D. Fine, Esq.

ADF/rjr

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“**MOU**”) is made September ____, 2018 by and between Sea Hunter Therapeutics, LLC, a Delaware limited liability company (“**Sea Hunter**”) and Ermont, Inc. (“**Ermont**”). Sea Hunter and Ermont may be referred to in the MOU individually as a “**Party**” or collectively as the “**Parties**.”

RECITALS

WHEREAS, Sea Hunter is currently seeking to partner with entities that have obtained or will obtain licenses to operate adult-use marijuana cultivation, processing, and retailing businesses in the Commonwealth of Massachusetts (the “**Marijuana Establishments**”);

WHEREAS, Sea Hunter, through its wholly-owned subsidiary, Commonwealth Alternative Care, Inc. (“**CAC**”), produces final marijuana products for sale to Registered Qualifying Patients, in accordance with Chapter 369 of the Acts of 2012 and 105 CMR 725.000 *et. seq.*;

WHEREAS, Sea Hunter, through its wholly-owned subsidiary, SH Realty Holdings (“**SH Realty**”), seeks to acquire and owns real property in the Commonwealth of Massachusetts which may leased to Marijuana Establishments;

WHEREAS, Ermont intends to apply for licenses to operate adult-use marijuana retailing businesses in the Commonwealth of Massachusetts;

WHEREAS, Ermont desires the assistance of Sea Hunter and its subsidiaries in connection with (a) procuring marijuana and marijuana products in order to maintain a substantial stock of products for retail sales (the “**Marijuana Business**”), (b) leasing real property for its Marijuana Business, and (c) obtaining the necessary licenses required to operate Ermont’s Marijuana Business;

WHEREAS, Sea Hunter desires to loan to Ermont, and Ermont desires to borrow from Sea Hunter, capital sufficient to finance the buildout of the Marijuana Business and for general working capital purposes; and

WHEREAS, the Parties desire to enter into a mutually beneficial arrangement in connection with their respective business pursuits;

NOW THEREFORE, in consideration of the mutual promises contained in this MOU, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

AGREEMENT

1. Purpose. This MOU sets forth the basic terms of a business relationship between the Parties as to be further set forth in definitive agreements between the Parties effectuating the terms of this MOU (each, a “**Definitive Agreement**” and, collectively, the “**Definitive Agreements**”). This MOU is intended to be binding on the Parties in all respects, until terminated.

2. Obligations of the Parties.

- a. License Application/Site Selection/Compliance. Sea Hunter will provide operational support to assist the principals of Ermont with (i) Marijuana Establishment Application and License Fees unless waived for Social Equity Program or Economic Empowerment applicants (the “License Procurement Cost”), (ii) site selection and property acquisition costs and (iii) ongoing compliance and operating costs associated with maintaining a qualifying adult use retail license under 935 CMR 500.101 as directed by the Cannabis Control Commission.
- b. Secured Loan Facility. Sea Hunter, through its wholly owned subsidiary SH Finance, LLC (“**SH Finance**”), shall provide a secured loan facility for up to one million five hundred thousand UNITED STATES DOLLARS (\$1,500,000 USD) at fourteen percent (14%) interest per annum (the “**Loan**”), for which the loaned capital will be used for costs associated with obtaining all necessary licenses and permits, building-out the Marijuana Business, compensating employees and other operating costs as well as the purchase of real estate if necessary. Interest on the Loan will begin accruing from the date of disbursement. Ermont may, at its sole discretion (unless an event of default has occurred), request disbursement under the Loan and may prepay outstanding principal and interest on the Loan, without penalty, at any time. All outstanding principal and interest under the Loan will be due to SH Finance on the five (5) year anniversary of the execution of the Definitive Agreement governing the Loan (the “**Maturity Date**”), subject to extension options reasonably satisfactory to the Parties. Prior to the Maturity Date, while any interest and principal under the Loan remain outstanding, Ermont shall annually prepay to SH Finance an amount equal to seventy percent (70%) of any excess cash flows as of the fiscal year end of Ermont (the “**Cash Flow Sweep**”), with reference to, among other things, Ermont’s annual EBITDA, tax payments and cash expenditures. Any amounts paid under such Cash Flow Sweep shall be credited against outstanding payments of principal and interest under the Loan. The Definitive Agreement governing the terms of the Loan shall have customary provisions relating to, among other things, events of default (which events of default shall also include any material breach of Supply and Services Agreement discussed in Sections 2(e) and 2(f) hereof), representations and warranties, and covenants prohibiting Ermont from incurring additional debt or issuing equity (subject to customary exceptions). The Loan Agreement shall also provide SH Finance with depositary control rights to Ermont’s account in the event of any default by Ermont.
- c. Reserved.
- d. Reserved.
- e. CAC Product. Sea Hunter shall effect the entry by CAC into a supply agreement with Ermont for Ermont to purchase at least eighty five-percent (85%) of its marijuana product inventory from CAC (the “**CAC Product**”). Ermont shall be

required to provide a monthly inventory report to CAC for CAC's review. To the extent that the inventory report indicates that products other than CAC Product were purchased in the preceding month in excess of 15% of Ermont's required inventory, Ermont shall provide to CAC a payment in addition to prior payments rendered for such monthly supply of CAC Product in an amount that, taken together with such prior payment, would equal eighty five percent (85%) of Ermont's inventory. The Definitive Agreement between CAC and Ermont relating to the supply of CAC Product shall be negotiated on an arms-length basis. The CAC Product supplied to Ermont shall be purchased by Ermont at the fair market value, as determined by the average of analogous wholesale product prices and with reference to private wholesale contracts and publicly available information for the thirty (30) day period preceding pricing. Such Definitive Agreement shall have customary provisions relating to, among other things, term, duration, product quality standards, intellectual property and indemnification.

- f. Support & Services. In exchange for key services provided to Ermont by CAC, there shall be a Stock Keeping Unit (SKU) fee equal to \$3.00 per every marijuana product unit sold at Ermont's retail establishment. Such terms shall be contained in a Supply & Services Agreement. Any services which require additional costs will be selected at the sole discretion of Ermont, as outlined in 2(h) of this MOU. For the avoidance of doubt, Ermont has the right, but not the obligation, to utilize all branding currently used by Sea Hunter, for store names, buildouts and store formats, uniforms and merchandising at no additional cost.
- g. Right of First Refusal. Should Ermont, at any time, receive a bona fide offer (the "**Offer**") to sell an equity interest in Ermont which would constitute a change of control, whether in a single transaction or a series of transactions, Sea Hunter shall have a right of first refusal ("**ROFR**"), on a continuous basis, exercisable in its sole discretion, to purchase at a price with similar terms and conditions of the Offer, all of the outstanding equity of Ermont. This ROFR is only exercisable at such time that the Marijuana Regulations are revised to remove the Ownership Limits and otherwise in conformity with applicable law and regulatory approval. For purposes of this MOU, "**Marijuana Regulations**" means 935 CMR 500.050. For purposes of this MOU, "**Ownership Limit**" means the limitation, pursuant to the Marijuana Regulations, for licensed holders to hold no more than three (3) licenses for each of Marijuana cultivation, manufacturing, distribution, testing and retail (including controlling interests in such licenses).
- h. Other Arrangements. In its sole discretion, Ermont may elect to engage Sea Hunter or its designated subsidiaries to provide specific support services to Ermont at its retail establishment including, without limitation, the provision of a kiosk and related software solutions at such establishment. If Ermont elects to utilize such services, it will enter into a consulting agreement with Sea Hunter or an entity designated by Sea Hunter ("**Consultant**") for any such services, for (i) if a 3rd party service, at cost, or (ii) if a service of Sea Hunter, at the cost of Consultant's services, as determined by the standard hourly rate of Consultant's employees engaged in

performance of the services, multiplied by the hours worked on any Ermont matters, with such costs to be billed out to and paid by Ermont on a monthly basis, plus 20%.

3. Further Assurances. The Parties shall procure, deliver and execute any Definitive Agreements reasonably necessary to achieve the purposes of this MOU.
4. Limitations. Nothing in this MOU shall be construed to create any exclusivity obligations for either Party. Nothing in this MOU shall be construed to create a contractual relationship between the Parties beyond the express purpose stated in this MOU.
5. Term. This MOU shall be in effect until the execution of the Definitive Agreements. Notwithstanding the foregoing, in the event that any state or local permit or license for the siting of the Marijuana Establishments is denied by the applicable state or local licensing or permitting authority and (a) such denial is upheld by a final, non-appealable ruling or (b) any potential appeal is otherwise abandoned by mutual agreement of the Parties, then this MOU shall terminate unless otherwise agreed to in writing by the Parties.
6. Good Faith. The Parties shall work in good faith to prepare and enter into the Definitive Agreements within sixty (60) days of the execution of this MOU, which period may be extended by mutual agreement of the Parties.
7. Regulatory Review. The Parties agree that the terms of this MOU and the Definitive Agreements shall comply with all applicable state and local regulations applicable to the Parties' respective operations. In the event that any term of this MOU or any of the Definitive Agreements is determined to be in conflict with applicable regulations, the Parties shall work in good faith to reform this MOU and the Definitive Agreements to comply with applicable regulations, provided that any such reformation shall maintain the original intent of the Parties to the extent permissible.
8. Relationship of Parties. Nothing contained in this MOU shall be construed as constituting either Party as the franchisor, franchisee, partner, broker, joint-venture or agent of the other. Each Party is an independent contractor and neither has nor shall have any power, right or authorization to bind the other or to assume or create any obligations or responsibilities, express or implied, on behalf of the other or in the other's name. Nothing contained in this MOU shall be construed as granting status to either Party as being a controlling person of the other Party, nor shall anything in this MOU be construed as granting either Party a position to control the decision-making of the other Party, both in accordance with the Marijuana Regulations.
9. Confidentiality. The Parties agree that the information set forth herein, as well as any information shared between the Parties in connection with this MOU and the preparation of the Definitive Agreements, is intended to be private and confidential between the Parties and shall not be disclosed to third parties without the written consent of the other Party;

provided, however, that the terms of this MOU may be disclosed in confidence to regulatory authorities and legal counsel for purposes incidental to this MOU. The provisions of this paragraph shall survive the termination of this MOU.

10. Equitable Relief; Indemnity. The Parties agree that, in the event that Ermont breaches or threatens to breach the obligations set forth in Paragraphs 8 and 9, monetary damages may be an inadequate remedy. Therefore, in the event of a breach or threatened breach by Ermont or its agents of such provisions, Sea Hunter shall be entitled to seek injunctive or other equitable relief against such breach to enforce the provisions of this MOU. The equitable remedies afforded to Sea Hunter by this paragraph shall be in addition to any and all other remedies at law available to Sea Hunter for any violation, breach or threatened breach of this MOU. Ermont agrees: (i) to waive, and to cause its representatives to waive, any bond requirement in connection with such remedy; and (ii) to indemnify, defend, and hold Sea Hunter harmless from any and all actions, claims, lawsuits, losses, damages, costs, fines, fees (including without limitation attorney's fees), and other expenses arising from any breach of this MOU. In connection with this indemnification and defense obligation, Sea Hunter shall be entitled to select and engage legal counsel of its choosing.
11. Governing Law. This MOU shall be governed and interpreted exclusively under the laws of the Commonwealth of Massachusetts notwithstanding any conflicts or choice of laws principles.
12. Severability. If any provision of this MOU is held by a court or government agency of competent jurisdiction to be illegal, invalid or otherwise incapable of being enforced, the remaining provisions of this MOU shall remain in full force and effect.
13. Modification. This MOU may be modified only by written agreement signed by both Parties.
14. Notice. Any notices provided pursuant to this MOU shall be made to each Party at the respective email addresses listed in the signature block of this MOU.
15. Counterparts. This MOU may be executed in any number of counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

By signing this MOU each Party acknowledges that it has read, understands and intends to be bound by the terms of this MOU. Each Party has consulted with, or has had ample time and elected not to consult with, independent counsel regarding the terms of this MOU.

[Signature page follows]

Sea Hunter Therapeutics, LLC

Signature

Printed Name

Title

Email Address

Ermont, Inc.

Signature

Printed Name

Title

Email Address

October 30, 2020

Via Electronic Mail

Timothy Conder
Director
Commonwealth Alternative Care
Tim@myblackbird.com

RE: Request for Information- Commonwealth Alternative Care, TILT Holdings, Inc.

Dear Mr. Conder:

In accordance with M.G.L. c.94G § 4(a)(xx) and 935 CMR 501.302, the Commission requests response to the following information within five (5) business days:

Document Request:

1. Any and all communications between TILT Holdings, Inc., its subsidiary, Commonwealth Alternative Care, and any other TILT Holdings, Inc. subsidiaries and the Commissioners and Director of Investigations of the Cannabis Control Commission.
 - a. Communications from the time period of 2018 – Current.

Within five (5) business days of this notice, please submit the requested as a consolidated PDF file to Licensing@CCCMass.com. Please cc Eduardo.Guardiola@CCCMass.com, Financial Investigations Manager, and Nomxolisi.Khumalo@CCCmass.com, Director of Investigations.

If you do not have any of the corresponding documentation, please notate that in the response.

Failure to cooperate with an inspection or otherwise comply with a request for information or any internal investigation shall constitute a violation of 935 CMR 501.301 and may result in an administrative enforcement action against the Licensee.

Sincerely,

Eduardo Guardiola
Investigations Manager
Financial Investigations Team

cc: Yaw Gyebi, Jr., Chief of Investigations and Enforcement
Rebecca Lopez, Acting Enforcement Counsel



Nomxolisi Khumalo, Director of Investigations
Kyle Potvin, Director of Licensing



AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING

This Amended and Restated Memorandum of Understanding (“**MOU**”) is made December 17, 2018 by and between Sea Hunter Therapeutics, LLC, a Delaware limited liability company (“**Sea Hunter**”) and Ermont, Inc. (“**Ermont**”). Sea Hunter and Ermont may be referred to in the MOU individually as a “**Party**” or collectively as the “**Parties**.”

RECITALS

WHEREAS, Sea Hunter is currently seeking to enter into commercial arrangements with entities that have obtained or will obtain licenses to operate medical and adult-use marijuana cultivation, processing, and retailing businesses in the Commonwealth of Massachusetts (the “**Marijuana Establishments**”)¹;

WHEREAS, Ermont holds a Final Certificate of Registration to operate a Registered Marijuana Dispensary in Quincy, Massachusetts, which includes a cultivation, processing, and retail facility;

WHEREAS, Ermont intends to apply for adult-use Marijuana Establishment licenses in the Commonwealth of Massachusetts and desires financial and operational assistance in the pursuit and operation of the same;

WHEREAS, on May 31, 2018, Sea Hunter purchased from certain creditors of Ermont notes representing Eight Million Eight Hundred and Four Thousand Seven Hundred and Fifty Seven Dollars and Eighty Four Cents (\$8,804,757.84) (collectively, the “**Loan**”) of outstanding principal and interest owed by Ermont to such creditors;

WHEREAS, as of the date hereof, there is currently [REDACTED] (\$[REDACTED])² outstanding to Sea Hunter under the Loan;

WHEREAS, on May 31, 2018, Zolly, LLC assigned to a wholly-subsidiary of Sea Hunter, Cultivo, LLC, all of Zolly, LLC’s rights, title, interest in, and obligations under, that Services Agreement between Zolly, LLC and Ermont dated as of December 20, 2015 (the “**Services Agreement**”);

WHEREAS, on May 31, 2018, Zolly, LLC assigned to Cultivo, LLC all of Zolly, LLC’s rights, title, and interest in those intellectual property rights held by Zolly, LLC pursuant to that Consulting Agreement between Zolly, LLC and Adam Gendreau and G&G Box Builders, LLC, dated October 13, 2015, which intellectual property rights relate to the provision of services under the Services Agreement;

WHEREAS, on [REDACTED]³ Ermont and Commonwealth Alternative Care, Inc. (“**CAC**”), a wholly-owned subsidiary of Sea Hunter, entered into a mutual supply agreement, whereby Ermont

¹ For avoidance of doubt, the term “Marijuana Establishment” as used herein means both medical and adult-use cannabis businesses, despite the fact that applicable adult-use regulations at 935 CMR 500.000 *et seq.* exclude medical cannabis businesses from the definition of such term.

² NTD: To update on date of execution

³ NTD: To confirm date of execution

is to provide CAC with cannabis flower trim and CAC is to provide Ermont with finished cannabis products;

WHEREAS, Sea Hunter, through CAC, produces final marijuana products for sale to Registered Qualifying Patients, in accordance with Chapter 369 of the Acts of 2012 and 105 CMR 725.000 *et. seq.*;

WHEREAS, Ermont intends to apply for licenses to operate adult-use marijuana retailing businesses in the Commonwealth of Massachusetts;

WHEREAS, Ermont desires the assistance of Sea Hunter and its subsidiaries in connection with (a) procuring marijuana and marijuana products in order to maintain a substantial stock of products for retail sales (the “**Marijuana Business**”) and (b) obtaining the necessary licenses required to operate Ermont’s Marijuana Business;

WHEREAS, the Parties desire to enter into a mutually beneficial arrangement in connection with their respective business pursuits;

WHEREAS, in or around September 2018, the Parties entered into a Memorandum of Understanding (the “**Initial MOU**”) containing the general terms of a business arrangement regarding the agreements, transactions, and relationships described above and certain amendments and modifications thereof;

WHEREAS, the Initial MOU has been held in escrow since its execution; and

WHEREAS, the Parties desire to amend and restate the Initial Mou;

NOW THEREFORE, in consideration of the mutual promises contained in this MOU, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

AGREEMENT

1. Purpose. This MOU sets forth the basic terms of a business relationship between the Parties as to be further set forth in definitive agreements between the Parties effectuating the terms of this MOU (each, a “**Definitive Agreement**” and, collectively, the “**Definitive Agreements**”). This MOU is intended to be binding on the Parties in all respects, until terminated.
2. Obligations of the Parties.
 - a. License Application/Site Selection/Compliance. Sea Hunter will provide operational support to assist the principals of Ermont with (i) Marijuana Establishment Application and License Fees for the adult use Marijuana Establishments unless waived for Social Equity Program or Economic Empowerment applicants (the “**License Procurement Cost**”), (ii) site selection and property acquisition costs and (iii) ongoing compliance and operating costs associated with maintaining a the requisite licenses to operate the Marijuana

Business under 935 CMR 500.101 as directed by the Cannabis Control Commission (the “**Operational Services**”).

- b. Secured Loan Facility. Sea Hunter, through its wholly owned subsidiary SH Finance, LLC (“**SH Finance**”), shall enter into an amended and restated loan and security agreement with Ermont (the “**Amended Loan Agreement**”) for the Loan on the terms set forth in this Section 2(b). Capital under the Loan will be used for costs associated with obtaining all necessary licenses and permits, building-out the Marijuana Business, compensating employees, including the Tax Payments (as defined in Section 1(c) below), and other operating costs as well as the purchase of real estate if necessary. Interest on the Loan will begin accruing from the date of disbursement. Ermont may, at its sole discretion (unless an event of default has occurred), request disbursement under the Loan and may prepay outstanding principal and interest on the Loan, without penalty, at any time. All outstanding principal and interest under the Loan will be due to SH Finance on the twenty (20) year anniversary of the execution of the Amended Loan Agreement (the “**Maturity Date**”), subject to extension options reasonably satisfactory to the Parties. Prior to the Maturity Date, while any interest and principal under the Loan remain outstanding, Ermont shall annually prepay to SH Finance an amount equal to seventy percent (70%) of any excess cash flows as of the fiscal year end of Ermont (the “**Cash Flow Sweep**”), with reference to, among other things, Ermont’s annual EBITDA, tax payments and cash expenditures. Any amounts paid under such Cash Flow Sweep shall be credited against outstanding payments of principal and interest under the Loan. The Definitive Agreement governing the terms of the Loan shall have customary provisions relating to, among other things, events of default (which events of default shall also include any material breach of Supply and Services Agreement discussed in Sections 2(e) and 2(f) hereof), representations and warranties, and covenants prohibiting Ermont from incurring additional debt or issuing equity (subject to customary exceptions). The Amended Loan Agreement shall also provide SH Finance with depositary control rights to Ermont’s account in the event of any default by Ermont.
- c. Tax Payments Upon Conversion. The Amended Loan Agreement shall provide that capital under the Loan may be used to cover any necessary tax obligations of John Gates, the sole stockholder of Ermont at such time that Ermont converts into a for-profit entity in accordance with St. 2017. Ch 55 § 72 and G.L.c. 156D (the “**Conversion**”), in connection with the Conversion (such tax obligations due by John Gates in connection with receipt of equity in Ermont upon Conversion, the “**Tax Payments**”).
- d. Lease. The Parties agree to effect the assumption by SH Realty Holdings, a wholly-owned subsidiary of Sea Hunter (“**SH Realty**”), of the current lease entered into between Ermont, as lessee, and ELDEB, LLC as lessor, which will result in SH Realty becoming the primary lessee under the lease. SH Realty shall then enter into a sublease, with SH Realty as sublessor and Ermont as sublessee, which lease shall provide for the following terms: (i) a term of [five (5) one-year terms, with an option

for one-year renewals thereafter upon mutual agreement of the Parties]; (ii) monthly lease payments due to SH Realty, which payments shall equal the monthly lease payments owed by SH Realty as primary lessee for such property plus (ii) 14% of such amount. The Definitive Agreement for such lease shall also have commercially reasonable terms relating to, among other things, lease payments, covenants, renegotiation of rental payments owed (including in the case of changes to applicable law that would lower the market rental rate of such real property), and termination provisions, to be determined with reference to lease terms customary for cannabis establishments engaged in similar business activities in the Commonwealth of Massachusetts for the thirty (30) day period immediately preceding the entry into such lease agreement.

- e. CAC Product. Sea Hunter shall effect the entry by CAC into a supply agreement with Ermont for Ermont to purchase at least eighty five-percent (85%) of its marijuana product inventory from CAC (the “**CAC Product**”) for each of Ermont’s medical and adult-use Marijuana Establishments. Ermont shall be required to provide a monthly inventory report to CAC for CAC’s review. To the extent that the inventory report indicating that products other than CAC Product were purchased in the preceding month in excess of 15% of Ermont’s required inventory, Ermont shall provide to CAC a payment in addition to prior payments rendered for such monthly supply of CAC Product in an amount that, taken together with such prior payment, would equal eighty five percent (85%) of Ermont’s inventory. The Definitive Agreement between CAC and Ermont relating to the supply of CAC Product shall be negotiated on an arms-length basis. The CAC Product supplied to Ermont shall be purchased by Ermont at the fair market value, as determined by the average of analogous wholesale product prices and with reference to private wholesale contracts and publicly available information for the thirty (30) day period preceding pricing. Such Definitive Agreement shall have customary provisions relating to, among other things, term, duration, product quality standards, intellectual property and indemnification.
- f. Support & Services. In exchange for Operational Services and as consideration for entry into the transactions contemplated by this Agreement, there shall be a Stock Keeping Unit (SKU) fee paid by Ermont to CAC equal to \$3.00 per every CAC marijuana product unit sold at any Ermont retail establishment. Such terms shall be contained in a Supply & Services Agreement.
- g. Right of First Refusal. Should Ermont, at any time, receive a bona fide offer (the “**Offer**”) to sell an equity interest in Ermont which would constitute a change of control, whether in a single transaction or a series of transactions, Sea Hunter shall have a right of first refusal (“**ROFR**”), on a continuous basis, exercisable in its sole discretion, to purchase at a price with similar terms and conditions of the Offer, all of the outstanding equity of Ermont. This ROFR is only exercisable at such time that the laws promulgated pursuant to Massachusetts Chapter 94G Section 16 are revised to remove the Ownership Limits and otherwise in conformity with applicable law and regulatory approval. For purposes of this MOU, “**Marijuana**

Regulations” means 935 CMR 500.050. For purposes of this MOU, **“Ownership Limit”** means the limitation, pursuant to the Marijuana Regulations, for licensed holders to hold no more than three (3) licenses for each of Marijuana cultivation, manufacturing, distribution, testing and retail (including controlling interests in such licenses).

- h. Consulting Agreement. Ermont will enter into a consulting agreement with Sea Hunter or an entity designated by Sea Hunter (**“Consultant”**) for services, including, without limitation, [human resources, technology, accounting, intellectual property and branding, product processing and industry expertise]⁴, for [(i) if a 3rd party service, at cost, or (ii) if a service of Sea Hunter, at the cost of Consultant’s services, as determined by the standard hourly rate of Consultant’s employees engaged in performance of the services, multiplied by the hours worked on any Ermont matters, with such costs to be billed out to and paid by Ermont on a monthly basis, plus 20%]⁵.
3. Further Assurances. The Parties shall procure, deliver and execute any Definitive Agreements reasonably necessary to achieve the purposes of this MOU.
4. Limitations. Nothing in this MOU shall be construed to create any exclusivity obligations for either Party. Nothing in this MOU shall be construed to create a contractual relationship between the Parties beyond the express purpose stated in this MOU.
5. Term. This MOU shall be in effect until the execution of the Definitive Agreements. Notwithstanding the foregoing, in the event that any state or local permit or license for the siting of the Marijuana Establishments is denied by the applicable state or local licensing or permitting authority and (a) such denial is upheld by a final, non-appealable ruling or (b) any potential appeal is otherwise abandoned by mutual agreement of the Parties, then this MOU shall terminate unless otherwise agreed to in writing by the Parties.
6. Good Faith. The Parties shall work in good faith to prepare and enter into the Definitive Agreements within sixty (60) days of the execution of this MOU, which period may be extended by mutual agreement of the Parties.
7. Regulatory Review. The Parties agree that the terms of this MOU and the Definitive Agreements shall comply with all applicable state and local regulations applicable to the Parties’ respective operations. In the event that any term of this MOU or any of the Definitive Agreements is determined to be in conflict with applicable regulations, the Parties shall work in good faith to reform this MOU and the Definitive Agreements to comply with applicable regulations, provided that any such reformation shall maintain the original intent of the Parties to the extent permissible.

⁴ Services to be confirmed/updated.

⁵ Payment terms to be confirmed/updated.

8. Relationship of Parties. Nothing contained in this MOU shall be construed as constituting either Party as the franchisor, franchisee, partner, broker, joint-venture or agent of the other. Each Party is an independent contractor and neither has nor shall have any power, right or authorization to bind the other or to assume or create any obligations or responsibilities, express or implied, on behalf of the other or in the other's name. Nothing contained in this MOU shall be construed as granting status to either Party as being a controlling person of the other Party, nor shall anything in this MOU be construed as granting either Party a position to control the decision-making of the other Party, both in accordance with the Marijuana Regulations.
9. Confidentiality. The Parties agree that the information set forth herein, as well as any information shared between the Parties in connection with this MOU and the preparation of the Definitive Agreements, is intended to be private and confidential between the Parties and shall not be disclosed to third parties without the written consent of the other Party; provided, however, that the terms of this MOU may be disclosed in confidence to regulatory authorities and legal counsel for purposes incidental to this MOU. The provisions of this paragraph shall survive the termination of this MOU.
10. Equitable Relief; Indemnity. The Parties agree that, in the event that Ermont breaches or threatens to breach the obligations set forth in Paragraphs 8 and 9, monetary damages may be an inadequate remedy. Therefore, in the event of a breach or threatened breach by Ermont or its agents of such provisions, Sea Hunter shall be entitled to seek injunctive or other equitable relief against such breach to enforce the provisions of this MOU. The equitable remedies afforded to Sea Hunter by this paragraph shall be in addition to any and all other remedies at law available to Sea Hunter for any violation, breach or threatened breach of this MOU. Ermont agrees: (i) to waive, and to cause its representatives to waive, any bond requirement in connection with such remedy; and (ii) to indemnify, defend, and hold Sea Hunter harmless from any and all actions, claims, lawsuits, losses, damages, costs, fines, fees (including without limitation attorney's fees), and other expenses arising from any breach of this MOU. In connection with this indemnification and defense obligation, Sea Hunter shall be entitled to select and engage legal counsel of its choosing.
11. Governing Law. This MOU shall be governed and interpreted exclusively under the laws of the Commonwealth of Massachusetts notwithstanding any conflicts or choice of laws principles.
12. Severability. If any provision of this MOU is held by a court or government agency of competent jurisdiction to be illegal, invalid or otherwise incapable of being enforced, the remaining provisions of this MOU shall remain in full force and effect.
13. Modification. This MOU may be modified only by written agreement signed by both Parties.

14. Notice. Any notices provided pursuant to this MOU shall be made to each Party at the respective email addresses listed in the signature block of this MOU.

15. Counterparts. This MOU may be executed in any number of counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

By signing this MOU each Party acknowledges that it has read, understands and intends to be bound by the terms of this MOU. Each Party has consulted with, or has had ample time and elected not to consult with, independent counsel regarding the terms of this MOU.

[Signature page follows]

Sea Hunter Therapeutics, LLC

Signature

Printed Name

Title

Email Address

Ermont, Inc.

Signature

Printed Name

Title

Email Address

November 6, 2020

Via Electronic Mail

Timothy Conder
Director
Commonwealth Alternative Care
Tim@myblackbird.com

RE: Request for Information- Commonwealth Alternative Care, TILT Holdings, Inc.

Dear Mr. Conder:

In accordance with M.G.L. c.94G § 4(a)(xx) and 935 CMR 501.302, the Commission requests response to the following information within five (5) business days:

Document Request:

1. Any and all communications between TILT Holdings, Inc., its subsidiary, Commonwealth Alternative Care, and any other TILT Holdings, Inc. subsidiaries and the Executive Director of the Cannabis Control Commission.
 - a. Communications from the time period of 2017 – Current.

Within five (5) business days of this notice, please submit the requested as a consolidated PDF file to Licensing@CCCMass.com. Please cc Eduardo.Guardiola@CCCMass.com, Financial Investigations Manager, and Nomxolisi.Khumalo@CCCmass.com, Director of Investigations.

If you do not have any of the corresponding documentation, please notate that in the response.

Failure to cooperate with an inspection or otherwise comply with a request for information or any internal investigation shall constitute a violation of 935 CMR 501.301 and may result in an administrative enforcement action against the Licensee.

Sincerely,

Eduardo Guardiola
Investigations Manager
Financial Investigations Team

cc: Yaw Gyebi, Jr., Chief of Investigations and Enforcement
Rebecca Lopez, Acting Enforcement Counsel



Nomxolisi Khumalo, Director of Investigations
Kyle Potvin, Director of Licensing





The Commonwealth of Massachusetts
William Francis Galvin

Minimum Fee: \$500.00

Secretary of the Commonwealth, Corporations Division
 One Ashburton Place, 17th floor
 Boston, MA 02108-1512
 Telephone: (617) 727-9640

Certificate of Organization

(General Laws, Chapter)

Identification Number: 001170567

1. The exact name of the limited liability company is: ZOLLY, LLC

2a. Location of its principal office:

No. and Street: 10 MILK STREET
SUITE 720

City or Town: BOSTON State: MA Zip: 02108 Country: USA

2b. Street address of the office in the Commonwealth at which the records will be maintained:

No. and Street: 10 MILK STREET
SUITE 720

City or Town: BOSTON State: MA Zip: 02108 Country: USA

3. The general character of business, and if the limited liability company is organized to render professional service, the service to be rendered:

TO PROVIDE PRODUCTS AND SERVICES TO NOT-FOR-PROFIT CORPORATIONS IN THE COMMONWEALTH OF MASSACHUSETTS FORMED UNDER M.G.L. CHAPTER 180.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: ZACHARY HARVEY
 No. and Street: 11 JEFFERSON STREET
UNIT 3

City or Town: BOSTON State: MA Zip: 02116 Country: USA

I, ZACHARY HARVEY resident agent of the above limited liability company, consent to my appointment as the resident agent of the above limited liability company pursuant to G. L. Chapter 156C Section 12.

6. The name and business address of each manager, if any:

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
MANAGER	ZACHARY HARVEY	10 MILK STREET BOSTON, MA 02108 USA

7. The name and business address of the person(s) in addition to the manager(s), authorized to execute documents to be filed with the Corporations Division, and at least one person shall be named if there are no managers.

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
SOC SIGNATORY	ZACHARY HARVEY	10 MILK STREET BOSTON, MA 02108 USA

8. The name and business address of the person(s) authorized to execute, acknowledge, deliver and record any recordable instrument purporting to affect an interest in real property:

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	ZACHARY HARVEY	10 MILK STREET BOSTON, MA 02108 USA

9. Additional matters:

PURSUANT TO M.G.L CHAPTER 156C SECTION 8(B), THIS CERTIFICATE OF ORGANIZATION E
LIMINATES THE PERSONAL LIABILITY OF ANY MEMBER OF THE LIMITED LIABILITY COMPA
NY FOR BREACH OF ANY DUTY TO THE LIMITED LIABILITY COMPANY OR TO ANOTHER ME
MBER OR MANAGER.

**SIGNED UNDER THE PENALTIES OF PERJURY, this 24 Day of April, 2015,
LESLEY SCOTT GORDON**

(The certificate must be signed by the person forming the LLC.)

THE COMMONWEALTH OF MASSACHUSETTS

I hereby certify that, upon examination of this document, duly submitted to me, it appears that the provisions of the General Laws relative to corporations have been complied with, and I hereby approve said articles; and the filing fee having been paid, said articles are deemed to have been filed with me on:

April 24, 2015 01:43 PM

A handwritten signature in black ink, reading "William Francis Galvin". The signature is written in a cursive style with a large, stylized 'G' at the end.

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth



The Commonwealth of Massachusetts
William Francis Galvin

Minimum Fee: \$100.00

Secretary of the Commonwealth, Corporations Division
One Ashburton Place, 17th floor
Boston, MA 02108-1512
Telephone: (617) 727-9640

Certificate of Cancellation

(General Laws, Chapter)

Identification Number: 001170567

1. The exact name of the Domestic Limited Liability Company (LLC) is: ZOLLY, LLC

2. The date of filing of the original certificate of organization: 4/24/2015

3. The reason for filing the certificate of cancellation:
BUSINESS OPERATIONS HAVE CEASED.

4. If the certificate of cancellation is to be effective at a later date, state the effective date:

5. Any additional information to be included therein:

SIGNED UNDER THE PENALTIES OF PERJURY, this 29 Day of November, 2018,
ZACHARY HARVEY , Signature of Applicant.

THE COMMONWEALTH OF MASSACHUSETTS

I hereby certify that, upon examination of this document, duly submitted to me, it appears that the provisions of the General Laws relative to corporations have been complied with, and I hereby approve said articles; and the filing fee having been paid, said articles are deemed to have been filed with me on:

November 29, 2018 11:55 AM

A handwritten signature in black ink, reading "William Francis Galvin". The signature is written in a cursive, flowing style with a large initial 'W' and 'G'.

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

LOAN AND SECURITY AGREEMENT

by and among

VERDANT MANAGEMENT GROUP, LLC

as Borrower

and

VERDANT MEDICAL, INC.

as Guarantor

and

VERDANT HOLDINGS, LLC

as Secured Lender

Dated: September 19, 2017

LOAN AND SECURITY AGREEMENT

This Loan and Security Agreement dated September 19, 2017 ("Effective Date"), is entered into by and among Verdant Holdings, LLC, a Florida limited liability company ("Lender") and Verdant Management Group, LLC, a Massachusetts limited liability company ("Borrower"), and Verdant Medical, Inc., a Massachusetts not-for-profit corporation ("Guarantor" and collectively with Borrower, "Loan Parties").

W I T N E S S E T H:

WHEREAS, Borrower and Guarantor have requested that Lender enter into financing arrangements with Borrower pursuant to which Lender shall make a secured loan available to Borrower of up to \$15 million, that will be used principally in connection with Borrower's services for Guarantor; and

WHEREAS, Lender is willing to agree to make such loans on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

For purposes of this Agreement, the following terms shall have the respective meanings given to them below:

1.1 "Accounts" shall mean, as to Borrower and Guarantor, all present and future rights of such Borrower and Guarantor to payment of a monetary obligation, whether or not earned by performance, which is not evidenced by chattel paper or an instrument, (a) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (b) for services rendered or to be rendered, (c) for a secondary obligation incurred or to be incurred, or (d) arising out of the use of a credit or charge card or information contained on or for use with the card.

1.2 "Affiliate" shall mean, with respect to a specified Person, any other Person which directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with such Person, and without limiting the generality of the foregoing, includes (a) any Person which beneficially owns or holds ten percent (10%) or more of any class of Voting Stock of such Person or other Capital Stock in such Person, (b) any Person of which such Person beneficially owns or holds ten percent (10%) or more of any class of Voting Stock or Capital Stock and (c) any director or executive officer of such Person. For the purposes of this definition, the term "control" (including with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by agreement or otherwise.

1.3 “Business” means any business which may include the growing, cultivating, dispensing, selling, marketing, transporting, storing, packaging or in any way handling the hemp plants cannabis sativa and cannabis indica, or any item or product, whether liquid, vapor, infusion, confection, or any solid or other tangible item containing the pharmacologically active ingredient tetra-hydro-cannabinol (THC) or cannabidiol (CBD) within the State of Massachusetts and the management thereof.

1.4 “Capital Expenditures” shall mean with respect to Borrower for any period the aggregate of all expenditures made during such period that in accordance with GAAP are or should be included in “property, plant and equipment” or in a similar fixed asset account on its balance sheet, which were made pursuant to a Budget approved by Lender.

1.5 “Capital Leases” shall mean, as applied to any Person, any lease of (or any agreement conveying the right to use) any property (whether real, personal or mixed) by such Person as lessee which in accordance with GAAP, is required to be reflected as a liability on the balance sheet of such Person.

1.6 “Capital Stock” shall mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of such Person’s capital stock or partnership, limited liability company or other equity interests at any time outstanding, and any and all rights, warrants or options exchangeable for or convertible into such capital stock or other interests (but excluding any debt security that is exchangeable for or convertible into such capital stock).

1.7 “Code” shall mean the Internal Revenue Code of 1986, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all rules, regulations and interpretations thereunder or related thereto.

1.8 “Collateral” shall have the meaning set forth in Section 5 hereof.

1.9 “Collateral Access Agreement” shall mean an agreement in writing, in form and substance reasonably satisfactory to Lender, from any lessor of premises to Borrower or Guarantor, or any other person to whom any Collateral is consigned or who has custody, control or possession of any such Collateral or is otherwise the owner or operator of any premises on which any of such Collateral is located, in favor of Lender with respect to the Collateral at such premises or otherwise in the custody, control or possession of such lessor, consignee or other person.

1.10 “Default” shall mean an act, condition or event which with notice or passage of time or both would constitute an Event of Default.

1.11 “Deposit Account Control Agreement” or “DACA” shall mean such agreements between the Loan Parties, each of their Depositories and Lender giving Lender access to and control of such Loan Parties’ deposit accounts in form and substance acceptable to Lender.

1.12 “DPH” shall mean the Massachusetts Department of Health or any successor regulatory with authority to issue Licenses to conduct the Business.

1.13 "DPH Disclosure" has the meaning set forth in Section 9.12.

1.14 "Equipment" shall mean, as to Borrower and Guarantor, all of such Borrower's and Guarantor's now owned and hereafter acquired equipment, wherever located, including machinery, data processing and computer equipment (whether owned or licensed and including embedded software), vehicles, tools, furniture, fixtures, all attachments, accessions and property now or hereafter affixed thereto or used in connection therewith, and substitutions and replacements thereof, wherever located.

1.15 "Financing Agreements" shall mean, collectively, this Agreement and all notes, guarantees, security agreements, deposit account control agreements, investment property control agreements, and all other agreements, documents and instruments now or at any time hereafter executed and/or delivered by Borrower or Guarantor in connection with this Agreement.

1.16 "Free Cash Flow" shall mean, as to each Loan Party, with respect to any period, an amount equal to (a) such Party's Net Income for such period determined in accordance with GAAP, plus (b) each of the following, in each case to the extent deducted in the calculation of such Net Income for such period: (i) depreciation and amortization for such period, all in accordance with GAAP, (ii) the Interest Expense of such Person for such period, and (iii) Federal, State and local income taxes for such period payable by Borrower's equity holders, less (c) approved Capital Expenditures.

1.17 "Governmental Authority" shall mean any nation or government, any state, province, or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

1.18 "Indebtedness" shall mean, with respect to any Person, any liability, whether or not contingent, (a) in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof) or evidenced by bonds, notes, debentures or similar instruments; (b) representing the balance deferred and unpaid of the purchase price of any property or services (other than an account payable to a trade creditor (whether or not an Affiliate) incurred in the ordinary course of business of such Person and payable in accordance with customary trade practices), (c) all obligations as lessee under leases which have been, or should be, in accordance with GAAP recorded as Capital Leases; (d) any contractual obligation, contingent or otherwise, of such Person to pay or be liable for the payment of any indebtedness described in this definition of another Person, including, without limitation, any such indebtedness, directly or indirectly guaranteed, or any agreement to purchase, repurchase, or otherwise acquire such indebtedness, obligation or liability or any security therefor, or to provide funds for the payment or discharge thereof, or to maintain solvency, assets, level of income, or other financial condition; (e) all obligations with respect to redeemable stock and redemption or repurchase obligations under any Capital Stock or other equity securities issued by such Person; (f) all reimbursement obligations and other liabilities of such Person with respect to surety bonds (whether bid, performance or otherwise), letters of credit, banker's acceptances, drafts or similar documents or instruments issued for such Person's account; (g) all indebtedness of such Person in respect of indebtedness of another Person for borrowed money or indebtedness of another Person otherwise described in this definition which